

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PennEast Pipeline Company, LLC

)

Docket No. CP20-47-000

**MOTION TO INTERVENE AND COMMENTS
OF SOUTH JERSEY GAS COMPANY AND
ELIZABETHTOWN GAS COMPANY**

Pursuant to Rules 212 and 214 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.214 (2019), and the Commission’s February 12, 2020 Notice of Filing, South Jersey Gas Company (“SJG”) and Elizabethtown Gas Company (“ETG”) (together, the “SJ Gas Utilities”) hereby move to intervene and comment in the above-captioned proceeding concerning the Abbreviated Application for Amendment to Certificate of Public Convenience and Necessity (“Application”) filed by PennEast Pipeline Company, LLC (“PennEast”) on January 30, 2020.

The Application concerns the certificate of public convenience and necessity and related authorizations previously granted to PennEast pursuant to Section 7(c) of the Natural Gas Act (“NGA”) for the construction and operation of a 116-mile, 36-inch diameter pipeline and appurtenant facilities to be located in Pennsylvania and New Jersey (“Project”).¹ As shippers under the PennEast Project, the SJ Gas Utilities support PennEast’s Application for approval by October 1, 2020, as requested by PennEast.

In support thereof, the SJ Gas Utilities respectfully state the following:

¹ *PennEast Pipeline Company, LLC*, 162 FERC ¶ 61,053 (2018), *order on reh’g*, 164 FERC ¶ 61,098 (2018) (“Certificate Order”).

I. COMMUNICATIONS

The SJ Gas Utilities respectfully request that all correspondence, communications, pleadings, and other documents related to this proceeding be addressed to the following representatives:²

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II. OVERVIEW OF PENNEAST APPLICATION

FERC originally granted PennEast authorization to construct and operate the Project on January 19, 2018 in the Certificate Order. As PennEast notes in the Application, the Project involves the construction of approximately 116 miles of 36-inch diameter mainline transmission pipeline; three (3) lateral pipelines including the Hellertown, Gilbert, and Lambertville Laterals; one (1) compressor station; and various associated facilities, including interconnects, launchers, receivers, and mainline block valves.³ The Project is designed to provide up to 1,107,000 Dth/d of new firm natural gas transportation capacity from receipt points in the eastern Marcellus Shale region through to a terminating delivery point with Transcontinental Gas Pipe Line Company, LLC in Mercer County, New Jersey.

² The SJ Gas Utilities request waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3), to permit designation of more than two persons for service and communication.

³ Application at 2

On January 30, 2020, PennEast submitted the Application requesting authorization to construct, own, and operate the Project in two (2) phases. PennEast explained that it has encountered unforeseen delays in obtaining governmental authorizations to acquire certain real property rights for the New Jersey portion of the Project.⁴ PennEast explains that those delays in turn will delay the construction and operation of the entire Project, including the Pennsylvania portion of the Project. To avoid delays in Pennsylvania, PennEast has proposed to place the majority of the Pennsylvania facilities into service as a standalone project by November 1, 2021 (i.e., “Phase 1”). Then, after it obtains the requisite New Jersey real property rights, PennEast proposes to complete all facilities downstream of that point through New Jersey, consistent with the original FERC authorization under the Certificate Order (i.e., “Phase 2”).⁵ PennEast is also requesting authorization to charge its proposed initial recourse rates for Phase 1 service, as well as to revise the initial recourse rates for full Project service.⁶

III. INTERVENTION

Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, the SJ Gas Utilities respectfully move for leave to intervene in this proceeding.

The SJ Gas Utilities are local distribution companies regulated by the State of New Jersey Board of Public Utilities. SJG provides natural gas services to customers in the southernmost counties of New Jersey, including Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem. ETG provide natural gas services to customers in Lopatcong, Greenwich, Pohatcong, Franklin and Harmony Townships, the Town of Phillipsburg and the Borough of Alpha in Warren County, New Jersey and to Holland Township in northern Hunterdon County, New

⁴ *Id.* at 3.

⁵ *Id.*

⁶ *Id.* at 15-19.

Jersey. The SJ Gas Utilities are direct subsidiaries of SJI Utilities, Inc. (“SJI Utilities”), which is in turn wholly-owned by South Jersey Industries, Inc. (“SJI”).

The SJ Gas Utilities are shippers on PennEast and will be directly affected by the outcome of this proceeding. Therefore, the SJ Gas Utilities have a valid and substantial interest in this proceeding, and this interest cannot be adequately represented by other parties to the proceeding. The SJ Gas Utilities are interested parties within the meaning of Section 15(a) of the Natural Gas Act, 15 U.S.C. § 717n(a), and their intervention and participation in this proceeding will be in the public interest.

IV. COMMENTS

The SJ Gas Utilities support PennEast’s Application proposal because it will mitigate the impact of delays on the completion and operation of the Project and thereby help meet growing demand for natural gas in the region. PennEast’s Project will improve natural gas reliability for customers of the SJ Gas Utilities served in New Jersey, in addition to other Pennsylvania and New Jersey residents and businesses, by delivering an additional one billion cubic feet of natural gas per day. The added capacity will also help to alleviate price spikes caused by extreme cold weather events and reduce volatility, which will be a significant benefit to all customers served by PennEast. Customer savings realized from the Project will have a positive effect on the region’s economy, especially in New Jersey, where energy costs rank among the highest in the country. In addition to the benefits of lower cost natural gas for customers, the Project will provide other economic benefits, including approximately \$1.6 billion in economic impact and approximately 12,000 direct and indirect jobs.⁷

⁷ *Economic Impact*, PENNEASTPIPELINE.COM (last visited Mar. 3, 2020), <https://penneastpipeline.com/economic-impact/>.

The Commission already considered these benefits and deemed that the construction of the Project is in the public interest.⁸ Although PennEast has encountered certain delays with a portion of the Project, the Application seeks to mitigate the impact of those delays by placing the Phase 1 facilities into service by 2021 to meet the timing needs of PennEast's Phase 1 firm shippers, such as the SJ Gas Utilities. As New Jersey local gas distribution companies, the SJ Gas Utilities have a statutory obligation to provide safe and reliable service to their customers, and their participation in PennEast as shippers is an integral part of its commitment to both their customers and regulators to satisfy that obligation. For those reasons, the SJ Gas Utilities support the Application and, in particular, PennEast's proposal for a phased approach to the construction and operation of the Project.

V. CONCLUSION

Wherefore, for the foregoing reasons, the SJ Gas Utilities request that the Commission grant this motion to intervene and consider the comments herein.

⁸ Certificate Order at PP 2, 28-36, 216-19.

Respectfully submitted,

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Dated: March 4, 2020

CERTIFICATE OF SERVICE

Pursuant to Rule 2010 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010, I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 4th day of March, 2020.

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