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October 23, 2015

File No. 11762-0182

Via: Hand-Delivery

Honorable Irene Kim Asbury
Secretary, Board of Public Utilities - State of New Jersey
44 South Clinton Avenue, 9th Floor
P. O. Box 350
Trenton, NJ 08625

**Re: In the Matter of the Petition of New Jersey Natural Gas Company for a
Determination Concerning the Southern Reliability Link Pursuant to
N.J.S.A. 40:55D-19 and N.J.S.A. 48:9-25.4**

Docket No. GO15040403

Dear Secretary Asbury:

As you are aware, this office represents the Township of Chesterfield regarding the above referenced matter. Pursuant to the schedule presented by Babette Tenzer, DAG, in an October 16, 2015 e-mail, please find enclosed a copy of the Prepared Direct Testimony of Jeremy Liedtka, Mayor, Township of Chesterfield. Same was also served electronically.

As always, I thank you for your kind consideration to this matter.

Very truly yours,

JOHN C. GILLESPIE

JCG/KMM/rs
cc: Service List

COUNSEL WHEN IT MATTERS.SM

Mount Laurel, New Jersey | Lawrenceville, New Jersey | Atlantic City, New Jersey

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION
OF NEW JERSEY NATURAL GAS
COMPANY FOR DETERMINATION
CONCERNING THE SOUTHERN
RELIABILITY LINK PURSUANT TO
N.J.S.A. 40:55D-19 AND N.J.S.A. 48:9-25.4

BPU DOCKET NO.: GO15040403

DIRECT TESTIMONY OF JEREMY I. LIEDTKA ON BEHALF OF
THE TOWNSHIP OF CHESTERFIELD

File No. 11762-0001-JCG

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Dated: October 23, 2015

1 **Q. State your name and affiliation.**

2 A. Jeremy I. Liedtka, Mayor of the Township of Chesterfield.

3

4 **Q. Describe what you wish to accomplish with this direct testimony.**

5 A: It is my goal to offer an account of the Southern Reliability Link (“SRL”) Project from the
6 perspective of a local government official whose municipality will be adversely impacted to a
7 significant degree by the natural gas pipeline, should the Board of Public Utilities grant the
8 Petitions filed by New Jersey Natural Gas Company (“NJNG”) on April 2, 2015, and amended
9 on June 5, 2015.

10

11 **Q. From your perspective as Mayor of the Township of Chesterfield, explain the impact**
12 **that the Southern Reliability Link would have on your municipality.**

13 A. The route currently preferred by NJNG would cause the 30” diameter high-pressure pipeline
14 to be installed as close as 50 to 75 feet from the nearest Township residence, downtown business,
15 and historic property, and just over 100 feet from the nearest existing municipal services
16 building. According to the alternative routes analysis conducted on behalf of NJNG, the SRL
17 will impact 55 structures intended for human occupancy, making it one of, if not the most highly
18 impacted municipality along the pipeline’s route. These buildings intended for human occupancy
19 not only include just homes and businesses, but include the Township’s current municipal
20 complex, proposed municipal complex, police station, firehouse, and emergency squad
21 headquarters, as well.

22 Land clearance has begun on the Township’s new municipal complex at the site of the
23 former elementary school at 295 County Route 528, across the street from the existing municipal
24 complex. The new municipal complex will house the Township administrative offices, public
25 meeting chambers, and police station, and will fall within 100 feet of the transmission pipeline,
26 should the proposed route be approved. Residents and business owners in Chesterfield Township
27 and surrounding communities are obviously concerned for their safety, as documented during the
28 public hearings held on July 28, 2015 and August 26, 2015 – and understandably so. Some of
29 these individuals will be impacted in that the pipeline will be as close as 50 feet from a bedroom
30 window. With last winter’s two natural gas explosions in Ocean County involving substantially

31 smaller capacity NJNG infrastructure, it is essential that this Project be fully evaluated with an
32 eye towards public safety and well-being. Particularly, the Project should be scrutinized not only
33 as to the proposed route, but as to other less impactful and more logical routes, which NJNG has
34 either declined to consider or refused to evaluate.

35 The Township has requested NJNG to provide documentation related to the Ocean
36 County natural gas explosions involving NJNG infrastructure. See *CHES-NJSRL-21 and 22*.
37 Based on local news reports, it is my understanding that these explosions were caused by gas
38 mains of 2” diameter as opposed to the 30” diameter, high-pressured pipeline that NJNG seeks
39 for this SRL. Instead of being transparent and honest as to the cause of the explosions, or
40 attempting to address the concerns of the public at large by explaining preventative measures
41 taken to avoid such catastrophes, or detailing any actions taken by NJNG to repair or replace the
42 faulty infrastructure, NJNG’s response is as follows: “The Company objects to this discovery
43 request, to the extent that information is sought from local and/or county governmental agencies,
44 as that information is publicly available. NJNG also objects to this discovery request because it is
45 not relevant to the subject matter in the pending proceeding and is not designed to obtain
46 information reasonably calculated to lead to the discovery of admissible evidence. NJNG objects
47 to this request on the basis of privilege. Subject to and without waiving any and all objections,
48 NJNG responds as follows: The Company does not have any responsive documents in its
49 custody or control.” This is simply unacceptable and should not be countenanced by the BPU.

50 How can the fact that this company’s own infrastructure was recently involved with two
51 explosions that occurred within a week of each other, injuring several people and obliterating
52 homes, not be relevant to NJNG wanting to install another pipeline that is fifteen times the size
53 of those that exploded? If it is true that a company’s safety record is not considered when the
54 BPU reviews these types of Petitions, then the BPU is ignoring its own mission to protect the
55 life, health, and property of New Jersey citizens, and contravenes the spirit of laws such as the
56 Natural Gas Safety Act, N.J.S.A. 48:10-2 et seq., and the Underground Facility Protection Act,
57 N.J.S.A. 48:2-73 et seq. As a local government official, it is my duty to be as open and
58 transparent with my community as possible. I cannot do my job and make informed decisions on
59 behalf of my community if NJNG insists on “hiding the ball” with me and other government
60 officials. There is simply no possible way that NJNG does not have any documents in its custody

61 or control that in any way relate to the natural gas explosion which occurred in Stafford
62 Township on or about February 24, 2015, and/or the natural gas explosion which occurred in
63 Point Pleasant Beach on or about March 3, 2015, as the Company's response asserts. The
64 Township Committee of Chesterfield has a duty to its residents, employees, and first responders
65 to be informed as to the Company's safety record so that the risk to the community can be more
66 fully evaluated.

67 While safety of Chesterfield's residents, employees, businesses, and first responders is of
68 the utmost importance to me and the rest of the Township Committee, our community will also
69 be completely inconvenienced by the installation of the pipeline along the preferred route, Route
70 528. Before the Township is even asked to consider settlement discussions regarding the logistics
71 of the pipeline's installation along Route 528, I need to be absolutely certain that all proposed
72 alternative routes have been fully vetted. At this time, Assemblyman Dancer's proposed route
73 along Route 68 to the Joint Base has not been evaluated, to my knowledge.

74
75 **Q. Detail your interactions with representatives of the New Jersey Natural Gas Company,**
76 **beginning with the first time you were informed of the Southern Reliability Link Project.**

77 A. I, along with other representatives of the Township, had initial meetings with representatives
78 from NJNG beginning in or around January or February of 2015. The formal Petitions had not
79 been filed with the BPU. From the beginning, the Company and its representatives offered very
80 little information about the Project, other than that the preferred route would cut down the main
81 thoroughfare of Chesterfield Township. Based on the Company's responses to discovery
82 requests, this Project has been in the works since 2012 and AECOM was retained to run the
83 alternative routes analysis a full year before I was informed of the SRL.

84 On April 2, 2015, on the eve of the four-day Easter weekend, the Petitions were formally
85 filed with the BPU. The Committee instructed our Solicitor to take any steps necessary to
86 intervene in the proceedings. NJNG requested an expedited procedural schedule without any
87 support for the request. Even though the BPU declined to adopt NJNG's expedited procedural
88 schedule, the schedule that was ordered by Commissioner Solomon was still aggressive. It was
89 not until July 21, 2015, that the Township was granted intervenor status as to Docket No.
90 GO15040403, and therefore permitted to fully participate in the proceeding and privy to

91 information exchanged in discovery. I find NJNG's insistence on rushing these proceedings
92 completely unacceptable, especially in light of the fact that, even now, Chesterfield has only
93 been designated as an intervenor for only three (3) months. NJNG has had the benefit of
94 developing this project for at least three (3) years. The unreasonably expeditious treatment of this
95 obviously contested and opposed project undermines the public's confidence in the BPU, whose
96 mission is protecting the life, health, and property of New Jersey citizens. Acquiescence to a
97 utility company's bull rush demands does not advance the public interest.

98 **Q. Would you like to draw the Board's attention to anything else at this time?**

99 A. The New Jersey Division of Rate Counsel, through discovery request RCR-POL-7, asked the
100 Company to identify the number of times in the last 60 years that customers in Ocean,
101 Burlington, and Monmouth counties were adversely affected by a system failure or supply
102 interruption. Presumably, NJNG argues that the SRL is necessary for reliability and redundancy
103 in the event of a system failure or supply interruption. NJNG's response to this inquiry was as
104 follows:

105 The Company does not maintain a record of supply or service
106 interruptions for the timeframe requested. The primary goal and objective
107 of a public utility is to provide safe, reliable, and proper utility service.
108 The Company, with the exception of the effects caused by Superstorm
109 Sandy and other sporadic operational issues, has met this responsibility
110 with limited supply interruptions or system failures experienced in the last
111 60 years.

112
113 *NJNG Discovery Response to RCR-POL-7.* To my knowledge, the Company has never detailed
114 exactly what the "effects caused by Superstorm Sandy and other operational issues" were. How
115 can the Company claim that the installation of the SRL will improve reliability and redundancy
116 if it does not even have a baseline from which to measure a potential decrease in supply or
117 service interruptions; or, conversely, to objectively show the need for the greatly enhanced
118 infrastructure and the admeasurement of "reliability and redundancy?"

119 Furthermore, the original Petition under Docket No. GO15040403 indicates: "[T]he
120 customers in the Central and Ocean Divisions, but in particular at the southern end of our system
121 in Ocean, Burlington and southern Monmouth counties, could be adversely affected by a supply
122 interruption or system failure in the interstate pipelines, the gate station or NJNG's transmission
123 backbone system." *Direct Testimony of Craig A. Lynch* at page 8, lines 10-14. If "COULD be

124 adversely impacted” is the standard by which the BPU will determine whether the SRL is
125 “reasonably necessary for the service, convenience or welfare of the public,” N.J.S.A.
126 40:55D-19, then it should be just as persuasive to the BPU to say that there COULD be a major
127 catastrophic event involving this pipeline, and adverse impacts COULD be experienced by our
128 local communities. In fact, it would appear that there have been more incidents and explosions
129 over the last year involving NJNG-owned, installed, and/or operated pipelines or gas mains than
130 there have been supply or service interruptions for the Company. Of course, I am referring to the
131 explosions that took place in Stafford Township and Point Pleasant Beach, both in Ocean
132 County, in February and March of 2015.

133 NJNG has done nothing to prove to the BPU that this Project is “reasonably necessary for
134 the service, convenience or welfare of the public,” pursuant to N.J.S.A. 40:55D-19. Apparently,
135 it has no way of telling whether the SRL will diminish the number of supply interruptions or
136 failures because NJNG does not keep track of those interruptions or failures. NJNG has also
137 admitted that the system which is presently in place is adequate to handle expected growth of
138 customers in its service area, or portions of Monmouth, Ocean, and Burlington counties. *NJNG*
139 *Discovery Response to CHES-NJSRL-27.*

140

141 **Q. Does that conclude your prepared direct testimony?**

142 A. Yes.