

# MONTHLY REPORT

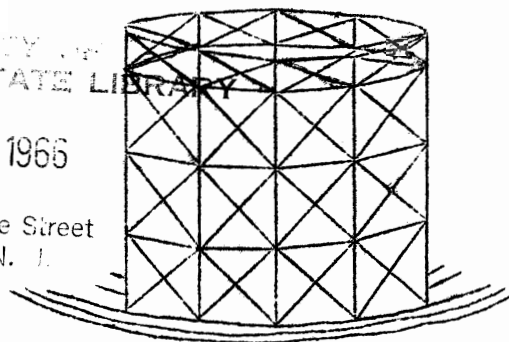
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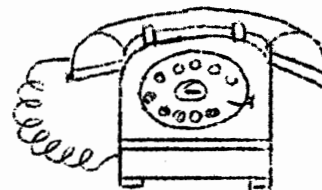
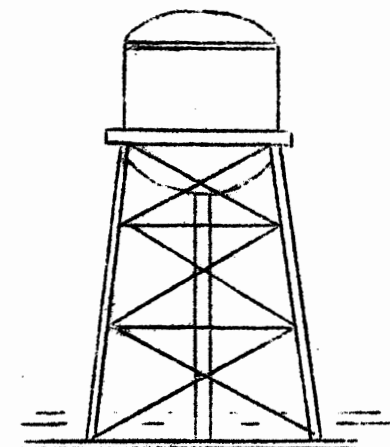
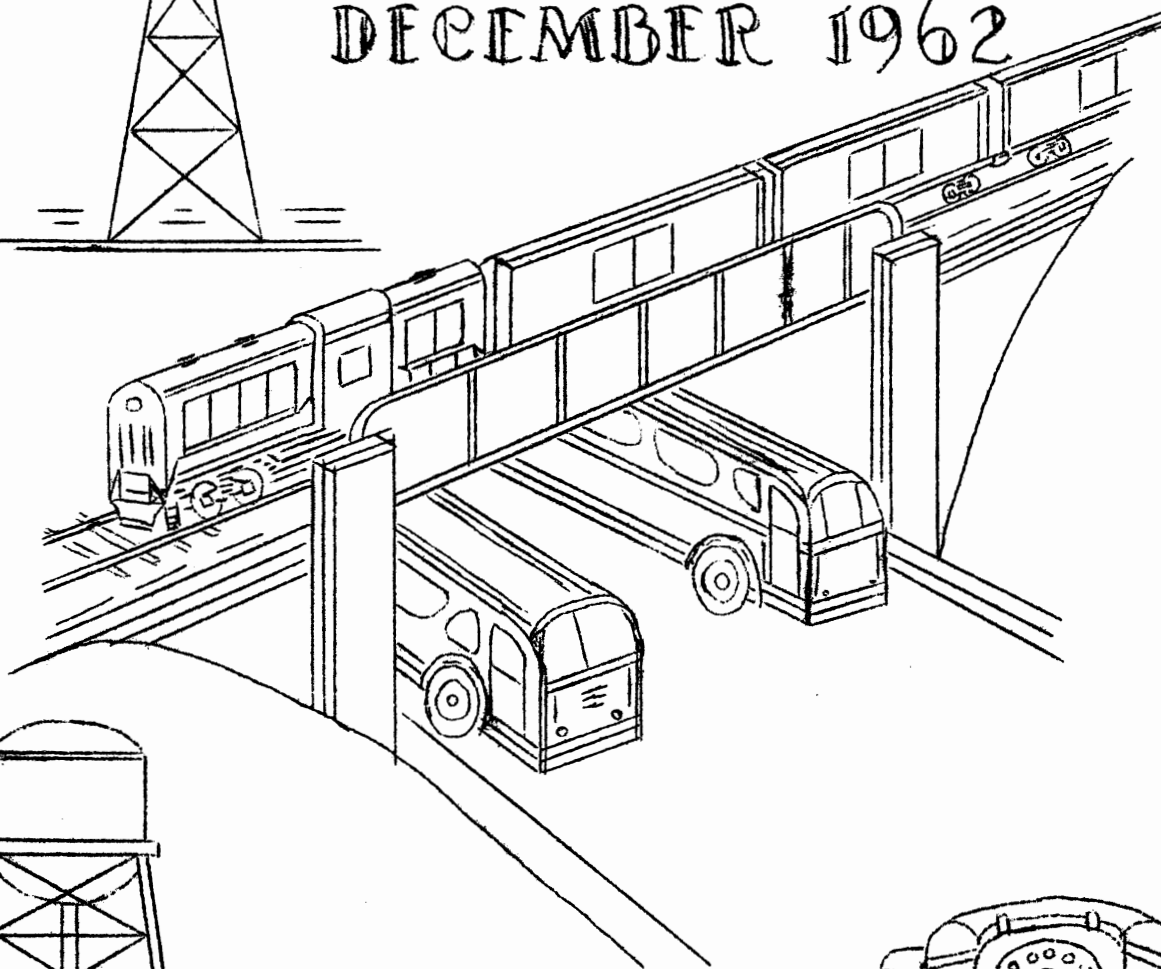
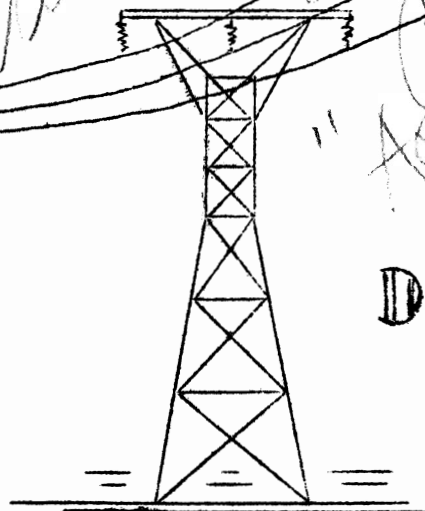
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## DECEMBER 1962



NEW JERSEY  
BOARD OF PUBLIC UTILITY COMMISSIONERS

REPORT TO GOVERNOR RICHARD J. HUGHES  
FOR THE MONTH OF DECEMBER 1962

GENERAL ACTIVITY

Decisions Issued	66
Petitions Filed	99
Formal Hearings	42
Informal Proceedings	1793

	REVENUES	<u>1961</u>	<u>1962</u>
Filing Fees and Other Services for December		\$11,810.09	\$ 7,875.18
Filing Fees and Other Services for July-December		115,263.24	75,955.50

GOVERNOR SIGNS BILL REVISING PUBLIC UTILITY ACT

On December 12, 1962 in the Governor's Office, the Governor signed into law Assembly Bill 486 which is a revision of Title 48, Public Utilities. This culminated 10 years of study, analysis and conferences with utility representatives by the Law Revision Commission as well as by this Department. It represents the first major revision of the Public Utility laws since the original enactment in 1911.

Among the more important provisions the revision of Title 48 will require all public utilities exercising eminent domain to first obtain permission from this Board; prevent any public utility from discontinuing service without approval of the Board; and permit incorporation of public utilities under Title 14, the General Corporation Act.

MERGER HEARINGS SCHEDULED

The Interstate Commerce Commission is conducting extended hearings in connection with the proposed merger of the Pennsylvania Railroad and the New York Central Railroad. The Board was represented by observers at hearings in this case in Washington on November 5th and 6th and will continue to follow the proceedings. The Attorney General is expected to appoint special counsel to represent the State in this matter. Hearing will be held in this Board's hearing room in Newark during the week beginning January 28th.

## CONFERENCE ON GAS UTILITY ACCIDENTS HELD

Three gas explosions were investigated by the Board.

As a result of the foregoing, on December 21st, a conference relating to gas utility accidents was held by the Board, which was attended by representatives of Public Service Electric and Gas Company, New Jersey Natural Gas Company, the three City Gas Companies, South Jersey Gas Company, and Elizabethtown Gas Company. It was agreed by all that the conference was productive and that each one present gained additional knowledge which could be helpful in meeting the problems of gas leaks and possible subsequent accidents.

These incidents again highlight the need for legislation such as that proposed by this Board in 1961 and 1962. The Board was instrumental in causing A670 to be introduced in 1961 and A507 in 1962. These bills were basically the same and required contractors who propose to excavate or use explosives to give notice of their intent to the gas company serving the area. The company in turn would be required to inform the contractors of the location of its mains and other facilities.

This would reduce the number of gas leaks from damaged mains, thereby reducing the danger to homes abutting the streets in which the mains are located.

A bill similar to A670 and A507 has been prepared by the Board for introduction in this session of the legislature.

## RELIEF SOUGHT AGAINST PLANNING BOARD ACTION

A hearing is scheduled for January 16, 1963, on the petition of Public Service Electric and Gas Company for a determination, pursuant to the provisions of N.J.S.A. 40:55-1.19 that the use of certain lands in the Township of Gloucester for a right-of-way for the transmission of electricity is reasonably necessary for the service, convenience or welfare of the public. The Company intends to construct transmission facilities from the site of its proposed generating plant located at National Park on the Delaware River to its Burlington Generating Plant. The Company's application for subdivision of certain land in Gloucester County was approved by the Planning Board but rejected by the Governing Body of the Township. Therefore, the Company seeks relief from the Board under the provisions of the aforementioned N.J.S.A. 40:55-1.19.



## TERRITORIAL DISPUTE

A prehearing conference in the matter of a formal complaint by the Boroughs of Woodcliff Lake and Park Ridge against Hackensack Water Company was held on December 13th, in an attempt to clarify and perhaps settle the issues involved; primarily, whether Hackensack Water Company has a right to serve water for public use in the Borough of Woodcliff Lake, and whether or not the Water Company should be directed to remove a 16" main from Chestnut Ridge Road in Woodcliff Lake. Public hearing in this matter is scheduled for January 3, 1963.

## SALE OF "WHITE ELEPHANT" IN JERSEY CITY

The sale of a four-square-block warehouse, eight stories high located in Jersey City and adjacent property by the Erie-Lackawanna Railroad Company to Pierpont Associates, Inc., for \$3,350,000 was approved by the Board on December 27th. The property was originally acquired by the Railroad for warehouse purposes but in recent years has been largely leased by the Railroad to other warehousing and manufacturing firms. Often characterized as a "white elephant", the Railroad has attempted, for a number of years, to sell the property.

## PROPOSAL TO CURTAIL SERVICE

Hearing was held on December 11th on the proposal of the New York and Long Branch Railroad Company to curtail passenger agency service at the Elberon, Little Silver and Red Bank stations. The Board is considering the necessity for an evening hearing at Long Branch.

## ACCIDENT INVESTIGATION COURSE TO BE CONDUCTED

Members of the State Police Academy will conduct a 2-day course in the Board's Newark office on January 7th and 9th for the Board's autobus and railroad inspectors, as well as six members from the Board's Engineering Division. This course will cover methods of investigation and uniform reporting of accidents.

## GRADE CROSSING ELIMINATION PROJECTS

### Passaic

Work is continuing for the elimination of the Passaic grade crossing. The bridges over Getty Avenue and Main Street have been practically completed and a large portion of the embankment has been placed for the new elevated rail connection. Track and signal work between Paterson and Athenia is also progressing.

Lutz Road, Hamilton Township

The Lutz Road grade crossing elimination is virtually completed except for a portion of the paving and the guard rail on the embankment. It is expected to be opened to traffic early in January.

Garwood

Four of the five main line tracks of the Central Railroad are now operating over the new bridges and excavation for the underpass is proceeding.

Edgewater

Work for the reconstruction of the River Road bridge was started on November 29th, 1962. It was found that a considerable quantity of rock would have to be removed before the new abutments could be placed. This additional work will cost approximately \$10,000 and will delay the project for several weeks.

GRADE CROSSING PROTECTION PROGRAM

Hearings for additional protection under the provisions of N.J.S.A. 48:12-49.1 at the following crossings were held on the specified dates:

Wolf Hill Road, Oceanport (NY&LHRR)	. . November 28th
17th and 18th Avenues, South Belmar	
(NY&LHRR)	. . November 30th
Lanes Crossing, Branchburg Township	
(CRR of NJ)	. . December 4th
Lambs Road, Pitman (P-RSL)	. . . December 21st
Little Mill Road, Franklin Township	
(P-RSL)	. . . December 21st

No decisions have been issued in these matters as yet.

BOARD DIRECTS COMPANY TO IMPROVE CROSSING

On December 20th the Board issued an Order approving establishment of a public crossing at grade on the alignment of Bridgewater Drive and the tracks of the New York and Long Branch Railroad in Oceanport and directed the Railroad Company to install single-arm automatic gates and appurtenant devices at the crossing.

## EXPRESS FREIGHT RATES INCREASED

After hearing upon notice the Board, by negotiation, accepted for filing the Class Tariff 18-D of First and Second Class Express Rates and Charges, PUC NJ 359, effective January 1st, 1963. This Tariff showed increases providing for an additional charge of 10 cents to be added to the graduate charges on first and second class express traffic between points in the State of New Jersey except that the charge for the one-pound shipment was increased from \$2.87 to \$2.90.

## RATE INCREASES GRANTED

The Board issued five decisions and orders for an increase in rates to produce additional revenues involving the following companies:

<u>Name of Company</u>	<u>Date Issued</u>	<u>Est. Annual Incr. In Revenues</u>
New Egypt Water Company	12/13/62	\$ 9,435
Hillsborough Water Co.	12/20/62	4,137
Hillsborough Sewer Co.	12/20/62	4,334
Sunbury Village Sewer Co.	11/29/62	8,200
Sunbury Village Water Co.	12/3/62	6,300

## BUS FARE INCREASES ALLOWED

On December 20th, 1962, the Board issued three negotiation orders permitting increases of 5 cents per zone for each zone beyond the first in cases involving the following companies:

<u>Name of Company</u>	<u>Route</u>	<u>Estimated Annual Increase in Revenues</u>
Trackless Transit	East Orange Crosstown Bus Route #96	
	Stuyvesant Ave. Bus Route #94	
	Belleville Bus Route #98	\$ 22,484
Associated Bus Company of Hawthorne	Paterson-Allendale- Waldwick Bus Route	4,895
Linden Bus Company	Elizabeth-Linden Bus Route #44	1,757

This is the same type increase granted by the Board to Public Service Coordinated Transport in August, 1962.



## BOARD REDUCES CAPITALIZATION

The Hillsborough Water Company received Board's approval on December 20, 1962 for the issuance of 835 shares of no par value common stock, with a stated value of \$42.85 per share, in the aggregate stated amount of \$35,779.75; and the assumption, from Somerville Valley Enterprises, Inc., of a portion in the principal amount of \$24,388.19 (as of September 1, 1962) of a promissory note dated October 2, 1961, now outstanding in favor of Jules M. Baron and Sidney M. Gewanter, secured by a mortgage, the aggregate principal balance thereof apparently being \$56,323.77 as of September 1, 1962.

The Company proposed to capitalize assets in the amount of \$122,129.04 by the issuance of 2,281 shares of no par value common stock, with a stated value of \$42.85 per share and also the assumption of a portion of a presently outstanding note in the amount of \$24,388.19 on the date of petition. However, the Board, after investigation and public hearing, found that the proposed issuance and assumption of securities in the aggregate amount of \$122,129.04 were not warranted, and were, therefore, unreasonable and not in the public interest, and, therefore, were not approved.

The Board's ruling in its denial of said amount, was based on its knowledge of other similar situations involving developers and affiliated water utilities where costs of water distribution systems are usually paid for by the real estate developer. The recording or changing of such costs in the utility's plant accounts is offset by a credit to the Contributions in Aid of Construction Account, and consequently excluded from the utility's rate base and investment base. This accounting treatment, in effect, safeguards a purchaser of a house and/or lot in the development from virtually paying (in part) twice for such utility plant; first as an element in the price of the house and/or lot, and later through the return on the investment (on the cost) of the contributed plant, if it were; to be included in the rates for utility service.

The Board issued a similar Decision and Order in the matter of Hillsborough Sewerage Company also dated December 20th, 1962.

## ACTIVITIES OF THE COMMISSIONERS

✓ On December 12th, President Hyland and Commissioners Powers and Otis attended the official signing by the Governor of A486 (Revision of Title 48) at the Governor's office in Trenton.

✓ On December 13th, President Hyland met with Gilbert B. Wood, Legislative Representative of the Brotherhood of Railroad Trainmen to discuss the pending New York Central -Pennsylvania Railroads' merger.

✓ On December 18th, Commissioner Hyland attended the traditional lighting of the Christmas Tree on the State House lawn.

✓ On December 18th, Commissioner Hyland attended the Governor's Cabinet meeting.

✓ On December 20th, Commissioner Hyland, Commissioner Powers and Commissioner Otis attended the Annual Dinner of the New Jersey Motor Bus Association.

Respectfully submitted,

William F. Hyland,  
President.

Dated: February 6, 1963.