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185 W. State Street
Trenton, N. J.

TO: Honorable Richard J. Hughes, Governor
FROM: Board of Public Utility Commissioners
SUBJECT: Monthly Report - January 1964

Cable
Cabinet Member
Monthly Report

The following summarizes the accompanying monthly report.

Following numerous public hearings probing accidents in utility service areas, interlocutory orders were issued by the Board to Public Service Electric and Gas Company and Elizabethtown Consolidated Gas Company setting rigid safety measures and calling for studies designed to help in avoiding gas explosions. The remaining gas utilities in the state were advised that they were also expected to do the same.

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Two utilities, Atlantic City Electric Company and Public Service Electric and Gas Company, were given approval to split their common stock.

The formation of 3 utilities, 2 sewerage and 1 water, to operate in Ocean and Monmouth Counties was approved in January.

William F. Hyland

William F. Hyland
President



SB:dgm

Gov. Hughes (Wh)
Gov. Hughes
Master
Newark
Pres. Hyland
Trenton
Hamill
Bonczek

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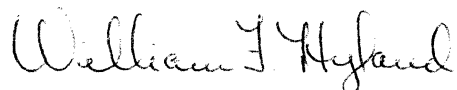
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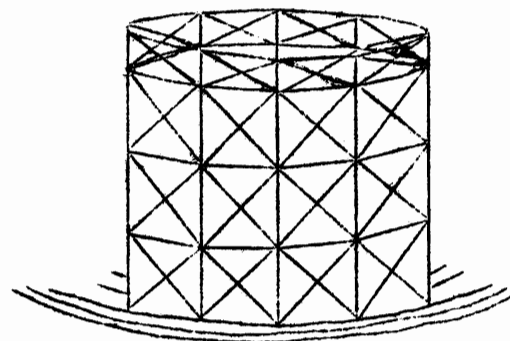
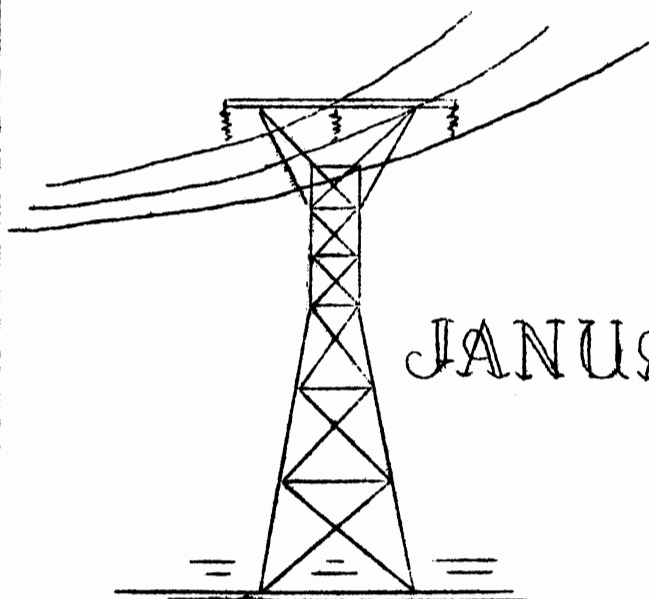
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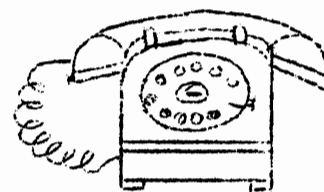
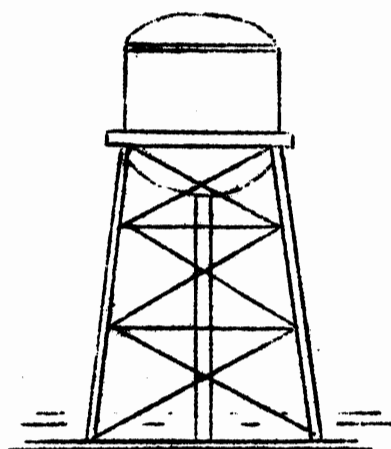
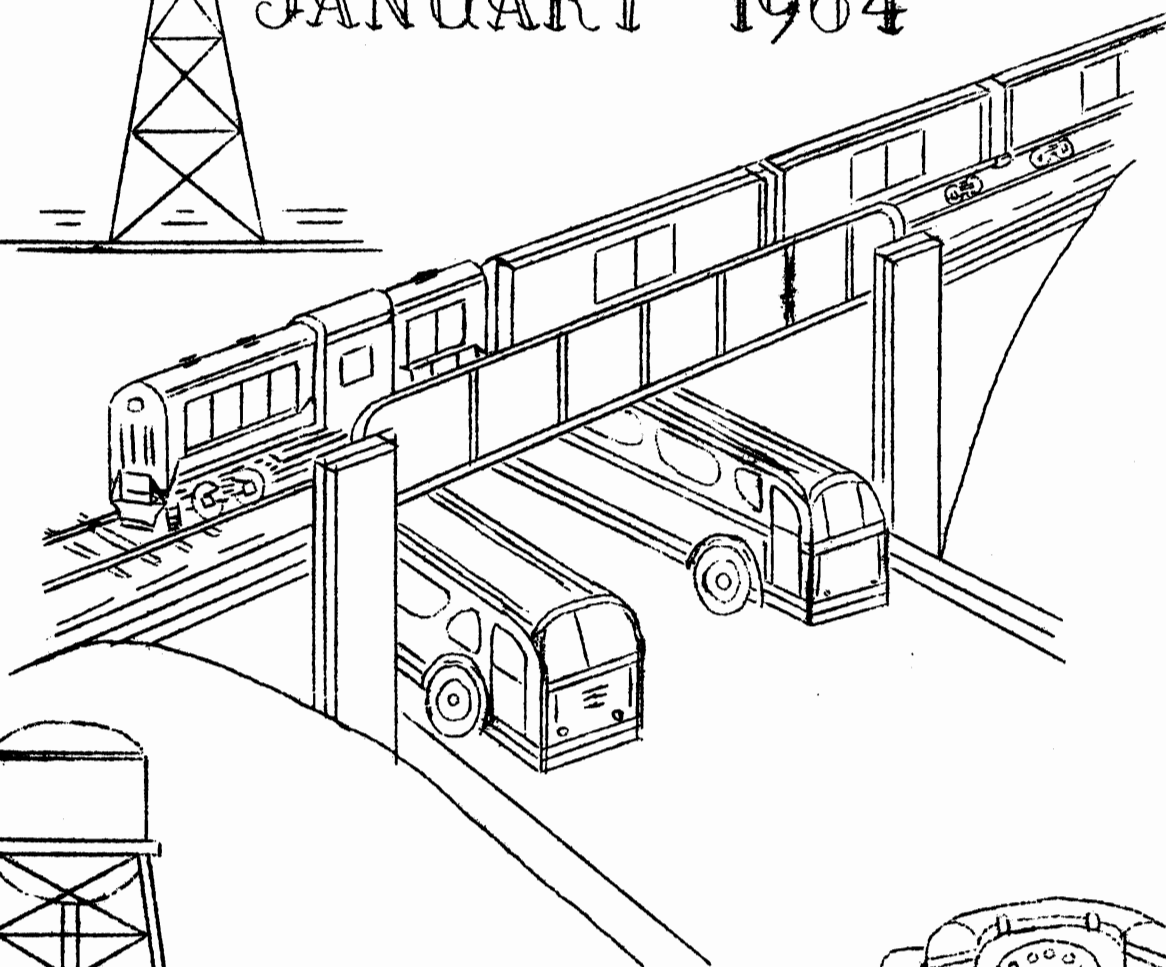


William F. Hyland
President

MONTHLY REPORT



JANUARY 1964



NEW JERSEY
BOARD OF PUBLIC UTILITY COMMISSIONERS

REPORT TO GOVERNOR RICHARD J. HUGHES
FOR THE MONTH OF JANUARY, 1964

ACTIVITIES

Decisions Issued	54
Petitions Filed	56
Formal Hearings	38
Informal Proceedings	1,719

<u>REVENUES</u>	<u>1963</u>	<u>1964</u>
Filing Fees and Other Sources for the		
Month of January	\$24,614.90	\$14,676.26
Filing Fees and Other Sources for the		
Months of July-January	\$100,570.40	\$132,289.18

ORDERS ISSUED ON GAS EXPLOSIONS

P.S.E. & G. AND ELIZABETHTOWN UTILITIES

After 13 days of public hearings at which officials of the utilities, as well as representatives of pipe manufacturers and independent experts testified, ~~interim~~ orders directed to Public Service Electric and Gas Company and the Elizabethtown Consolidated Gas Company, on January 14, 1963, prescribed more rigid safety precautions and studies to aid in the avoidance of gas explosions which in recent months caused fatalities, serious injuries and property damage to commercial and home property owners in the areas served by these companies. The directive included improvements in leak

detection techniques, adoption of odor measuring devices and acceleration of replacements and rehabilitation of older gas mains.

On January 17, 1964, copies of the interim orders were sent by the Board to the remaining 6 gas utilities, in New Jersey, i.e., City Gas Company of Phillipsburg, of Newton, and of New Jersey, New Jersey Natural Gas Company, South Jersey Gas Company, and Warren County Gas Company, who were likewise expected to conform their practices to the interim orders, as applicable, and to file a statement of their respective positions.

BOARD ACTION CONTINUES

Information is being gathered from neighboring utility commissions on their experience in gas explosion matters to aid the Board in any further remedial actions that may be necessary. Members of the Board's engineering staff investigated 3 other incidents occurring in January and possibly accounted for by gas leakage. One accident was in Belvidere, Warren County; another in Willingsboro Township, Burlington County, and the third in Montclair, Essex County. All this points up again the need to enact Assembly Bill No. 251 wherein notice of proposed digging and blasting must be given if gas lines are in the area to prevent or minimize the chance of undiscovered damage to underground gas lines.

BOARD APPROVES TWO STOCK SPLITS

In the case involving Public Service Electric and Gas Company, the Board approved a 2 for 1 stock split by the issuance of an additional 15,502,108 shares of no par value common stock

to existing stockholders. Authorized common stock without nominal or par value was increased from 20 to 40 million shares.

Atlantic City Electric Company will issue $1\frac{1}{2}$ share of common stock for each share held by a stockholder. With Board approval of January 31, 1964, the company will change the par value of its outstanding common stock from $\$4\frac{1}{3}$ to \$3 per share. After the issuance of 2,090,000 shares of common stock, the split will result by changing each two shares of outstanding common stock into three shares of common stock.

The purpose of both actions is to make the stock more attractive to the investors by lowering market price and expanding the market for the stock to the benefit of both the utility and its stockholders.

UNIFORM SYSTEM OF ACCOUNTS

Since the amendments to the Uniform System of Accounts for Railroads, approved by the I.C.C., providing for the establishment of original cost accounting and disposing of differences between original cost and recorded cost, were reasonable and not against the public interest, the Board adopted the changes for utilities under its jurisdiction, effective January 16, 1964, subject to written protest up to March 15, 1964.

SEWER AND WATER UTILITIES FORMED

Three Board Orders issued on January 23, 1964, approved the formation of 1 water and 2 sewerage utilities. The South Lakewood Water Company and the South Lakewood Sewer Company will

service a portion of Lakewood Township, Ocean County, while the Freehold Sewer Company has rights in the streets of Freehold Township, Monmouth County. In all three cases, as a result of indemnity agreements, the initial rates will remain fixed through 1973.

RATE MATTERS

BUSES

Burdened with a \$44,700 annual deficit under existing rates, Coast Cities Coaches, Inc., operating 11 routes in Monmouth and Ocean Counties, asked the Board to approve a 5¢ adult and 2-1/2¢ student fare increase. The anticipated revenues would eliminate the deficit and increase income by \$1,091, but since the carrier had invested \$22,500 in utility property, the Board found the increase not excessive, and in fact necessary to maintain proper service to the public. The new rates are effective January 19, 1964.

WATER

Lake Lenape Water Co., serving parts of Sussex County, sought a rate increase, estimated at \$12,205, through raising annual charges to \$65 from the existing regular customer rate of \$15 and seasonal customer rate of \$10. Existing rates resulted in a \$6,229 loss in 1962, which was expected to continue. Consequently, an increase was granted which is estimated to raise revenues by \$8,450. Effective January 15, 1964, regular customers will pay \$50 annually and seasonal customers, \$45.

RAILROADS

"OPERATION BEAVER"

Initiated by the Delaware Public Service Commission, conferences were held in latter 1963 at Wilmington, Delaware and Philadelphia, Pennsylvania, relating to conditions of stations, equipment, and service on the Pennsylvania Railroad. Participating were representatives of the Maryland, Pennsylvania, and New Jersey Utility Commissions and the Division of Rail Transportation, N.J. Highway Department. As a result, the railroad has started "Operation Beaver," a special clean up of its stations and cars.

SUPERIOR COURT CASES

APPELLATE DIVISION

Appellant - New York Central Railroad Co., filed its brief in a case on appeal from a Board Order and involving the Borough of Ridgfield, the issues being centered on a municipal ordinance. Along with the Borough, the Board is a respondent.

The Board filed the record of its proceedings in an appeal taken by Monmouth Cold Storage Co. from a Board Order upholding a gas bill rendered by the Public Service Electric and Gas Company.

CHANCERY DIVISION

Bordentown Banking Co., mortgagee of Bordentown Sewer Co., intervened to protect its interests in a case brought by the Board seeking to have the utility correct sewerage and disposal treatment to clear up offensive odors. Thereafter, the utility, by its counsel, consented to the appointment of a receiver and an Order was submitted to Judge Kingfield.