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BURLINGTON COUNTY
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File No. 11762-0187-JCG

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Attorneys for Plaintiffs, Township of Chesterfield and Township of Chesterfield Committee

TOWNSHIP OF CHESTERFIELD, a body
politic of the State of New Jersey;
TOWNSHIP OF CHESTERFIELD
COMMITTEE,

Plaintiffs,

v.

TRANSCONTINENTAL GAS PIPE LINE
COMPANY, LLC, JOHN DOES 1-10
(fictitious names, true identity unknown)
and ABC COMPANIES and/or
CORPORATIONS 1-10, (fictitious names,
true identity unknown),

Defendants.

599

SUPERIOR COURT OF NEW JERSEY
BURLINGTON COUNTY
LAW DIVISION
DOCKET NO. BUR-L- 66017

CIVIL ACTION

COMPLAINT AND JURY DEMAND

Jury

Plaintiffs, Township of Chesterfield, a body politic of the State of New Jersey ("Township") and Township of Chesterfield Committee ("Committee") (together "Township" or "Plaintiffs"), by and through their attorneys, Parker McCay P.A., by way of Complaint against the Defendant, Transcontinental Gas Pipe Line Company, LLC ("Transco"), say:

PARTIES

1. Plaintiff, Chesterfield Township, is a body politic of the State of New Jersey, having its principal offices at 300 Bordentown-Chesterfield Road, Chesterfield,

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New Jersey 08515.

2. Plaintiff, Township of Chesterfield Committee, is the elected governing body of the Township of Chesterfield, having its principal offices at 300 Bordentown-Chesterfield Road, Chesterfield, New Jersey 08515.
3. Defendant, Transcontinental Gas Pipe Line Company, LLC., is a limited liability company of the State of Delaware, duly authorized to transact business in the State of New Jersey, having its principal offices at 2800 Post Oak Boulevard, (P.O. Box 1396), Houston, Texas 77251.

STATEMENT OF FACTS

4. Transco's corporate efforts are directed at laying, constructing, operating and maintaining pipelines and appurtenant facilities for the transportation and sale of natural gas in interstate commerce, and acquiring rights-of-way and easements for such purposes.
5. Transco owns and operates an interstate natural gas transmission system which extends through the Southern and Atlantic Seaboard regions, terminating in the metropolitan New York City area. Transco built its first pipeline through New Jersey over sixty years ago and has a significant portion of its facilities sited in this State. Transco claims to deliver over 60% of the natural gas used in New Jersey.
6. Prior to October 21, 2014, the Township was the owner of property within the Township designated on the Township's Tax Map as Block 204, Lot 1 ("the Property").
7. In early January, 2014, Transco expressed to the Township an interest in

acquiring the Property.

8. On March 20, 2014, Transco and the Township entered into a Right of Entry Agreement allowing Transco to enter onto the Property to conduct certain investigations and inspections on the Property. (Exhibit A).

9. These investigations and inspections could include, but were not limited to:

... civil surveys, topographical surveys, cultural resources surveys, biological surveys, wetlands delineation surveys, geotechnical soil borings, test pit excavations, environmental surveys, and Phase I and Phase II investigations.

(Exhibit A at p. 1, para. D).

10. The Right of Entry granted to Transco by the Right of Entry Agreement was scheduled to expire ninety days from March 20, 2014. (Exhibit A, p. 2 at para. 2).

11. On April 3, 2014, counsel for Transco, in response to an inquiry from counsel for the Township whether the Township might retain up to a half acre of the Property for the purposes of selling or renting that parcel for a billboard site, stated that "... having carefully reviewed a compressor station site's spatial and operational requirements, Transco has determined that there is insufficient space for a billboard site. Therefore, under no circumstances would Transco agree to acquire the property if the Township reserves a billboard site in connection with the public sale of the Property." (Exhibit B at p. 1).

12. In that same correspondence, counsel for Transco indicated, also in response to questions from the Township, that it was interested in the Property "because it appears to meet the basic criteria for the location of a compressor station, the purpose of which is to provide additional compression to the natural gas flowing

through Transco's existing pipeline. Among the criteria are the size of the lot, its proximity to existing (high voltage) electric power, and its proximity to Transco's existing main lines, in this case, the Trenton Woodbury pipelines which parallel the New Jersey Turnpike on the southbound side at this location." (Id., at p. 2).

13. Transco's April 3, 2014 letter further advised:

Early in 2015, Transco will be filing with FERC an application ... for authorization to construct and operate the aforesaid compressor station and appurtenant facilities. If approved, a FERC Order Issuing Certificate will be issued, but this may not happen until late 2015. In the meantime, in order to meet the initial needs of its customer, Transco proposes to construct and operate a metering and regulating station ("M&R Station") on a subdivided portion of the Property in advance of its FERC application for the compressor station. The proposed M&R Station is the point at which natural gas will be transferred from Transco's interstate pipeline system to an intrastate pipeline to be constructed, owned and operated by Transco's customer. The M&R Station would be a small one-story building with appurtenant above and below ground piping and communications facilities and pole. ...

(Id.).

14. According to Transco, its Land Department had been working since 2013 to

identify suitable properties for the Project facilities

15. Transco and the Township negotiated over the sale and acquisition of the Property

for many months.

16. Throughout the course of those negotiations, Transco never revealed to the

Township that it had determined that the parcel it was intending to purchase from

the Township would not accommodate the M&R Station and compressor station

and appurtenant facilities.

17. On September 11, 2014, Transco and the Township entered into an Agreement of Sale (“Agreement”) for the Property. (Exhibit C).

18. In the section of the Agreement setting out Transco’s “Disclosure and Requirements,” Transco represented that it would be “filing with FERC an application ... to construct and operate an electric-powered natural gas compressor station, metering and regulating station, and appurtenant facilities, which appurtenant facilities may include, but not be limited to, a communications tower and electric substation.” (Exhibit C, at p. 6, para 9(g)).

19. Transco further disclosed and represented that it would

...make reasonable courtesy presentations before the [Township’s] governing body regarding its proposed facilities; ... and, if the Premises is visible from nearby residences or public areas (but ‘public areas’ is not to include the public viewing from the New Jersey Turnpike), [Transco] agrees to make a good faith effort to provide landscaping, including trees and shrubs, which, in [Transco’s] sole discretion, are consistent with [Transco’s] operational requirements. This paragraph shall survive Closing.

(Exhibit C, at pp. 6, 7, para. 9).

20. The Township conveyed the Property to Transco by Quit Claim Deed dated October 21, 2014, which Deed was recorded in the Burlington County Clerk’s office on October 21, 2014.

21. From March 20, 2014 through and including June 18, 2014, Transco had the opportunity to inspect and investigate the Property. (Exhibit A).

22. In fact, Transco did so, and had so closely evaluated and measured the Property

that it represented to the Township the Property could only accommodate the proposed M&R Station and the compressor station if the Township did not retain any of the Property. (Exhibit B at p. 1).

23. Indeed, even after the October 21, 2014 closing of title to the Property, Transco assured the Township that it could still fit the M&R Station and the compressor station on the Property.
24. Only recently, however, in a Declaration in Support of a Motion for Summary Judgment filed in a matter in Federal Court, did Transco reveal that at or about the time it entered into the Agreement with the Township, it had already determined that the Property "could not accommodate all Project facilities." (Exhibit D at para. 12).
25. On January 9, 2015, Transco obtained by deed from a private landowner, property known as Block 204, Lot 4, which is contiguous to the Property. Transco determined it would locate Station 203 (the compressor station) and the M&R Station – the facilities originally intended to be constructed on the Property purchased from the Township – on the newly-acquired Block 204, Lot 4 property, greatly increasing the expanse of the proposed Project from what was originally communicated to Plaintiffs.
26. On February 18, 2015, pursuant to the provisions of the Natural Gas Act, Transco applied to the Federal Energy Regulatory Commission ("FERC") for a Certificate of Public Convenience and Necessity ("Certificate"), which would authorize Transco to construct, operate and maintain the Garden State Expansion Project ("Project").

27. According to Transco, the purpose of the Project is to provide 180,000 dekatherms per day (“Dth/d”) of firm natural gas transportation capacity to its single customer, New Jersey Natural Gas (“NJNG”), a local gas distribution company.
28. According to Transco, the Project will allow NJNG to access additional supplies of natural gas to be provided to NJNG’s service territory in Monmouth and Ocean Counties, New Jersey along an as-yet-to-be-built 30-mile transmission pipeline that NJNG intends to construct along Bordentown-Chesterfield Road (County Route 528) and through portions of the Pinelands National Reserve.
29. At no time prior to entry into the Agreement, or closing of title, did Transco ever disclose to Plaintiffs, its relationship with New Jersey Natural Gas, nor its intent that the Property would become the source point for New Jersey Natural Gas’ pipeline.
30. Instead, Transco continued to intentionally mislead Plaintiffs that the purpose for the purchase was that identified in Paragraph 12 above.
31. Transco intends that the Project would occur in two phases. For Phase 1, Transco intends to construct a new meter and regulating station (“M&R Station”) in Chesterfield, New Jersey and tie it into Transco’s existing Trenton Woodbury Lateral. Transco also proposes to uprate an existing motor to 25,000 horsepower (“hp”) and make related ancillary modifications at its Compressor Station 205 in Lawrence Township, New Jersey. Pursuant to the FERC Certificate, the original targeted in-service date for Phase 1 was November 1, 2016.
32. For Phase 2, Transco proposes to construct a new compressor station (“Station

203”) in Chesterfield, New Jersey consisting of a single 30,500 hp electric motor driven unit and appurtenant facilities and building and a communication tower at the site of the M&R Station. Transco also intends to construct an electrical substation on a nearby property (the Property) in order to power Station 203.

33. On April 7, 2016, FERC issued a Certificate authorizing Transco to construct, operate and maintain the Project. In order to obtain the FERC Certificate, Transco was required to submit evidence of firm contracts with its customer, NJNG.
34. Transco has never provided copies of its contracts with NJNG to Plaintiffs.
35. The FERC Certificate is currently being challenged in Federal Court.
36. In connection with, and dependent upon, Transco’s Project, NJNG is planning to construct an entirely new natural gas transmission pipeline, called the “Southern Reliability Link,” to feed the southern portion of NJNG’s service territory in Ocean, Monmouth and a small portion of Burlington County.
37. The proposed route for the 30 mile, 30 inch-diameter transmission pipeline would begin in Chesterfield Township and, following County Route 528, traverse North Hanover Township in Burlington County, Upper Freehold Township in Monmouth County, Plumsted Township in Ocean County and Joint Base McGuire-Dix-Lakehurst before connecting with NJNG’s transmission system in Manchester Township, Ocean County.
38. The Southern Reliability Link is a highly-pressurized transmission pipeline only and will not provide natural gas service to Chesterfield Township, the Joint Base McGuire-Dix-Lakehurst, or any of the municipalities along the proposed route.
39. The currently proposed route for NJNG’s Southern Reliability Link along County

Route 528 will impact 55 homes and businesses as well as the Township's current municipal complex, proposed municipal complex, police station, firehouse, and emergency squad headquarters.

40. The proposed route would be installed as close as 50 to 75 feet from the closest residence and closest business and just over 100 feet from the closest municipal services building.
41. The Township has only one "business district" and the proposed route would install the pipeline directly through the center of two of the Township's busiest intersections.
42. The currently proposed route also impacts the center of Chesterfield Village, a designated historic district within the Township.

COUNT I

FRAUD IN THE INDUCEMENT

43. Plaintiffs repeat and reiterate each and every allegation in the foregoing Paragraphs and incorporate the same as though fully set forth herein.
44. Transco and its representatives misrepresented a material fact in representing to the Township that its only purpose in purchasing the Property was to construct and operate an electric-powered natural gas compressor station, metering and regulating station, and appurtenant facilities, which appurtenant facilities might include, but not be limited to, a communications tower and electric substation, to service its existing line which ran along the New Jersey Turnpike.
45. Transco knew before entering into the Agreement that not only would the Property not accommodate its needs, but that the entire scope of its project had

changed such that the purchase of the Property was merely the first piece of a broad-ranging project that would potentially involve hundreds of properties within the Township.

46. Transco did not disclose these material facts to the Township prior to entering into the Agreement, nor prior to closing on the sale of the Property.
47. Transco knew that the description of its Project it included in the Agreement was false.
48. Transco intended that the Township rely on its misrepresentation so that it could acquire the Property and continue the process of expanding its Project beyond its representations contained in the Agreement, and in its correspondence to the Township.
49. The Township reasonably relied on the representations made by Transco as Transco had represented throughout negotiations over purchase of the Property, the scope of the Project as set forth in the Agreement and had chosen not to disclose its entry into a contract with NJNG or the greatly expanded scope of its project.
50. Had Transco disclosed its contract with NJNG or the expanded scope of its project, or had Transco disclosed that its proposed project on the Property would serve merely as an anchor to the much larger, more invasive and dangerous NJNG pipeline project, the Township would not have entered into the Agreement.
51. As Transco has failed to obtain the necessary authorization from FERC to proceed with the construction of the Project, and as Transco has performed only minimal demolition on the Property, the Court is able to return the parties to the ground

upon which they originally stood.

WHEREFORE, Plaintiffs demand judgment against Defendants for the following:

- a) Rescission of the Agreement;
- b) Attorneys' fees and costs of suit;
- c) Such other equitable relief as the court shall deem just and proper.

COUNT II

EQUITABLE FRAUD

52. Plaintiffs repeat and reiterate each and every allegation in the foregoing Paragraphs and incorporate the same as though fully set forth herein.
53. Transco and its representatives misrepresented a material fact in representing to the Township that its only purpose in purchasing the Property was to construct and operate an electric-powered natural gas compressor station, metering and regulating station, and appurtenant facilities, which appurtenant facilities might include, but not be limited to, a communications tower and electric substation.
54. Transco and its representatives misrepresented a material fact in representing to the Township that it needed the Property to construct these improvements/facilities to provide additional compression to its existing pipeline running along with New Jersey Turnpike.
55. Transco knew before entering into the Agreement that not only would the Property not accommodate its needs, but that the entire scope of its project had changed such that the purchase of the Property was merely the first piece of a broad-ranging project that would potentially involve hundreds of properties within the Township; and had nothing to do with its existing pipeline along the

Turnpike.

56. Transco did not disclose these material facts to the Township prior to entering into the Agreement.
57. The Township reasonably relied on the representations made by Transco as Transco had represented throughout negotiations over purchase of the Property, the scope of the Project as set forth in the Agreement and had chosen not to disclose its entry into a contract with NJNG or the greatly expanded scope of its project.
58. Had Transco disclosed its contract with NJNG or the expanded scope of its project, or had Transco disclosed that its proposed project on the Property would serve merely as an anchor to the much larger, more invasive and dangerous NJNG pipeline project, the Township would not have entered into the Agreement.
59. As Transco has failed to obtain the necessary approvals required by FERC to proceed with the Project, and as Transco has performed only minimal demolition on the Property, the Court is able to return the parties to the ground upon which they originally stood.

WHEREFORE, Plaintiffs demand judgment against Defendants for the following:

- a) Rescission of the Agreement;
- b) Attorneys' fees and costs of suit;
- c) Such other equitable relief as the court shall deem just and proper.

COUNT III

LEGAL FRAUD

60. Plaintiffs repeat and reiterate each and every allegation in the foregoing Paragraphs and incorporate the same as though fully set forth herein.
61. Transco and its representatives misrepresented a material fact in representing to the Township that its only purpose in purchasing the Property was to construct and operate an electric-powered natural gas compressor station, metering and regulating station, and appurtenant facilities, which appurtenant facilities might include, but not be limited to, a communications tower and electric substation.
62. Transco knew before entering into the Agreement that not only would the Property not accommodate its needs, but that the entire scope of its project had changed such that the purchase of the Property was merely the first piece of a broad-ranging project that would potentially involve hundreds of properties within the Township.
63. Transco did not disclose these material facts to the Township prior to entering into the Agreement.
64. Transco knew that the description of its Project that it included in the Agreement was false.
65. Transco intended that the Township rely on its misrepresentation so that it could acquire the Property and continue the process of expanding its Project beyond its representations contained in the Agreement.
66. The Township reasonably relied on the representations made by Transco as Transco had represented throughout negotiations over purchase of the Property,

the scope of the Project as set forth in the Agreement and had chosen not to disclose its entry into a contract with NJNG or the greatly expanded scope of its project.

67. Had Transco disclosed its contract with NJNG or the expanded scope of its project, or had Transco disclosed that its proposed project on the Property would serve merely as an anchor to the much larger, more invasive and dangerous NJNG pipeline project, the Township would not have entered into the Agreement.
68. As Transco has failed to obtain the necessary approvals required by FERC to proceed with the Project, and as Transco has performed only minimal demolition on the Property, the Court is able to return the parties to the ground upon which they originally stood.
69. Transco failed to construct its proposed project on the Property in accordance with the terms of the Agreement and failed to limit its project on the Property in accordance with the terms of the Agreement.
70. Transco's breach of the Agreement has caused damages to the Township.

WHEREFORE, Plaintiffs demand judgment against Defendants for the following:

- a) Rescission of the Agreement;
- b) Compensatory damages;
- c) Punitive damages;
- d) Attorneys' fees and costs of suit;
- e) Such other equitable relief as the court shall deem just and proper.

COUNT IV

BREACH OF CONTRACT

71. Plaintiffs repeat and reiterate each and every allegation in the foregoing Paragraphs and incorporate the same as though fully set forth herein.

72. Plaintiffs and Defendant entered into an Agreement of Sale for the Property on September 11, 2014.

73. In accord with the Agreement of Sale, the Township conveyed the Property to Transco by Quit Claim Deed on October 21, 2014.

74. Transco failed to construct its proposed project on the Property in accordance with the terms of the Agreement and failed to limit its project on the Property in accordance with the terms of the Agreement.

75. Transco's breach of the Agreement has caused damages to the Township.

WHEREFORE, Plaintiffs demand judgment against Defendants for the following:

- a) Compensatory damages;
- b) Attorneys' fees and costs of suit;
- c) Such other relief as the court shall deem just and proper.

COUNT V

**BREACH OF THE COVENANT OF
GOOD FAITH AND FAIR DEALING**

76. Plaintiffs repeat and reiterate each and every allegation in the foregoing Paragraphs and incorporate the same as though fully set forth herein.

77. Plaintiffs and Defendant entered into an Agreement of Sale for the Property on September 11, 2014.

78. In accord with the Agreement of Sale, the Township conveyed the Property to

Transco by Quit Claim Deed on October 21, 2014.

79. Transco failed to construct its proposed project on the Property in accordance with the terms of the Agreement and failed to limit its project on the Property in accordance with the terms of the Agreement.
80. In failing to construct its proposed project on the Property in accordance with the terms of the Agreement and failing to limit its project on the Property in accordance with the terms of the Agreement, Transco acted in bad faith with the intent to deprive the Township of its reasonable expectations under the Agreement.
81. As a result of Transco's bad faith actions, the Township has suffered damages.

WHEREFORE, Plaintiffs demand judgment against Defendants for the following:

- a) Compensatory damages;
- b) Attorneys' fees and costs of suit;
- c) Such other relief as the court shall deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury as to all matters so triable.

PARKER McCAY P.A.
Attorneys for Plaintiffs,
Township of Chesterfield, and Township of
Chesterfield Committee

By: 

KATELYN M. McELMOYLE

Dated: March 9, 2017