

TOWNSHIP OF CHESTERFIELD

RESOLUTION NO. 2015-12-5

RESOLUTION SUPPLEMENTING AND AMENDING RESOLUTION 2015-4-2, WHICH RESOLUTION OPPOSED THE “INSTALLATION OF THE ‘SOUTHERN RELIABILITY LINK’ NATURAL GAS PIPELINE ALONG COUNTY ROUTE 528 THROUGH CHESTERFIELD TOWNSHIP,” AND SPECIFICALLY, TO NOW OPPOSE THE PIPELINE LINE IN ITS ENTIRETY

WHEREAS, by Resolution 2015-4-2, adopted by the Township Committee of the Township of Chesterfield on April 9, 2015, the Township Committee set forth numerous reasons for its opposition to the “preferred route,” established by New Jersey Natural Gas (“NJNG”) for its Southern Reliability Link (“SRL”) Pipeline, beginning in Chesterfield Township, and running along County Route 528, to ultimately feed the southern portion of the utility’s service territory in Ocean, Monmouth, and a small portion of Burlington County; and

WHEREAS, at pages 7-8, paragraph 2 of said Resolution, the Township strongly opposed NJNG’s proposed preferred route, but did not, however, “oppose a pipeline that will ultimately assist the Joint Base,” meaning Joint Base Dix-McGuire-Lakehurst; and

WHEREAS, at the time said Resolution was adopted, Township officials had been informed by both NJNG, as well as Federal, State and County officials, that the pipeline was needed by Joint Base Dix-McGuire-Lakehurst (“JBDML”) to ensure energy redundancy at the base during times of energy shortages, such as that experienced during Superstorm Sandy in October 2012, and the Township did not wish to completely oppose an energy initiative that would support the military mission at JBDML; and

WHEREAS, since that Resolution was adopted more than seven (7) months ago, the Township has since learned that the pipeline was not only not primarily intended to benefit

JBDML, but that any benefits to JBDML are nominal at best, and there is, indeed, substantial doubt as to whether the Base would, or could, benefit at all from this proposed pipeline, thereby removing the only reason that the Township did not oppose the pipeline in its entirety from the outset; and

WHEREAS, during the seven (7) months since Resolution 2015-4-2 was adopted, the Township has learned a great deal about the proposed pipeline and the shameful legal process through which large-scale projects such as the SRL are pushed through the system without much oversight or scrutiny by the New Jersey Board of Public Utilities (“BPU”); and

WHEREAS, while NJNG, whose parent company is the publicly traded regional utility known as New Jersey Resources, has been preparing the SRL project since 2012 (which it admitted in discovery), negatively impacted municipalities such as Chesterfield Township and North Hanover Township had only four (4) months since granted the right to intervene in the BPU process, to review the extensive project, develop a strategy, and pull together extremely limited resources, only to be subjected to an unreasonably expeditious legal process which can be described as *ad hoc*, at best, and utility-biased, at worst; and

WHEREAS, the BPU has facilitated proceedings during which NJNG has been permitted to bully and intimidate that segment the public most immediately and negatively impacted by this proposed pipeline project, despite the BPU’s supposed mission to protect the life, health, and property of New Jersey citizens.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Chesterfield, Burlington County, State of New Jersey as follows:

Article I. Resolution 2015-4-2 Amended. Resolution 2015-4-2 is hereby amended to eliminate that sentence described above, and in the second Recital, and found on pages 7-

8, paragraph 2, and to specifically eliminate and reverse the Township's prior position that it was not opposed to the pipeline in its entirety. The Township Committee of the Township of Chesterfield hereby expresses its complete disapproval of, and opposition to, the proposed thirty inch (30"), 722 psi natural gas pipeline to be owned and constructed by New Jersey Natural Gas for the reasons set forth in the Recitals above and the paragraphs below.

Article II. Re-Affirmation of Balance of Resolution 2015-4-2. Except as modified in Article I above, the factual predicates for, and the conclusions contained in Resolution 2015-4-2, are hereby re-affirmed. If nothing else, the past seven (7) months since the adoption of said Resolution, and the four (4) months of participation in the BPU proceeding, have proven that the fears initially identified by the governing body on April 9, 2015 are indeed real, and the conduct, attitude, and behavior of NJNG only underscores and proves the irresponsible nature of the way it conducts business, and the substantial likelihood that the pipeline will suffer from the operational deficiencies and defects described in Resolution 2015-4-2. In addition, the deplorable fashion in which the Board of Public Utilities has facilitated NJNG's steamrolling tactics, and countenanced its refusal to provide discovery that would better inform the public, while simultaneously denying public intervention in NJNG petition seeking relief from regulatory setback requirements, further underscores the Township Committee's concerns regarding reliable regulatory oversight of this proposed infrastructure.

Article III. Resolution 2015-4-2 Supplemented. The Township Committee hereby supplements Resolution 2015-4-2 by adding the following factual predicates, concerns, and conclusions:

Factual Predicates/Concerns:

1. JBDML is not a significant beneficiary of the proposed pipeline.

Earlier this year, Township officials were led to believe by both New Jersey Natural Gas, as well as Federal, State, and local officials, that the impetus for the pipeline was the need of JBDML for “energy redundancy,” to ensure a continued supply of energy in the event of another natural disaster, such as that which befell New Jersey during Superstorm Sandy in October 2012. It was for that reason, as articulated in Resolution 2015-4-2, that the Township did not oppose the pipeline itself, but instead focused solely on opposing the route, offering an alternate route that makes eminently more sense and would have substantially less impact upon the “human environment” of the communities through which the pipeline will run.

However, the Township now believes that the needs of, and benefits to, JBDML have been exaggerated and “trumped up” in an effort to make the project appear more appealing and essential. While the Base Commander, in a November 6, 2015 letter to Assemblyman Ronald Dancer, makes vague assertions such as “[the SRL] will deliver gas to an underserved area of the base and provide[] energy redundancy,” NJNG has completely avoided answering any questions regarding the specific benefits to the Joint Base. Instead, NJNG has advised that any questions related to the Joint Base, such as the base’s purchase of natural gas, the areas purported to be serviced by the SRL, and the manner in which gas will be distributed on base, should be directed to the Joint Base. In the absence of any definite evidence to demonstrate the Joint Base’s need for and benefit from the SRL pipeline, the Township of Chesterfield reverses its position and opposes the SRL in its entirety. It is NJNG’s burden to show that the SRL is “reasonably necessary for the service, convenience,

or welfare of the public,” and as to the Base’s need, NJNG has completely failed to satisfy that burden, offering not even a scintilla of evidence to support that proposition.

Accordingly, the Township hereby withdraws its support for the pipeline based upon the false notion that JBDML was somehow the “moving force” behind the pipeline and/or is a significant impetus for, and beneficiary of, the pipeline.

2. Absence of Need for the Pipeline.

Over the past few months, through the course of the limited discovery available in this BPU proceeding, and despite NJNG’s refusal to provide much of the discovery demanded by not only the Township but other intervening parties, it is clear now that NJNG has not shown a “need” for this pipeline that benefits the public’s service, convenience, or welfare. To the contrary, it is abundantly clear that the sole purpose of the pipeline is to increase revenues and profits for the utility company. NJNG has admitted that no independent analysis has been performed to determine that a need actually exists for the SRL. Instead, NJNG relies only on the opinion and experience of its own Senior Vice President of Energy Delivery to support its assertion that the SRL is needed for energy reliability and redundancy. Additionally, while the SRL project is being presented exclusively as a reliability project for existing customers and not designed to service any new or additional load, the Senior Vice President testified that expanding gas service in the future, through this pipeline, is not out of the question. He further admitted that such an expansion of service would increase NJNG’s profits.

3. Interests of the Public Not Considered.

As articulated in Resolution 2015-4-2, New Jersey Natural Gas has shown little concern for the interests of the negatively-impacted public with regard to not only this

proposed project, but pipeline safety in general. Again, over the past few months and during the course of this “proceeding” before the BPU, the accuracy of the Township’s position has proven to be accurate. Municipalities like Chesterfield and North Hanover that will receive no benefit from the SRL but will suffer the burden, perhaps for years to come, have raised legitimate concerns regarding the installation and maintenance of the pipeline including: impact on emergency services and response times in case of an emergency; lack of viable detour and evacuation routes through the towns; potential for explosions in the event the pipeline is damaged; impact on local historical structures and trees that are over 200 years old; impact on local businesses, school bus routes, future road improvement projects, and the expansion of local utilities.

Moreover, the Township Committee is deeply troubled that not only has NJNG shrugged off these valid concerns raised by the impacted municipalities, but that that apathy is apparently shared by the BPU. The BPU has appeared throughout these proceedings to be a mere instrumentality of the utility company, allowing NJNG to commandeer the proceedings to suit its own needs and accelerated schedules. While NJNG admits that the SRL project has been in the works since 2012, the public was given but a few months by the BPU to marshal the assets and assemble facts to allow it a more informed understanding of the entire project. The timeframe was too short to allow the affected municipalities to properly review the project.

Rather than facilitating a process that would better inform the public, including municipal officials, the BPU’s expedited and abbreviated schedule of proceedings has only raised more questions than it has answered. All NJNG has had to do is demand that “time is of the essence,” and the BPU adopts the professed urgency of the utility company. (The only

exception being, of course, when the utility company seeks adjournments to allow it more time to respond to Chesterfield's motion to have the N.J.A.C. 14:7-1.4 petition deemed contested, and to have both petitions heard together. That delay was blessed by BPU, and after five (5) adjournments and three (3) months, NJNG still has not responded!). Evidently, the adage "the wheels of government turn slowly" does not apply when a State agency is acting so clearly on behalf of a utility company that it purports to regulate, and to the disadvantage of the public it is intended and designed to protect. To say that the Township Committee is disappointed, discouraged, and frustrated by the BPU's handling of this highly-contested project would be an understatement. As an elected public body, it is embarrassed that another branch of the government would allow itself to be viewed, and with good reason, as an arm of the utility company, and an adversary of the public.

4. Township's Previously Proposed Alternate Route.

Although the Township has reconsidered its position regarding the pipeline, and now opposes the pipeline in its entirety, it cannot go without saying that NJNG also failed miserably to consider the alternate route previously proposed by the Township, which would have avoided the center of Chesterfield altogether, and would have utilized existing PSE&G and JCP&L utility easements. During its testimony, the NJNG representatives relied, as NJNG has throughout this matter, upon purported advice they have gotten from the State Agricultural Development Committee and the Attorney General's office, suggested that it could not install a gas line in these existing easements, because the easements traversed preserved farmland. NJNG's representative admitted during the public hearing on December 7, 2015, that no written opinion to that affect had been received, but that NJNG's legal counsel told him that; that he did not review any of the utility easements in question, no

farmland preservation documents, and was not even familiar with anything having to do with the easements other than things he had heard through NJNG. Chesterfield Township is the singular municipality in New Jersey most conversant with farmland preservation. It is the architect of the most successful Transfer of Development Rights Program in the State of New Jersey, if not the Nation. For anyone to suggest that an existing utility easement, which was in place long before any farmland was ever preserved in this State, should not be able to accommodate additional utilities, within the same 150 foot wide easement area, but that those utilities should instead run down the center of a municipality's main road, at a size and with pressure unmatched in this area, defies common sense, and violates what should be the fundamental principle of government, which is to find reasonable solutions for the citizens it represents. Insisting, without any evidence to support the proposition, that a utility company cannot use existing easements within an area of preserved farmland, elevates form over substance. The proposition lacks supporting proof, and it certainly lacks common sense.

Notwithstanding the foregoing, the Township Committee reiterates the position contained in this Resolution: it opposes the pipeline in its entirety.

BE IT FURTHER RESOLVED that copies of this Resolution shall be forwarded by the Municipal Clerk of the Township of Chesterfield to: Christopher J. Christie, Governor of New Jersey; Stephen M. Sweeney, Senate President; Vincent Prieto, Assembly Speaker; 12th Legislative District; 10th Legislative District; James V. Fakult, President of Jersey Central Power and Light Company; Ralph Izzo, Chairman/President/CEO of Public Service Electric and Gas; the New Jersey Board of Public Utilities; New Jersey Department of Environmental Protection; Burlington, Monmouth, and Ocean County Boards of Freeholders; the Governing Bodies of Plumsted

Township, North Hanover Township, Upper Freehold Township, and Manchester Township; and Colonel James Hodges, Commander, Joint Base McGuire-Dix-Lakehurst.

CHESTERFIELD TOWNSHIP COMMITTEE

I, Caryn M. Hoyer, Clerk of the Township of Chesterfield in the County of Burlington and State of New Jersey do hereby certify the foregoing Resolution to be a true and accurate copy of the Resolution approved by the Township Committee at a duly advertised meeting held on December 10, 2015, at which a quorum was present.

Caryn M. Hoyer, RMC
Township Clerk