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My comments to the New Jersey Board of Public Utilities against the Southern Reliability Link pipeline

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From 2005 to 2014, I served as director of corporate communications for New Jersey Natural Gas and its parent, New Jersey Resources. My conscience compels me to share with you several critical facts that may not yet have been brought to your attention, in the hope of helping you reach a fully informed decision on the Southern Reliability Link. For your convenience, I have provided links to the direct sources for each of these publicly available facts, so that you may verify their accuracy.

1. According to its own parent, NJNG is misleading you about the SRL's purpose.

In its petition to the BPU for approval of the project, NJNG has submitted the following question and answer as part of its sworn testimony to you:

"Q. Is the Project being constructed to currently serve new or additional load?

"No. Currently, the planning and design of this Project is exclusively a reliability project, providing an alternate source of natural gas for our customers. This Project is not designed to service any new or additional load."

<http://www.njng.com/regulatory/pdf/NJNG-SRL-Petition-N.J.S.A.-40.55D-19.4-2-2015.pdf>

(see page 9 of Appendix A, which is page 33 of the linked PDF)

Yet on August 7, 2013, NJNG's parent holding company, New Jersey Resources, described the Southern Reliability Link to investors in a presentation it filed with the Securities and Exchange Commission as an "additional high pressure pipeline to support growth in Ocean County."

<http://www.sec.gov/Archives/edgar/data/356309/000119312513322988/d581037dex992.htm>

On October 23, 2013, NJR said the SRL "supports growth in Ocean County."

<http://www.sec.gov/Archives/edgar/data/356309/000119312513407405/d615960dex991.htm>

On that same date, NJR Chairman and CEO Larry Downes told investors that the SRL will "support growth in Ocean County, which is where we expect the majority of our customer growth going forward."

<http://seekingalpha.com/article/1766002-new-jersey-resources-ceo-hosts-nyc-analyst-meeting-transcript?part=single>

On November 25, 2013, the company filed with the SEC another presentation in which it said it was “adding high pressure natural gas pipeline to support growth in Ocean County.”

http://files.shareholder.com/downloads/NJR/0x0x709037/72b09721-859d-4ac8-86e0-1578ac6919c1/NJR_4Q_FY_2013_final.pdf

And on that same date, Chairman and CEO Larry Downes told investors that the Southern Reliability Link “will provide opportunities for infrastructure growth.”

<http://seekingalpha.com/article/2199013-new-jersey-resources-njr-laurence-downes-on-q2-2014-results-earnings-call-transcript>

NJNG has cynically sworn to you the opposite of what it has told investors, knowing full well that its growth is not a matter of public convenience or cost recovery. It knowingly certified and submitted petitions to you that it knew were contradicted by their own claims to investors. These certifications must now be rejected.

2. NJNG has misled military officials about the project’s potential impact area.

Rather than address a legitimate inquiry of naval officials, New Jersey Natural Gas (NJNG) made a false representation to Joint Base personnel during their review of NJNG’s application for an easement to install its Southern Reliability Link pipeline on base property.

According to emails that were made public by the Joint Base in response to a FOIA request, after a Joint Base staff official “sent this around to our management,” Navy officials from the Lakehurst Naval Station raised safety concerns about locating the pipeline on the base. According to an email of October 14, 2014—obtained via FOIA—“I just got this inquiry yesterday from the Navy people in the Lakehurst side.”

http://www.foodandwaterwatch.org/sites/default/files/njng_pinelands_commission_10-8-15.pdf

The email continues: “The main concern is at the test site area with the gas main being so close to B355, the EMALS and catapult site. Concern on the mission integrity if an explosion or a gas leak, which could be catastrophic. Can you inquire into the blast radius or recommended clear zones if this main was to give away in the test area?”

NJNG responded on October 28, 2014: “As a simple answer to the question, there is no “blast radius” or “clear zone” calculation that I know of. That term typically is used by anti-pipeline groups who are looking to raise fear of a pipeline installation.”

Unfortunately, this claim was knowingly false. NJNG is well versed in the federal government’s Pipeline Integrity Management regulations, which also are referenced and reinforced as a part of the BPU’s rules. Indeed, these rules comprise the safety requirements to which NJNG and every other pipeline operator in the nation must comply every day. Subpart O (49 CFR 192.903) provides the precise calculation that naval officials asked for NJNG to provide:

*“Potential impact radius (PIR) means the radius of a circle within which the potential failure of a pipeline could have significant impact on people. PIR is determined by the formula $r = 0.69 * (\text{square root of } (p * d^2))$, where ‘r’ is the radius of a circular area in feet surrounding the point of failure, ‘p’ is the maximum allowable*

operating pressure (MAOP) in the pipeline segment in pounds per square inch and 'd' is the nominal diameter of the pipeline in inches."

So given the known pipeline diameter of 30 inches and the known MAOP of 722 pounds per square inch, NJNG could have easily provided the regulation-defined calculation that the Navy was seeking. Instead the company's representative falsely claimed to not know what the Navy was talking about when it raised a legitimate, unaddressed safety concern.

New Jersey Natural Gas also worked jointly with a Joint Base reviewer to alter an email chain that was dismissive of the Navy's safety concerns.

According to the October 14, 2014 email, the Joint Base official wrote to the NJNG official: "I think it is a stupid question, but I'd like to get your input, as if it is answered thoughtfully (which I can't do!), it will make the conversation die off. Do you have any standards you can site, or other info that talks about mitigating worst case scenarios?" (pp. 128-132 of the linked PDF)

The email chain suggests the NJNG official and Joint Base reviewer worked jointly to cover up the reviewer's derision and lack of objectivity. On October 28, 2014, the Joint Base reviewer wrote to the NJNG official: "thanks for chopping those emails to cut out my references to stupid questions, et. al. I think!" On the same day, the NJNG official responded: "I tried to be sneaky but you caught me. I need to do better next time."

This troubling paper trail raises serious, substantive doubts about the objectivity of the Joint Base's review and approval of NJNG's application to install its Southern Reliability Link pipeline on base property. In addition, they show that New Jersey Natural Gas was not truthful in its application in at least one instance, and colluded to cover-up a reviewer's indiscretion and lack of objectivity in another.

3. NJNG filed a misleading Pinelands application.

Neither the New Jersey Board of Public Utilities nor the New Jersey Pinelands Commission should be under any illusion about the pretense of a military purpose for the Southern Reliability Link, which affords NJNG's project application far less regulatory compliance and scrutiny than it would receive without an actual military purpose.

These citations also come directly from the attached emails between NJNG and Joint Base officials, which were made public by the Joint Base in response to a FOIA request.

On May 12, 2014, a NJNG project official wrote to Joint Base officials that their "best option" for the pipeline was a "southern route" that did not enter military property. So, since the "best option" for the SRL did not enter military property, it can be reasonably concluded that the best option did not serve an actual military purpose. (page 152 of the linked PDF)

The NJNG official went on to explain that this route involves "a section of Forest Preservation Area that would make the approval process more cumbersome." Helpfully, the official says "we met with the Pinelands Commission last week for an initial review of our pipeline proposal," and "they suggested that we approach you to see if we could reroute the line through your base." "They believe that this new route, along with a letter from the base that the presence of the pipeline would be a positive attribute to future base activities could streamline their process.

Setting aside the troubling characterization of these pre-filing meetings, we know that NJNG's self-described "best route" did not run through the Joint Base and therefore the project could not have been for a military purpose. We know that NJNG changed its preferred route and began to claim a military purpose immediately following these pre-filing meetings. And we know NJNG sought only the most tangential and tenuous military

nexus—which it eventually did receive from a former base commander. It should be noted that this letter, included in NJNG’s petition, includes no further military purpose, and relies purely on what the NJNG official describes below as “vague statements” he considered insufficient for the company’s application. It should be further noted that according to the Courier-Post of September 9, 2015, the new base commander has ordered a further review.

<http://www.courierpostonline.com/story/news/local/south-jersey/2015/09/08/natural-gas-pipeline-burlington-county-joint-base/71684224/>

To confirm this sequence, the company official wrote again on June 9, 2014, “a possible change in route was suggested in a meeting with the Pinelands Commission.” “After our meeting last week, we decided to proceed with the alternate route.” (page 13 of the linked PDF)

The emails demonstrate that NJNG is engaging in a deliberate strategy to evade critical regulatory compliance by rerouting the SRL onto the base.

After six months of discussion with the base, the company was no closer to being able to articulate an actual military purpose for the pipeline, because on December 1, 2014, the New Jersey Natural Gas official wrote to Joint Base officials: “I am putting together wording for section 9 of the Pinelands permit. It involves the base gas use issues. It requires a description of why our project conforms to the Pinelands regulations for utility use. There seem to be two ways to address the issue. The first is to identify a specific set of buildings that will have gas brought to them. Any luck on identifying additional buildings that need to be serviced? Having a specific plan would be better than vague statements.” (page 68 of the linked PDF)

In the absence of a real purpose, the NJNG official bounced off the military official two alternate, fictional military purposes for its Pinelands application:

“The second way is to identify a future site for a possible station to reinforce the existing system as well as start a new system west of 539. I could install the necessary valves to accomplish our goal and identify it for future installation under a separate application.”

The company official went on to make it absolutely clear to the military official that agreeing on a story was critically important to the Pinelands application: “I believe one of the above items must be identified and included in our description of the base. This issue needs to get settled so the application can get submitted.”

So by the company’s own admission, it considered a non-military route to be its best option. It only switched to the military route after the Pinelands Commission staff told them it would streamline their process. NJNG officials struggled as they filled out the Pinelands Commission application to come up with a legitimate military purpose for the pipeline, other than vague statements it considered insufficient for an application that claimed a military purpose and consequentially lesser regulatory compliance—which it believed could not be credibly submitted without it.

4. NJNG fails to address its preferred route’s lack of the basic public safety infrastructure that is essential for a populated area of homes and public gathering places to safely accommodate a high pressure natural gas pipeline.

Consider Province Line Road on the border of North Hanover and Upper Freehold. By no means is this the most remote portion of NJNG’s preferred route—with homes on both sides of the roadway, a golf course, a recreational trail used annually by more than 16,000 people (source: Monmouth County Park System annual report), and the state’s official veterans cemetery—all public gathering places that NJNG’s fatally flawed alternative route analysis should have-- but neglected-- to include for your review.

Yet according to Google Maps, Hope Fire Company, this area's first responder, is a full 15-minute drive away in ideal conditions. Its police responder is the New Jersey State Police barracks in Bordentown, which is a minimum of 20 minutes away. Robert Wood Johnson Hospital in Hamilton and Centrastate Hospital in Freehold are each 25 minutes away. It is 40 minutes to New Jersey Natural Gas' nearest work facility. And this area is served by not a single fire hydrant.

In justifying its preferred location for the SRL, NJNG has frequently offered that every other part of the state lives with transmission pipelines. But it is difficult to imagine that NJNG could have selected another populated area of the state that is more isolated from every public safety facility and thus less adequately prepared for any emergency involving a high pressure transmission pipeline.

There may be unpopulated areas where a total lack of every element of basic public safety infrastructure might not be so glaring, but in an area populated with homes and public gathering places, it should be absolutely mandatory and non-negotiable to any consideration of the installation of an inherently dangerous facility. A failure to address this deficiency would be negligent.

The greatest threat to a pipeline, by far, is human, third-party damage. From this simple fact, which is universally documented by data collected by NJBPU and PHMSA, it follows that an unpopulated route is safer than a populated one. To best protect a pipeline from its greatest threat, it should be located away from people wherever possible. Two such alternative alignments are available and have been advocated by affected townships, counties and public officials because they are more protective of public safety. NJNG instead prioritizes its own convenience and preference to not deal with multiple landowners.

Routes 539 and 70 are main arteries for the state's coastal evacuation routes. In the event of a coastal emergency, including one at Oyster Creek, New Jersey State Police and OEM have well established plans to use these roadways to evacuate people from the coast. A review of NJNG's petition materials shows no evidence of any coordination with either the State Police or OEM to determine how severely a natural gas-related road closure could thwart a necessary evacuation.

While it might be tempting to discount the likelihood of an emergency that is both coastal and natural gas-related, NJNG never misses an opportunity in its public claims about the project to remind us that a Superstorm Sandy premise is central to its justification for the SRL.

Respectfully, NJNG's preferred route should be disqualified for failing to account for its close proximity to places of significant public gathering, the state's emergency evacuation routes, and populated areas, where unpopulated options exist. It should also be disqualified because as a populated area isolated from all public safety infrastructure, it is uniquely ill-equipped to accommodate a high pressure transmission pipeline.

5. NJNG's petition requires you to ignore its disregard for critical public policies and its escalation of strong-arm tactics with New Jersey municipalities.

New Jersey Natural Gas has lost its way, particularly where its contentious and adversarial relationship with multiple New Jersey municipalities is concerned. NJNG's hostile, escalated and preventable battle of lawsuits with Red Bank is perhaps the best example of how it has lost sight of its responsibility to work with public bodies, opting directly out of the box to instead bully municipalities and their taxpayers, and to then seek relief from the Board of Public Utilities when this strategy fails to achieve its intended result.

Most recently, the company has extended its pattern, threatening to sue Upper Freehold Township and assuming an adversarial position simply because it had the temerity to ensure it was prepared to protect public safety in its road opening permit approval process. NJNG literally dangled an expensive lawsuit over the small, rural municipality until it rewrote an ordinance to its satisfaction. It has also exhibited bad faith in dealing with Plumsted Township, Chesterfield Township, North Hanover Township and Burlington County—cynically

stone-walling their legitimate inquiries and effectively silencing them by adopting the strategy that if any local public body dares to safeguard its residents vis-à-vis the SRL, it must be prepared to expend extensive legal fees to match NJNG's deep ratepayer-subsidized pockets.

It would be unacceptable for any corporation to mistreat a public body of New Jersey citizens. But coming from a public utility that enjoys a unique public status and attendant benefits, it is unconscionable. Respectfully, NJNG only shows signs of extending its adversarial posture with public bodies that get in its way, and will continue to do so as long as it believes the BPU will tolerate it.

NJNG refuses to recognize an important legal distinction between these municipalities and those within its service territory. Unlike the municipalities NJNG serves, none of these municipalities have ever given NJNG permission to operate within their municipalities. This distinction is critical to at least two pertinent statutes: N.J.S.A. 48:9-17 holds that "every such company may lay conductors and install related facility for conducting gas through the streets, alleys, squares and public places in any municipality or municipalities in which it may lawfully operate, having first obtained the consent by resolution or ordinance of the government body..." N.J.S.A. 48-9-24 requires that "any corporation of this state" must have "lawful authority to lay or maintain gas pipes or mains in the streets and public places of a municipality for the distribution of gas" to "use its pipes or mains within the municipality for the transmission of gas to another municipality." This statute is a key component of the BPU's authority to designate a utility's public convenience beyond a single municipality, and yet NJNG cannot assert that it has legal permission to operate in any of these townships.

In order to grant NJNG's request for relief from reasonable municipal regulation, NJNG demands that you ignore the following safety regulation: N.J.A.C. 14:3-2.1 requires NJNG to "exercise due care to reduce hazards to which the general public may be subjected by the utility's equipment and facilities." A preferred route selection that places the pipeline at the foot of people's driveways and children's swing sets, as well as a public golf course, recreational trail and state veterans cemetery—especially when there are safer routes removed from human damage—does not "reduce hazards."

You must also ignore the lack of an objective or complete alternative route analysis—contrary to what NJNG certifies to have undertaken—since it failed to include these three places of public gathering. You must further ignore the false claim made to public officials and the general public that the SRL has anything whatsoever to do with Superstorm Sandy, since none of the public, post-Sandy documents it has submitted to you makes any apparent reference to the need for a redundant interstate pipeline. And you must also ignore the unanimous wisdom of this region's affected municipalities who have advocated not for the project to go elsewhere, but that it should be safely located within the region's available, unpopulated routes, just as NJNG has ignored this.

Finally, NJNG demands that you ignore the lessons well learned from the Edison Woods tragedy. As you know, NJNG's preferred alignment for the SRL runs within 100 feet of nearly 150 homes and businesses, which N.J.A.C. 14:7-1.4a defines as a proscribed area. Although you retain the ability to waive this proscription, it should be noted that "proscribed" is most accurately defined as "forbidden." Presumably, this proscription still does carry some weight with the BPU, especially since it stems from the lesson learned in Edison that New Jersey should avoid building high pressure transmission pipelines too close to homes. Especially where alternatives are available.

Unfortunately, as we can see in an email referenced in Section 3 below, dated October 28, 2014, an NJNG official wrote to a Joint Base official that the proscribed area is a "general guideline which we use to guide our standards." The NJNG official also wrote that the BPU "will accept the exceptions with the approval of the pipeline filing." Not that you "may accept" or "might accept" NJNG's exceptions, but that you "will accept" them. This is as presumptuous as it should be wrong.

6. Because the SRL will create vast excess capacity for the benefit of NJNG's parent rather than for ratepayers or public convenience, it should not receive approvals based on public interest. Ratepayers

must not be forced to subsidize new, extra-regulatory advantages or the creation of excess supply for the benefit of the parent.

Williams Transco says that its Garden State Expansion Project is “designed to provide up to 180,000 dekatherms per day of natural gas service in two phases to a new delivery point with New Jersey Natural Gas in Burlington County, NJ.” This delivery point is to connect with the starting point of the Southern Reliability Link along the New Jersey Turnpike in Chesterfield, New Jersey.

<http://co.williams.com/expansionprojects/garden-state-expansion-project/>

One dekatherm is equal to 1,000 cubic feet, which means the SRL is designed to accept up to 180 million cubic feet of natural gas every day.

<http://www.crmu.net/PDF%20files/Natural%20Gas%20pdfs/How%20to%20Measure%20Natural%20Gas.pdf>

Yet on a daily basis, the American Gas Association says the average U.S. home uses just 168 cubic feet of natural gas. <http://playbook.aga.org/files/basic-html/page84.html>

Which means the SRL is designed to serve the total natural gas needs of 1,071,428 homes.

Except we know that New Jersey Natural Gas serves less than 200,000 homes in all of Ocean County, because according to U.S. Census Data, there are only 221,000 total homes in Ocean County.

<http://quickfacts.census.gov/qfd/states/34/34029.html>

We also know that New Jersey Natural Gas’ customer base is 93 percent residential.

<http://www.sec.gov/Archives/edgar/data/356309/000035630914000113/njr10ksep2014.htm> (See pages 9 and 24 – Residential + Firm Transportation—Residential / Total Customers)

So why does a pipeline not designed for growth—according to the testimony the company provided to the BPU—that it claims is intended to only provide resiliency to its existing customer base—need to deliver five times the natural gas that its customer base uses?

<http://www.njng.com/regulatory/pdf/NJNG-SRL-Petition-N.J.S.A.-40.55D-19.4-2-2015.pdf> (See Appendix A, page 9)

The answer is that this project doesn’t pass the smell test. NJNG’s customer base doesn’t need this large volume of gas, and the company has provided zero evidence that it does.

This is not a project for the public’s convenience or necessity, and it should not be undertaken by ratepayers. In fact, the company must be made to understand it will be incurring costs that are precluded from its next base rate case. The project very clearly creates excess capacity, which is not in the public interest. With 80 percent excess capacity, cost recovery should be disallowed on this basis alone. The company must be compelled to answer exactly who will be using 180,000 daily dekatherms of gas.

This project is intended to serve corporate growth rather than any existing public need. Since the project primarily serves a private, not public need-- more immediately than not allowing the company to charge ratepayers for what it has described to investors as serving its growth-- it also must not be exempted from Municipal Land Use Laws or afforded any other approvals based on public interest. To grant the company’s petition to waive the Municipal Land Use Laws under New Jersey Statutes, chapter 40:55D-19, a project “is reasonably necessary for the service, convenience or welfare of the public.”

In the face of the knowledge that the company wants to build a pipeline with sufficient capacity for 1,000,000 customers-- despite its false claim to the BPU that it is designed to serve only its far fewer existing customers—and at the same time it repeatedly told investors that the pipeline will serve its growth, it should be impossible to reasonably conclude that this project is for the service of anything but corporate growth.

<http://www.njng.com/regulatory/pdf/NJNG-SRL-Petition-N.J.S.A.-40.55D-19.4-2-2015.pdf> (See Appendix A, page 9)

NJNG also claims that the SRL will benefit the public through a redundant supply of natural gas, and that this redundancy serves a national goal of energy resiliency. NJNG cites the potential curtailment or interruption of service by an interstate pipeline supplier, and as evidence offers only a single, apparent non-incident during the polar vortex that it admits resulted in not a single interruption of a non-interruptible customer, and which has subsequently been addressed through numerous policy remedies enacted by FERC.

It turns out that the United States Department of Energy has assessed this precise question—the adequacy of natural gas pipeline capacity in the northeastern United States, first in 2006, and then again in 2013, to account for significant market changes resulting from Marcellus shale gas. Here's what the federal government's official assessment found: In a July, 78 percent of New Jersey's current pipeline capacity could be lost and essential human needs would still be served. In a normal January, New Jersey could lose 54 percent of current pipeline capacity with no interruptible customer curtailments, or 59 percent with interruptible customer curtailments, and we would still meet essential human needs. In a colder than normal January, New Jersey could lose 44 percent of current pipeline capacity with no curtailments, or 49 percent with interruptible customer curtailments, and we would still meet essential human needs. Finally, in a much colder than normal January, we could withstand a loss of 32 percent of current pipeline capacity with no curtailments, or 36 percent with curtailments.

http://energy.gov/sites/prod/files/2013/11/f5/NE_Natural%20Gas%20Pipeline%20Study%202013-11-26_Final.pdf

Even more recently, the US DOE has undertaken additional studies of the impact of increased natural gas generation of electricity, in which its contractor, Levitan, has mapped pipeline capacity in New Jersey. None of these maps show any constraints in Ocean County. http://www.eipconline.com/Project_Overview.html

The company has offered no evidence to refute that the pipeline system works precisely as the US DOE has officially concluded it does work, either on any particular day or in any given month. In the single paragraph of NJNG's filing that describes a single, apparent non-incident during the polar vortex, the company admits that not a single non-interruptible customer was curtailed even momentarily. Pipeline operators are required to have back-up supplies of natural gas, and LNG is great for that. NJNG happens to store plenty of LNG at its Howell and Stafford LNG facilities, and its own existing peaking resiliencies worked precisely as intended.

Vague invocations of resiliency or redundancy aside, we know what NJNG does with excess natural gas, which is what ratepayers will be financing in vast quantities through the SRL—if project approvals are granted. It sells it. Far and away, its primary customer in the sale of excess capacity is its own corporate affiliate, NJR Energy Services, according to the corporation's 10-K, BGSS filings and affiliate transaction audits. The unregulated affiliate then, in turn, sells the commodity again, for a profit. So at bottom, you are being asked to allow a public utility to create a new supply of 50 percent more natural gas than the public utility's entire firm daily supply of natural gas—again from NJR's 10-K. Intuitively, we know this is true, because all of Ocean County is already being served by an existing, sufficient supply of natural gas. So whatever additional portion of capacity is displaced by the new capacity will now become excess capacity, which it will sell, according to past practice, to its own unregulated, competitive corporate affiliate. This means utility customers will be creating an improper financial advantage for this affiliate.

The BPU's own past two audits have amply demonstrated and recommended the need for stronger separations between NJNG and its commodity-reselling affiliate.

<http://www.state.nj.us/bpu/pdf/auditpdfs/NorthStar%20NJNG%20Audit%20Final%20Report%206-26-14%20double%20sided.pdf> and

<http://www.sec.gov/Archives/edgar/data/356309/000035630914000113/njr10ksep2014.htm> (See pages 7, 8, 112)

Respectfully, please do not allow ratepayers to be compelled to pay to create this clear, obvious and improper advantage—which once again, serves a corporate profit-making purpose rather than a public one. It is therefore also completely inappropriate to allow it to be exempted from Municipal Land Use Law, to receive any other approvals based on public interest, or to be financed by ratepayers.

7. The SRL is designed to carry the identical volume of natural gas that NJNG has obligated its ratepayers to purchase from its own affiliate partner of PennEast. The self-dealing project is designed for the convenience of NJR to deliver supply from one corporate affiliate to another, and is not in ratepayer or public interest.

NJNG has made it impossible for the Board of Public Utilities to avoid becoming involved in the FERC-regulated PennEast pipeline proposal, because it insists on seeking the Board's approval to build a 30-mile feeder pipeline to connect its ratepayers with its PennEast gas supply. Despite PennEast's denial, there would be no other non-circuitous way for NJNG's contracted PennEast supply in Mercer County to reach NJNG in Ocean County.

One way or the other, you must vote on whether to approve the Southern Reliability Link, which is designed to transport the identical volume of natural gas that NJNG has obligated its ratepayers to buy from its own corporate PennEast partner, starting at the same time. In its next rate case, NJNG will charge these same captive ratepayers with the \$150 million cost to build this feed to NJNG's own corporate supply, who will have no recourse from transactions that make a mockery of the spirit of BPU's affiliate rules.

New Jersey ratepayers need protection from corporate audacity and greed, which has induced the state's natural gas utilities and their parent holding companies to abandon responsibility and restraint with the promise of new income streams (SJI's most recent annual report estimates 10 percent of total income) that evade negotiated rates of return. Indeed, NJR and NJNG have misled investors, military officials and regulators in their quest to complete the SRL, meet ill-advised contractual deadlines, and allow its affiliates to start charging its regulated ratepayers more fees at more points up and down the commodity stream than they could charge for gas purchased from New Jersey's non-affiliate, sufficient legacy pipelines.

Respectfully, the Board of Public Utilities must make it clear to NJNG that it is not a matter of public convenience to build a pipeline that transports the identical supply it has obligated its own ratepayers to purchase from its own corporate PennEast partner.

Further, the Southern Reliability Link would bring five times as much natural gas into Ocean County than necessary for its stated purpose of redundancy and reliability. This excess supply-- and the infrastructure to deliver it-- is clearly not for the benefit of utility ratepayers, but to match the volume NJNG committed its customers to purchase from PennEast. The impact of your approval would be significantly adverse for utility ratepayers, at the same time it would be strongly beneficial for the utility's corporate affiliates.

In sum, NJNG has misled you, the military, and the Pinelands Commission. It has failed to address its preferred route's lack of public safety infrastructure. It has demonstrated disregard for critical public policies, and for New Jersey municipalities. The project clearly serves a corporate rather than public purpose, obligates

ratepayers to purchase and subsidize the delivery of self-dealing affiliate supply, and creates excess capacity for affiliate benefit.

I have provided links to the direct sources for each of these grave concerns, so you may easily confirm their veracity for yourself rather than rely on anyone else's characterizations. I hope you will agree that they merit an objective investigation, and until they can be fully addressed, the petitions should be placed on administrative hold. If the petitioner refuses to recognize their seriousness and insists on pressing forward, then the current petitions should be denied on the basis that they serve private rather than public convenience. But under no circumstances should these private interests be permitted to override the substantial public interest and public safety concerns of multiple municipalities, counties and families.