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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 - May, 1964

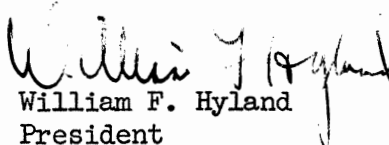
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The Board has under review a hearing examiner's report in a case developing from a PATH-Pennsylvania Railroad train collision, recommending uniform rules for signal and interlocking maintenance and communication on train movements between train crews and signal tower operators.


William F. Hyland
President

WFH/mlf
attachment





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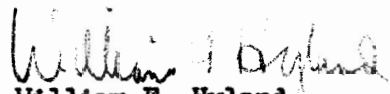
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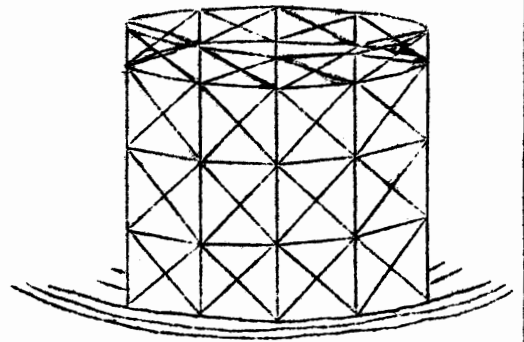
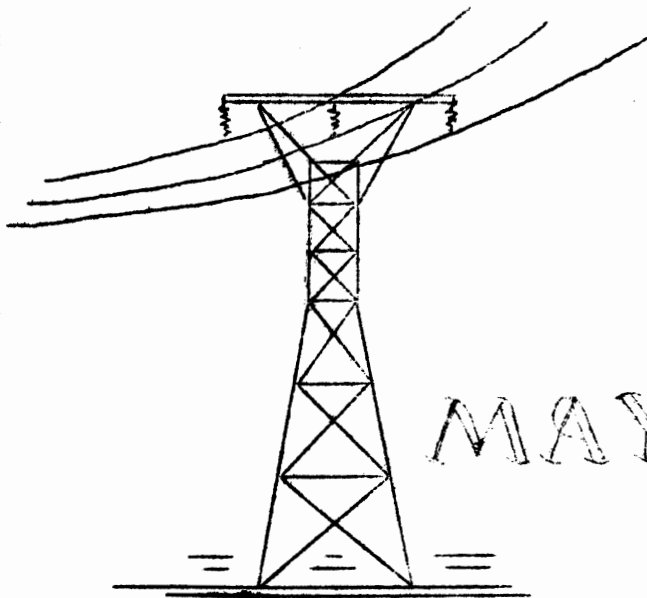
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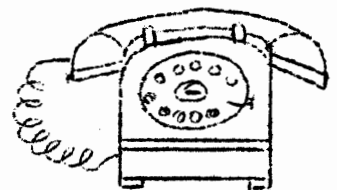
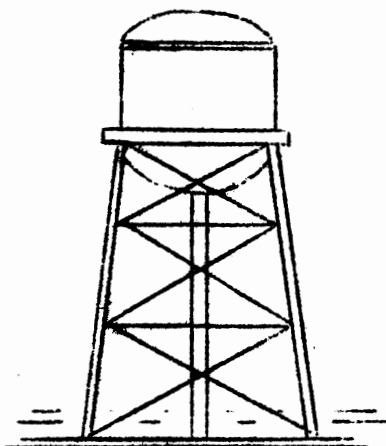
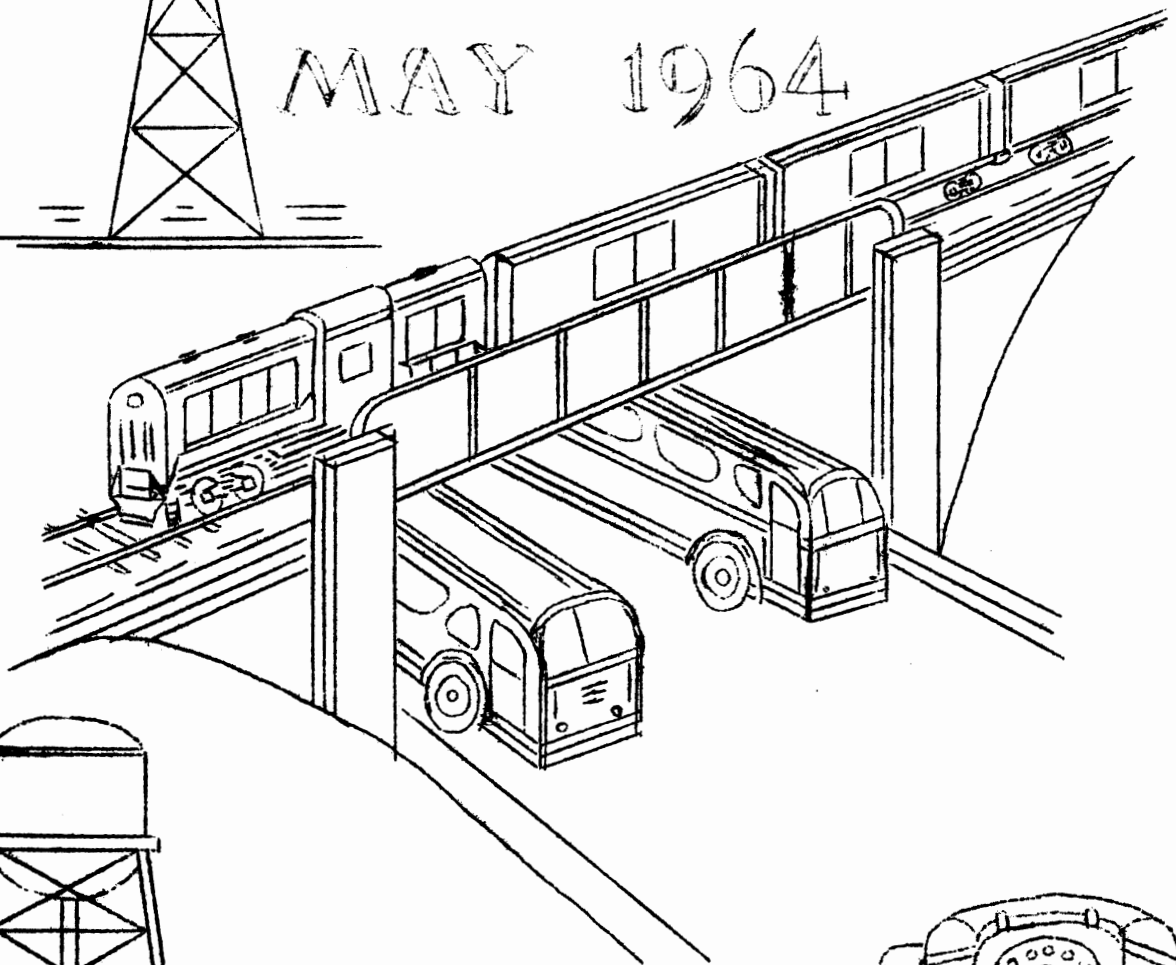

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President

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MONTHLY REPORT



MAY 1964



NEW JERSEY
BOARD OF PUBLIC UTILITY COMMISSIONERS

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

ACTIVITIES

Decisions Issued	76
Petitions Filed	88
Formal Hearings	55
Informal Proceedings	2,419

<u>REVENUES</u>	<u>1963</u>	<u>1964</u>
Filing Fees and Other Sources for the		
Month of May	\$32,529.53	\$24,171.86
Filing Fees and Other Sources for the		
Months of July-May	\$262,346.06	\$310,506.54

FINAL GAS EXPLOSION ORDERS ISSUED

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Following 8 explosions in the utility's service area in the winter of 1962-63 and a 13-month probe by the Board resulting in an interim Order in January, 1964, a final Order on May 6 based on a record developed in 6 days of public hearings, including 37 exhibits and 411 pages of testimony, directed the utility to tighten procedures on detection and reporting of gas leaks. Education of consumers on reporting of leaks will be intensified. Leak detection devices used by servicemen will be calibrated periodically for accuracy and service pipes in crawl spaces shall be frequently inspected, this information to be

included in monthly statements to the Board for 1 year. The programs required by the interim Order - improvements in leak detection techniques, adoption of odor measuring devices, etc. - shall become a permanent part of the utility's operating procedure. The utility has purchased an additional leak detection vehicle and 112 more leak detection instruments were put in service, now totaling 911.

Two of the accidents were accounted for by pipe corrosion, two from a settlement of backfill and pressure from above on the pipe, one by contractor excavation, but the evidence in the remaining three cases was insufficient to make a finding of causation.

ELIZABETHTOWN CONSOLIDATED GAS COMPANY

Two explosions or fires in the utility's service area early in 1963 resulted in fatalities, as well as injury and damage to persons and property. Consequently, on the Board's initiative, 7 days of public hearings compiling a record of 40 exhibits and 723 pages of transcript, were held from April through September 1963 and an interim Order of January, 1964 prescribed practices which will now become standard operating procedure by virtue of the final Board Order of May, 1964. The cause of the accidents was found to be the settlement of backfill weakening the ground support beneath the pipes. The external forces acting on the ground surface cracked the pipe and because the escaping gas could not vent due to frost, it seeped into the buildings, collected to an explosive mixture and

ignited by an undetermined means. The Board will permit the utility to continue to contract for leakmobile type equipment and hire experts in the field of vegetation surveys. If, however, this is not effective as shown in the monthly reports to the Board, the equipment will have to be purchased and utility personnel used in its operation. Customer and general public education on gas leaks must continue.

PSCT RATE CASE BEGUN

HEARINGS

After an initial public hearing in Trenton on May 13th, the case was adjourned for further hearings in Newark on June 10, 12, 16, 17, and 18. The interim time is needed for the 3 rate counsel and other persons opposing the fare increase to prepare for cross-examination based upon the prepared testimony (75 pages of statistical data, etc.) and 12 exhibits submitted by PSCT in its direct case. Representatives of 10 north New Jersey municipalities and 1 commuter entered their objections to the increase. Before the start of public hearings, notices of intent to oppose were filed by 5 municipalities and protest letters were received from 9 other municipalities and 53 individuals.

Counsel for PSCT, in his opening remarks, urged that the petitioner is entitled to a net operating income of between $2\frac{1}{2}$ and 3 million dollars on a 1964 rate base of \$35,718,000. His position, he stated, was based on the fact that the Board

in a prior decision found that a range between 7.1% and 8.2% would be a fair rate of return. For 1963, the petitioner's net operating income was said to be \$984,493 or roughly 1/3 of what was claimed as a fair return.

INDEPENDENT BUS LINES

A representative of 33 independent bus companies, in the Greater Newark area and Essex County operating on the same or parallel routes as PSCT, stated at the hearing that all the companies will file for a like fare increase and expect to enter into an agreement with PSCT for cooperation on the transfer and exchange privileges.

INTERSTATE FARES

Effective May 2, the ICC without hearing granted PSCT a 5¢ fare boost for most interstate bus routes running from New Jersey to New York and Pennsylvania.

EXAMINER REPORTS ON RAILROAD INTERLOCKINGS

After public hearings, the hearing examiner reported to the Board and recommended that a uniform code for the operation of railroad signals and interlockings in New Jersey be adopted. Except for the New York Central Railroad where train crew and tower operator confer before a train crosses a rusty rail in an interlocking, all railroads place the responsibility of operation over rusty rails on the interlocking operator. A portion of the interlocking machine, however, is controlled by electric track circuits which indicate whether a track is occupied by a train and are designed to eliminate the change of

conflicting routes for trains through error or oversight by the operator. Rusty or dirty rails impede the activation of the track circuit. While mechanical and chemical means are used to clean the tracks, the only satisfactory cleanser is a train run over the track. The interlocking operator, in his work, uses visual observation and communicates with the train crew or with another tower or station along the train route.

The examiner, in addition, urged that the Board order the railroads to fix a uniform rule to require prompt communication by the train crew with the interlocking operator in every case where a train is stopped within, approaching or leaving the interlocking limits or when a drill movement may come within the interlocking limit. When the moves are completed, the train crew should report that the train is clear and about to proceed to another section of the railroad.

ICC RAILROAD MERGER CASES

The Board filed a written brief in the Pennsylvania-New York Central merger case which stressed the following four points; (1) the case should be combined with the Norfolk & Western merger case because of the interrelation of both cases with the eastern railroad system in general; (2) no opposition would be made provided the Erie-Lackawanna Railroad was included in the proposed merger of the Norfolk & Western-Nickel Plate-Wabash railroads; (3) the New York, Susquehanna and Western Railroad must be included in the merger without curtailment of service; and (4) there should be adequate protection for railway labor.

RATE MATTERS

CUSTOMER SAVINGS

Approximately \$94,800 will be saved annually by customers of New Jersey Bell Telephone and improved service received due to approval by the Board of 6 revised tariffs providing for additional types of equipment and changing exchange area boundaries.

A revision of the Rockland Electric Company tariff changing service classifications will reduce customer bills \$65,000 a year.

Twenty-eight hundred New Jersey Telephone customers will benefit from a tariff revision filed by the company to decrease yearly charges by \$35,000.

WATER AND BUS CHARGES

A rate increase of \$50,815 requested by the Long Beach Water Company was deemed unreasonable by the Board and an increase of \$34,120 was allowed, this being a return of 6.2% on the Board's determination of rate base.

Thirty operators on the North Boulevard bus route serving parts of Hudson and Bergen Counties were allowed to increase their rates by \$42,000 annually. The 1-zone fare of 15¢ remains, but a 2-zone ride will rise 5¢ to 25¢, a 3-zone trip will increase the same amount to 35¢, and the student fare is increased by 1¢ to 8¢.

MISCELLANY

The following utility action received Board approval: Hackensack Water Company will use land in Borough of Alpine, Bergen County, for a storage tank and pumping station despite a zoning prohibition against such use; New Jersey Natural Gas Company will extend its franchise to use all the streets for mains in an additional area of the Township of Manchester, Ocean County; by virtue of the recent revision of the Utility Law, the Farmers Union Telephone Company will exercise powers of eminent domain over private lands for telephone facilities in the Borough of Sussex, Sussex County; and residents in a development area in East Windsor Township, Mercer County, will receive water and sewerage service from the Southern Gulf Water Company and the Southern Gulf Sewerage Company through a franchise extension.