

MONTHLY REPORT

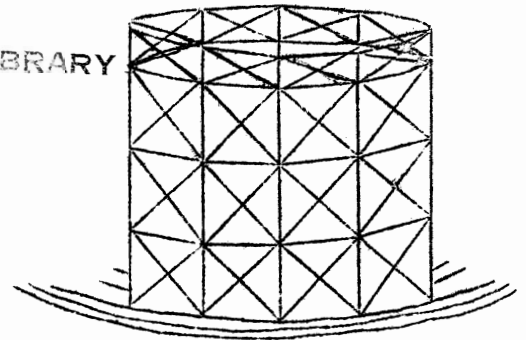
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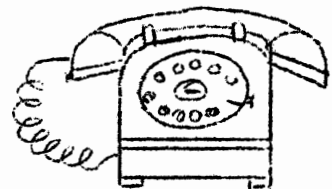
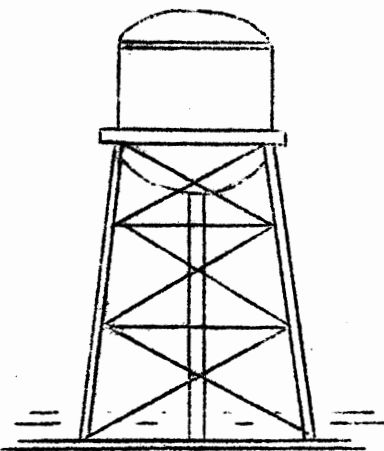
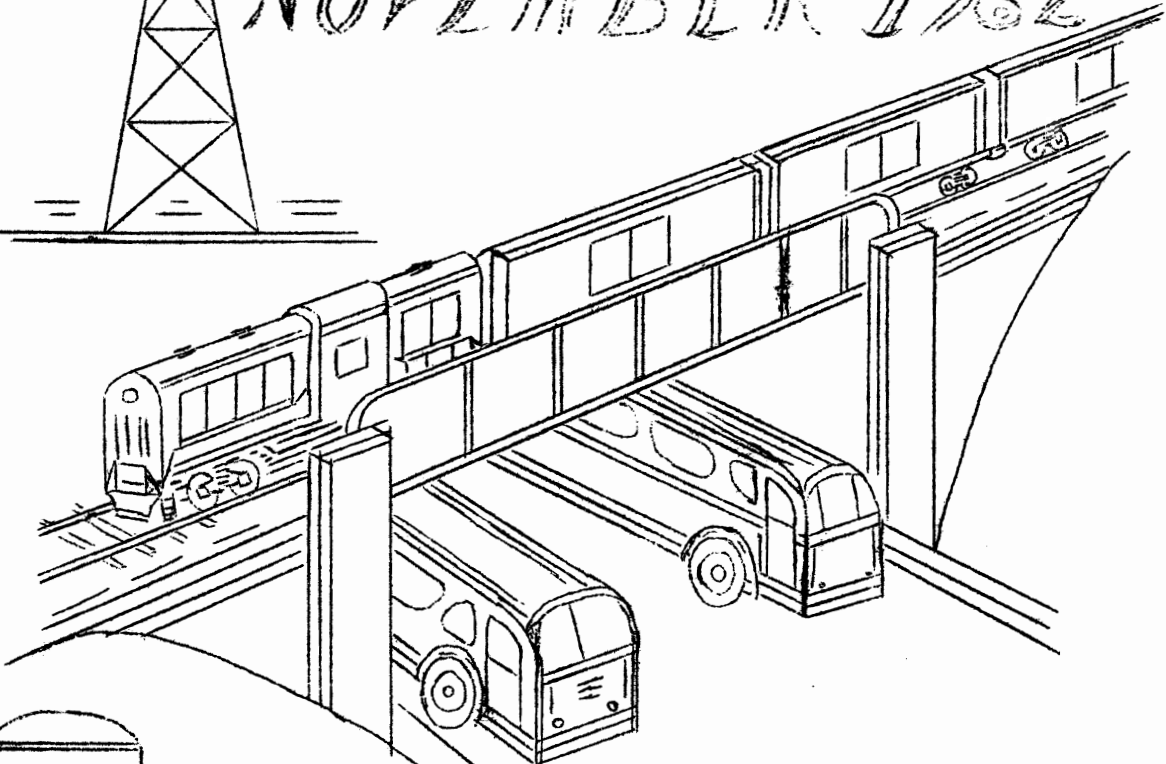
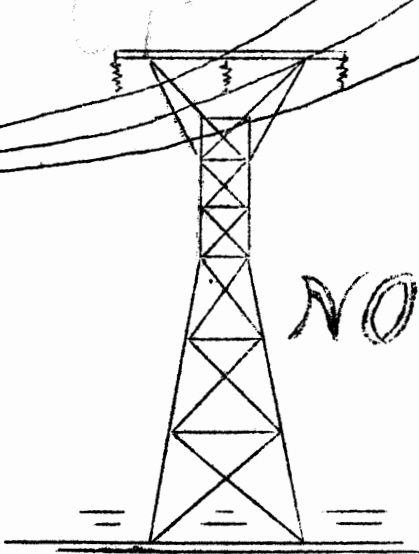
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NOVEMBER 1962



NEW JERSEY
BOARD OF PUBLIC UTILITY COMMISSIONERS

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

GENERAL ACTIVITY

| | |
|----------------------|------|
| Decisions Issued | 113 |
| Petitions Filed | 68 |
| Formal Hearings | 51 |
| Informal Proceedings | 2201 |

REVENUES

| | <u>1961</u> | <u>1962</u> |
|--|-------------|-------------|
| Filing Fees and Other Sources for November | \$14,280.54 | \$6,675.87 |
| Filing Fees and Other Sources for July-November | 103,453.15 | 68,080.32 |

INCREASED RAILROAD FARES ABSORB REPEALED 10% FEDERAL TAX

The Federal tax on railroad fares was eliminated on November 16, 1962. The Board, after hearing and negotiation conference on November 9, 1962, permitted the railroads to increase fares by the amount of the tax effective as of November 16. Fares paid by the passengers will not be increased but the amount previously paid in taxes will become additional revenue to the railroad companies. This will not affect multiple ride or commutation tickets or fares under 60 cents.

SUSQUEHANNA RAILROAD TRAIN DISCONTINUANCE CASE

The appeal of the State and the Board to the United States Supreme Court from the decision of a three-judge statutory court will be argued during December and the opinion should be rendered some time during the Spring of 1963.

MULTI-STATE GENERATING AND TRANSMISSION PROJECT ANNOUNCED.

After private notice to this Board, major New Jersey electric utilities announced in the press that they had entered into a compact with their counterparts in Pennsylvania for the installation of mammoth mine-mouth generating stations and ultra-high voltage transmission of substantial amounts of the power so generated to New Jersey. This should provide for our existing industries and others that might be interested in locating here, as well as for the consuming public generally, the benefits of lower fuel costs and higher efficiencies of larger generating units at mine-mouth. The project is expected to cost \$350,000,000 and to be completed in 1967-68.

EMERGENCY MOTOR TRANSPORT BOARD ORGANIZES

Under the Chairmanship of Commissioner William F. Hyland, the Emergency Motor Transport Board met on November 5 and on November 27, to organize its component industrial and governmental segments and to allocate functions as appropriate. Plans were established for the communication of alerts to all members, working space requirements allocated and members were assigned various duties for the implementation of the Executive Order of the President in case of emergency. The next meeting is scheduled for early December.

BOARD APPROVES \$11,000,000 BOND ISSUE

Jersey Central Power & Light Company received approval from the Board, to issue and sell \$11,000,000 principal amount, of its First Mortgage Bonds, 4-3/8% Series, due 1992. The Bonds were purchased by a group of 14 underwriters, represented by White, Weld & Co., at a price of 100.677%, of the principal amount of the Bonds, plus accrued interest from November 1, 1962 at the rate of 4-3/4% per annum. This represents an annual cost of money rate to the Petitioner of 4.3345%. The underwriters propose to offer the Bonds to the public at 101.25%, of the principal amount thereof, which represents a spread to the underwriters of .58%. The principal underwriter has indicated that the issue had very good reception and 90% of the issue was sold by November 23, 1962.

RECONSTRUCTION OF BRIDGE IN MATAWAN

The Borough of Matawan and the Township of Matawan petitioned the Board for reconstruction of the bridge which carries Atlantic Avenue over the Freehold Branch of the Central Railroad of New Jersey in Matawan. At the hearings on October 4 and 31, 1962, the municipalities presented evidence to show the increase in the use of the bridge by reason of increased residential development and the construction of a new regional school on Atlantic Avenue. It was contended that the bridge did not permit the convenient passage of two vehicles and was dangerous for pedestrians. The Railroad Company suggested that a grade crossing be substituted for the bridge but the Board, in its Decision and Order of November 29, 1962, found that a grade crossing would present a hazard and directed the Railroad Company to reconstruct the bridge so that it would carry modern vehicular loads and would not present a dangerous condition to motorists and pedestrians. The Railroad Company was directed to prepare the plans and forward them to the Board by February 15, 1963, and to complete the work by October 1, 1963. This project will be carried out under the provisions of N.J.S.A. 48:12-49.1 which provides that the State, through the Board of Public Utility Commissioners, will pay 85% and the Railroad Company 15% of the cost of construction.

PROPOSED MERGER OF PENNSYLVANIA RAILROAD AND NEW YORK CENTRAL RAILROAD

The Interstate Commerce Commission is conducting extended hearings in connection with the proposed merger of the Pennsylvania Railroad and New York Central Railroad. The Board has been represented at hearings in this case in Washington on November 5 and 6, and will continue to follow the proceedings.

COMPANY AGAIN APPEALS BOARD'S DECISION

The Board, on December 29, 1960 issued its Decision and Order on the petition of Commonwealth Water Company, for an increase in rates, estimated by the Petitioner to produce additional revenues of \$902,800. The Board, after hearing, concluded in its decision that an increase in rates to produce additional revenue of \$455,834 would be just and reasonable. The Company appealed, and on May 24, 1962 the Appellate Division of the Superior Court remanded the case to this Board for the purpose of affording the Board an opportunity to render "A more comprehensive determination in conformance with *** judicial requirements". On October 11, 1962, the Board issued its Decision on

Remand in which it affirmed and expanded upon its prior determination and findings. On November 20, 1962, the Company filed a notice of appeal of the Board's Decision on Remand.

BUS FARE INCREASES GRANTED.

On November 1, 1962, the Board issued a Negotiation Order on the petition of Elizabeth-Union-Hillside-Irvington Line, Inc., for an increase in fares. The Petitioners requested an increase in first zone adult fares from 12¢ to 15¢ and an increase for a two zone ride from 24¢ to 25¢. The Company also proposed a 2¢ increase per ride in its student fares. The proposed fares were estimated to produce increased annual revenues of \$6,670. The Board in its Negotiation Order permitted the Company's proposal to become effective on November 11, 1962.

The Board, on November 27, 1962, issued a Negotiation Order on the petition Aben Bus Corp., et al, consisting of a total of twenty (20) operators on the Central Avenue Bus Route serving Jersey City and Union City. The Petitioners' fare proposal provided for an increase in adult fares from 10¢ to 15¢ and an increase in student fares from 7¢ to 8¢. The proposed fares were estimated to produce additional annual revenue of \$60,500. The Board, in its Negotiation Order permitted the Petitioners' proposal to become effective on December 16, 1962.

BOARD CUTS WATER RATE INCREASE

The Board on November 20, 1962 denied the petition of Califon Water Company, Inc., for an increase in rates estimated by Petitioner to produce additional annual revenue of \$5,216. Nevertheless, after hearing, it concluded that it would be in the public interest to negotiate an increase in rates, pursuant to E.S. 48:2-21.1, sufficient to enable Petitioner to proceed to correct service deficiencies, permit financing of its metering program and to meet necessary operating expenses. These rates are estimated to produce additional annual revenue of approximately \$1,100 to become effective for service rendered on and after January 1, 1963.

FORMATION OF NEW WATER COMPANY APPROVED.

Forsgate Industrial Park Water Company received Board's approval on November 20, 1962, of a Resolution of the Townships of South Brunswick, Middlesex County, New Jersey, granting municipal consents to the incorporation of the Company and to the use of the streets; the issuance of 2,000 shares of no-par-value common stock, with a stated value of \$68 each, in the total stated amount of \$136,000 and the issuance of a non-negotiable promissory note in the principal amount of \$5,000, payable to the order of Forsgate Farms; and acceptance for filing of its initial tariff. The Company proposes to serve an industrial development and thus its principal customers will be industrial or commercial. Most water companies have a larger number of residential customers.

PARKWAY BUS VIOLATIONS TO BE INVESTIGATED

A conference was held between officials of the Garden State Parkway and an official of the Board regarding the reporting of violations by autobus operators. As a result of this conference, the Garden State Parkway Authorities will file with the Board copies of all reports of violations by autobus operators for such action as the Board may deem fit. This is the same procedure which has been set up with the Turnpike Authority and has proven to be helpful in obtaining company disciplinary action against the violators which is in addition to the fines levied against the violators by the local courts, thus providing a further deterrent to unsafe practices.

Respectfully submitted,

William F. Hyland,
President

Dated: January 4, 1963 -5-