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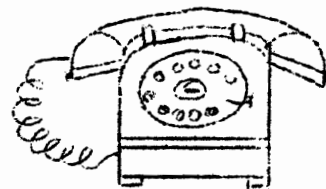
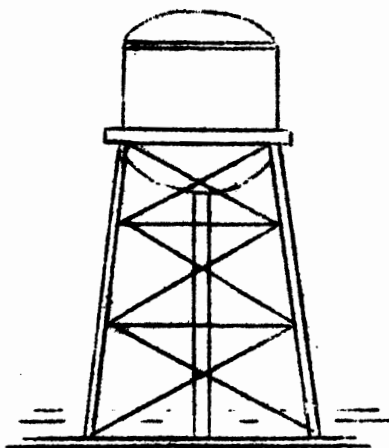
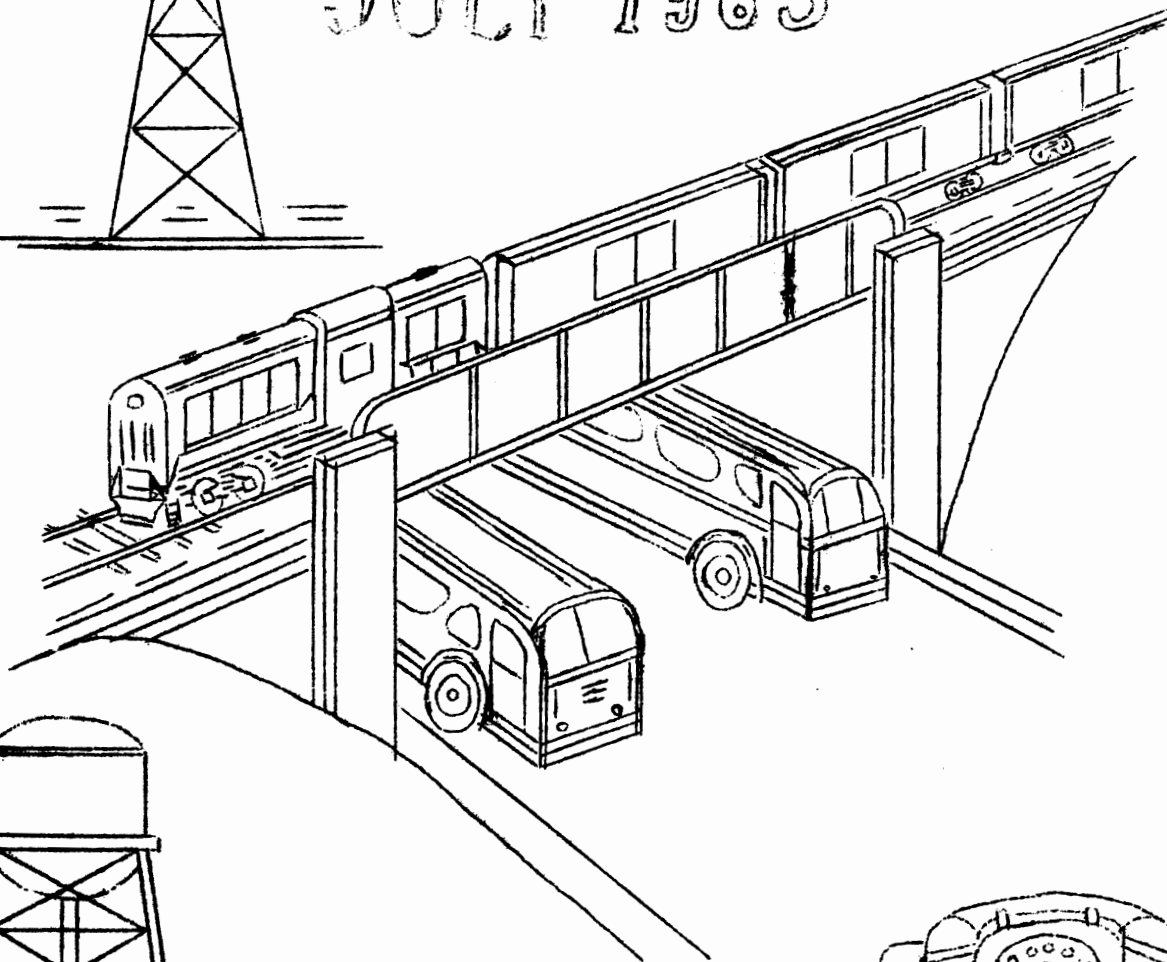
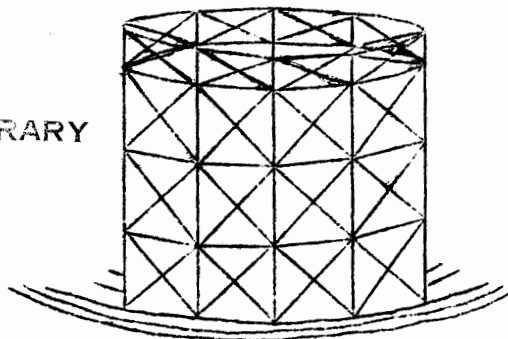
MONTHLY REPORT

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JULY 1963



NEW JERSEY
BOARD OF PUBLIC UTILITY COMMISSIONERS

REPORT TO GOVERNOR RICHARD J. HUGHES FOR THE MONTH OF JULY, 1963

GENERAL ACTIVITY

Decisions Issued	68
Petitions Filed	77
Formal Hearings	48
Informal Proceedings	2,758

REVENUES	<u>1962</u>	<u>1963</u>
Filing Fees and Other sources for July	\$8,114.11	\$42,840.02

120 MILLION DOLLAR STOCK AND BOND FILING

A petition was filed by the New Jersey Bell Telephone Co. for authority to issue and sell common stock priced at \$80,000,000 and debentures for \$40,000,000, the proceeds to be used to pay indebtedness to its parent, American Telephone and Telegraph Co., and the balance to be devoted to reimbursement of the treasury for facility construction expenditures.

BUS ACCIDENT INVESTIGATION COMPLETE

The bus-car accident of June 29, 1963, in which 3 car and 5 bus passengers were killed when an Inter-City Transportation Co. bus skidded on wet pavement across a median strip, has been fully investigated. The Board is forced to close its file on this case without making any remedial recommendations since no mechanical defect or human failure has been disclosed.

THREE MORE EXPLOSIONS INVESTIGATED

While the Board held hearings as to explosions in the service areas of Public Service Electric and Gas Co. and Elizabethtown Consolidated Gas Co., three other explosions, at Livingston, West Caldwell and Jersey City in the former company's area raised again the possibility that gas might have been the cause. Seven field probes by staff members followed and the matters have been consolidated with the pending Public Service Electric and Gas Co. case for public hearing. The one family split level home in Livingston was extensively damaged by fire but no injuries occurred; in West Caldwell, while there was no fire or injury, the house was substantially damaged; and finally, the Jersey City 3 story, 15 family, brick apartment had some walls blown out but worse, 2 persons were fatally and 1 critically burned and 5 others needed hospital treatment.

TELEPHONE COMPANY TARIFF QUESTIONED

The case of Shaw Rose Communications, Inc. versus N.J. Bell Telephone Co. raises the question of whether the tie-in by Shaw of private inter-office telephone equipment into the Bell system violates tariff provisions filed with the Board by Bell and whether such tariff provisions are reasonable and just. After one day of public hearing, the case was adjourned to August 20.

SITUS OF UTILITY FACILITIES AT ISSUE

The Board was asked by New York Central Railroad Co. to find, under R.S. 40:55-50, that the Ridgelyfield zoning ordinance does and should not apply to the proposed doubling of capacity at its 8 acre Bellman's Yard, a transshipping depot for unloading autos from railroad cars and pick-up by auto dealers. Increased business is said to necessitate the expansion of the existing non-conforming use.

Similarly, South Jersey Gas Co. proposes to install underground natural gas storage facilities with a capacity of 10,000,000 cubic feet in an area of Hamilton Township, Atlantic County which is zoned for Forest-Recreation purposes and petitions the Board for a determination under R.S. 40:55-50; that this installation is reasonably necessary for the service of the public, in spite of the zoning restriction.

Hearings in both cases are complete and the records are being studied.

FOUR RATE CASES DECIDED

Monmouth Consolidated Water Co.-The utility, on July 30th, after extensive hearings, was allowed to increase rates by 1/3 of the additional \$650,004 annual revenue sought, amounting to approximately an 8% increase for all classes of consumers. The Board fixed a 6% rate of return on a rate base of \$17,017,274.

Buckingham Utilities, Inc.-Again, the Board granted a partial rate increase, in this case for sewer service in Mantua Township, Gloucester County, amounting to annual revenues of \$2,880 as opposed to \$7,700 requested, in a negotiation order of July 17, effective August 1, 1963.

Consolidated Shore Lines, Inc.-In another negotiation order, the motor carrier's proposal increasing fares by 10% across-the-board, was accepted by the Board. This applied only to summer seasonal operations running from northern New Jersey to seashore points and totaling \$5,790 in additional annual revenues, effective August 11, 1963.

Charles N. Evans Development Water Co.-By decision of July 3, effective August 1, 1963, increased annual revenues of \$1,962 were permitted as sought by the petitioner, which serves in a part of the Borough of Lincoln Park, Morris County.

PETITION FOR REHEARING BY APPELLATE DIVISION FILED

After oral agreement on an appeal taken by Ocean City Sewer Co. from a Board Order granting partial rate increase relief, the Appellate Division remanded the case to the Board because the Board had relied on matters within its expert knowledge but outside the record. Subsequently, after counsel to the Board filed a petition for rehearing seeking a reversal of the Court's decision, the utility filed a motion for reconsideration by the Board itself, alleging the execution of a lease by the city to the company of city sewer facilities to be operated as part of the company system, thus reducing the cost of the company construction program and, consequently, its rate base in this case.

BOARD AUTHORIZES BOND AND STOCK SALES

In its Order of July 30, the Board approved the issuance and sale by South Jersey Gas Co. of \$5,000,000 principal amount of First Mortgage Bonds 4½% Series due 1988. The bonds will be sold to the Comptroller of the City of New York as Custodian of the Fund of the New York City Employees Retirement System and the proceeds will be used to pay off outstanding promissory notes and to finance 1963-4 plant expense.

Pursuant to Board approval on July 23, Hackensack Water Co. will issue and sell 30,000 shares of Cumulative Preferred Stock 4½% Series to 6 institutional investors at \$100 par for a price of \$3,000,000. The funds will reimburse the petitioner's treasury for past capital expenditures and partly finance its future construction program.

GRADE CROSSING ELIMINATION PROGRAM-PASSAIC

Although Erie-Lackawanna trains are running over a new route in the city, there still remains the work of removal of tracks, bridges, and right of way from the center of streets on the old route. Negotiations between the Board's staff and the railroad on costs and timing of the completion are continuing.

REQUEST FOR TRAIN TARIFF CHANGE APPROVED

The Reading Company, after receiving authority from the State Highway Department to petition the Board for bus discontinuance between Trenton and West Trenton which authorization is necessary as the Department administers the subsidy state-railroad contract program whereby commuter service is partially financed by state funds, was permitted by the Board on July 17 to discontinue the slightly patronized service. Involved is the Capital Transit bus service whose contract with the railroad for connecting bus service between Trenton and West Trenton was cancelled. The bus service will continue on a somewhat different schedule; rail passengers will pay an extra fare for the bus service since the Reading rail ticket provided will be from Philadelphia to West Trenton rather than to Trenton.

BOARD DENIES PETITION FOR PUBLIC GRADE CROSSING

Last December, the Board directed that the N.J.& N.Y. Railroad Co. barricade a grade crossing which was not authorized as a public grade crossing. After compliance by the railroad, the Borough of Hasbrouck Heights petitioned the Board for the establishment of a public crossing at that point but, after public hearing on April 24 the petition was denied on July 23, 1963. The Board found that the road was not dedicated for public use, there was no necessity for the crossing as nearby crossings would provide ambulance and fire service to the Borough from Teterboro and the lack of traffic control lights on the exit from Route 17, paralleling the railroad track, would endanger the public.

PETITION TO DISCONTINUE TRAIN-CONNECTING BUSES

Hearings were completed in July and a Board decision is anticipated in September, after submission of exhibits, on a petition by the PRSL Railroad Company to discontinue train connecting buses serving Ocean City, Sea Isle City, Townsend's Inlet, Avalon, Stone Harbor and Cape May Court House.