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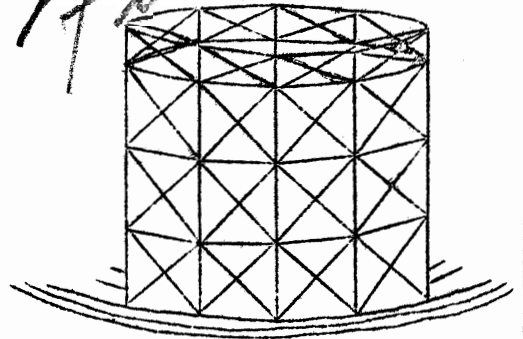
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MONTHLY REPORT

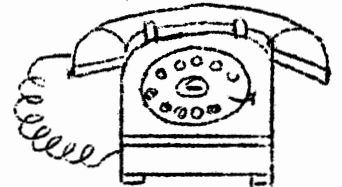
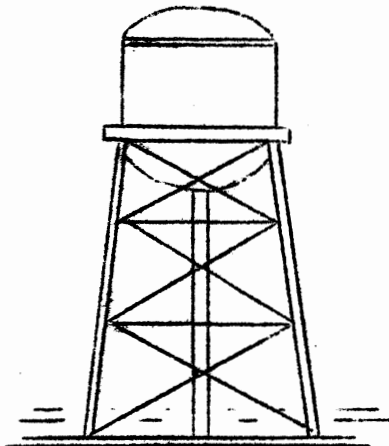
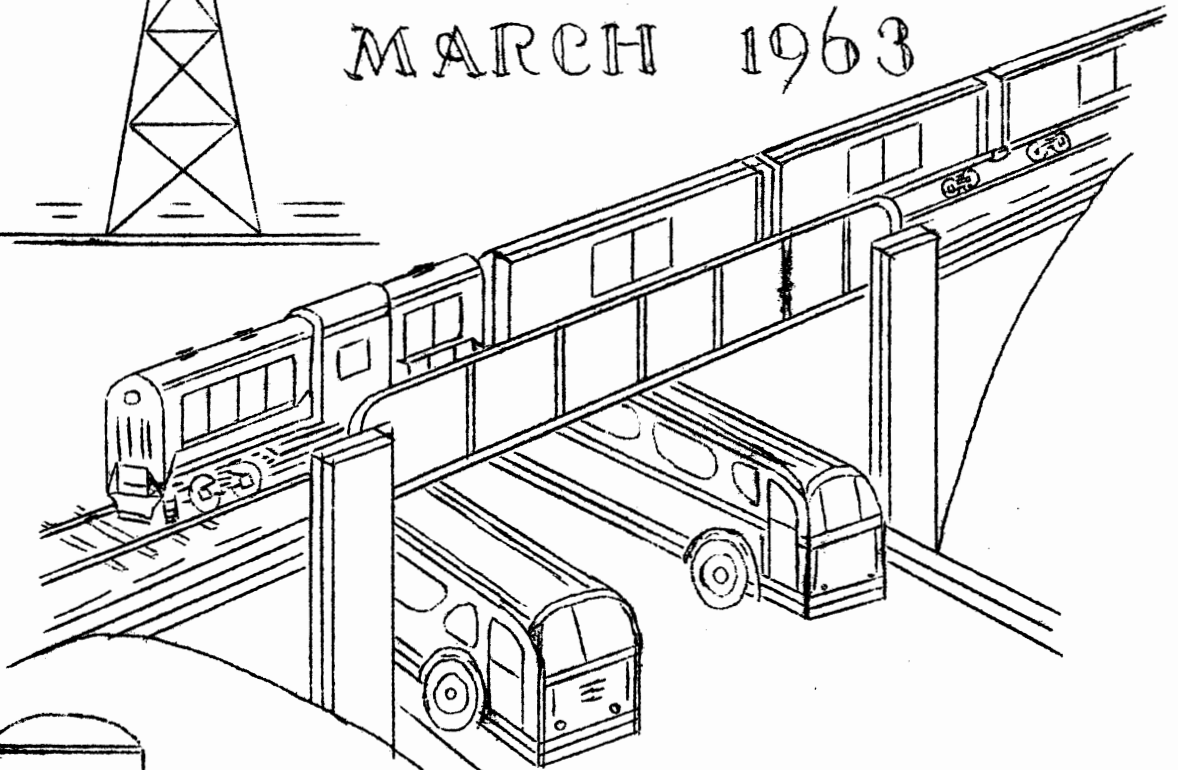
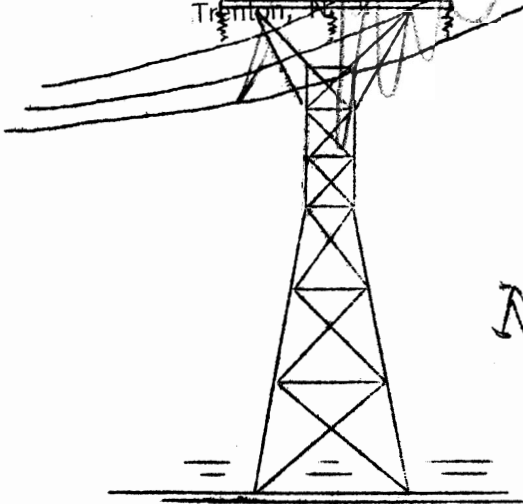
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MARCH 1963



NEW JERSEY
BOARD OF PUBLIC UTILITY COMMISSIONERS

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

GENERAL ACTIVITY

Decisions Issued	60
Petitions Filed	87
Formal Hearings	44
Informal Proceedings	3419

<u>REVENUES</u>	<u>1962</u>	<u>1963</u>
Filing Fees and Other Services for March	\$ 15,611.26	\$ 17,733.22
Filing Fees and Other Services for July-March	158,551.10	127,886.44

MERGER APPROVED

The Board in its Decision dated March 8, 1963, approved the merger and consolidation of Yards Creek Pumped Storage Power Co. with and into Jersey Central Power & Light Company.

Yards Creek Pumped Storage Power Co. was organized under the laws of the State of New Jersey on March 31, 1961, under the provisions of N.J.S.A. 48:14-4 et seq., relative to the formation of a water power company.

Yards Creek was incorporated for the purpose of developing, constructing and operating a so-called pumped storage hydro-electric power project with dams, reservoirs, spillways, tunnels, etc., in the Township of Blairstown, on the eastern face of Kittatiny Mountain. The project was to have been financed by Yards Creek through arrangements with various New Jersey public utilities (Public Service Electric and Gas Company, New Jersey Power & Light Company, and Jersey Central) who are interested in the development and production of power by this method.

Through the proposed merger, Jersey Central will be empowered to exercise the rights of a water power company, in addition to its other powers. In addition, the companies involved in this project, supplying approximately 90% of the electric power consumed in New Jersey, will be able, upon completion of the project, to provide more efficient and reliable service to their customers.

It was also indicated that there are no proposed changes in Jersey Central's policies with respect to financing, operations, accounting, rates, depreciation, or any other matters affecting the public interest. The officers, directors and principal stockholders of the continuing company will remain the same.

A concurrent approval, by the Board, of the transfer on the books and records of Yards Creek of all of its outstanding common stock to Jersey Central was granted.

TRANSFER OF CONSENTS CONTINUES BUS SERVICE

On March 28, 1963, the Board issued its decision in the matter of the petition of Harris Y. Cotton, Receiver for the Camden and Burlington Counties Bus Company for the transfer of municipal consents to the Red Arrow Lines, Inc. The Board's decision stipulated that there was to be no interruption of bus service on the route during the transition of the operating rights from the Receiver to the Red Arrow Lines, Inc.

The transfer of consents will permit Red Arrow to provide service which would otherwise have been discontinued by the Receiver because of a lack of funds.

BOARD INVESTIGATES EXPLOSIONS

There were three accidents which may have been caused by gas explosions. They occurred in New Brunswick on March 11th, Trenton on March 17th, and Hoboken on March 27th. The large number of such incidents during the past winter season has been a matter of grave concern for this Board. Therefore, in an attempt to prevent or reduce future occurrences, the Board, on March 21st, approved two Orders instituting investigations into these matters. Elizabethtown Consolidated Gas Company was ordered to appear before the Board on April 9, 1963 and Public Service Electric and Gas Company on April 17, 1963.

GRADE CROSSING ELIMINATION PROGRAM

PASSAIC

Work is continuing for the elimination of the Passaic grade crossings. The new connection to transfer the Erie Main Line trains to the Boonton Branch will be placed in service on April 1, 1963, after which the tracks through the business district of Passaic will be removed.

LUTZ ROAD, HAMILTON TOWNSHIP

The contractor is now completing the project, grading slopes, placing top soil and seed and cleaning up the site. The Railroad Company is removing the old grade crossing and reconditioning the tracks for several hundred feet each side of the site of the old crossing.

GARWOOD

Work is progressing on the Garwood elimination project. The Board issued its Decision on March 8, 1963, indicating the participation of the State in the new signal system which is being constructed along with the elimination project. It is expected that the highway will be opened to traffic in the near future.

EDGEWATER

Work is progressing for the reconstruction of the bridge and one-half of the roadway has now been placed in service. The second half of the roadway has been delayed by the necessity of removing loose rock at the abutment site. This work is now completed and the girders on the second half of the bridge should be placed shortly. The County is working on the approaches to the new bridge.

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.

<u>Crossing</u>	<u>Hearing Held</u>	<u>Railroad</u>
Culver Road, South Brunswick Township	PRR	3/12/63
Secaucus Road, Jersey City and North Bergen	E-L, NYS&W	3/14/63

BOARD AUTHORIZES SALE OF BONDS

The Board in its Supplemental Order dated March 6, 1963, authorized the issuance and sale by the Atlantic City Electric Company of \$15,000,000 principal amount of its now entitled First Mortgage Bonds, 4-3/8% Series due 1993, at a price equal to 101.4% of the principal amount thereof, plus accrued interest from March 1, 1963, in accordance with the terms of the accepted proposal and purchase contract.

The Company advised the Board at a public hearing held on March 6, 1963, that proposals for the purchase of the said Bonds were received and opened, and that it proposed to sell the Bonds to a group of 13 underwriters represented by Halsey, Stuart & Co.

The purchasers would offer the Bonds to the public at a price equal to 102% of the principal amount thereof, which represents a spread to the purchasers of .60%. The Bonds received ratings of Aa by Moody's and AA by Standard & Poor. Press reports indicate that the sale was "slow".

The net proceeds will be applied, together with cash reserves and cash to be accumulated through depreciation, amortization and retention of earnings, to the funds needed to complete the Company's 1963 construction program and to provide part of funds needed for the 1964 construction program.

RATE INCREASE GRANTED

The Board on March 5, 1963 issued a Decision and Order on the petition of Hager Water Company for an increase in rates estimated by the Petitioner to produce additional annual revenue of \$2,052. The Board, after public hearing, concluded in its Decision that the rates filed by the Company were not unreasonable and permitted them to become effective April 1, 1963.

BUS FARE INCREASE

On March 14, 1963 the Board issued a Negotiation Order on the petition of Clinton Avenue Bus Company for increased fares on its Clinton Avenue Bus Route No. 16 serving the City of Newark and Town of Irvington. The Petitioner's fare proposal provided for an increase in basic fare for a two-zone ride from 20¢ to 25¢. No change was proposed in either the basic one-zone fare or student fare. The proposed fares were estimated to produce additional annual revenue of approximately \$6,400. The Board in its Negotiation Order permitted the Petitioner's proposal to become effective March 24, 1963.

HEARINGS SCHEDULED

The Board, in Decision of December 27, 1962, ordered the New Jersey & New York Railroad to close and barricade the grade crossing. The crossing has been barricaded and the Borough of Hasbrouck Heights has filed a petition for establishment of a public crossing at the location. Hearing is scheduled for April 24, 1963.

RAILROAD COMPANY APPEALS BOARD'S DECISION

The New York and Long Branch Railroad Company appealed the Board's decision to the Superior Court of New Jersey, Appellate Division, and the Court remanded the matter to the Board for action by April 15th. The Railroad Company, however, has filed a petition for reconsideration. The answer on this petition is due April 3rd, after which the matter will be placed on the calendar for hearing.

RAILROAD TO OPERATE ON SINGLE TRACK

The Pennsylvania Railroad Company on March 20, 1963, advised the Board that it proposed to abandon portions of its second main track between Bordentown and Minson at Delair and to operate the Amboy Branch as a single track between Trenton and Delair. This line carries one round trip a day of passenger service and the Board offered no objection to the proposal.

COURT MODIFIES ORDER

On March 19, 1963, the Superior Court entered an order placing custody of a ruptured gas main in the Public Utility Commission but prohibiting the Board's staff from making metallurgical tests. An application was made before Judge Hetfield for modification of the Court order and on March 27, 1963, the Court modified its order to permit the Public Utility Commission to make metallurgical tests of the gas main. These tests are necessary to permit the Board to conclude its investigation of causes of gas explosions.

PROPOSED PIPELINE REROUTED

The Texas Eastern Transmission Corporation proposes to construct 26 miles of natural gas pipeline from Metuchen to Hanover, New Jersey. One of the major objections presented was that the proposed route would destroy some of the natural beauty and vegetation of the Great Swamp in Chatham Township. While location as such (unless within 100 feet of buildings intended for human occupancy) is not within the Board's jurisdiction, it is noteworthy to mention that Texas Eastern has voluntarily agreed, at additional cost to itself, to shift the proposed route and follow the Jersey Central Power & Light Company right-of-way through a portion of that area for the purpose of preserving the Great Swamp for wildlife and national park purposes.

ACTIVITIES OF THE COMMISSIONERS

On March 4th, Commissioner Otis met with Mr. Brokaw of the Department of Purchase and Property regarding the Commissioner's duties as Coordinator of the State Office Building at 1100 Raymond Boulevard, Newark.

On March 8th, President Hyland, Commissioner Powers and Commissioner Otis met with Donal Fox, Esq., Mr. McIver and Mr. Judith of the Transcontinental Gas Pipe Line Company who explained the nature and the engineering details of the proposed liquefied gas storage facility in Carlstadt.

On March 12th, President Hyland met in Trenton with Governor Hughes regarding utility matters.

On March 13th, President Hyland attended the dinner and meeting hosted by Governor Hughes and Dr. Mason Gross, at Rutgers University Gymnasium, New Brunswick. The topic was "N.J. Forum on Integrated Transportation".

On March 14th, President Hyland, Commissioner Otis and Commissioner Powers met with Mr. Lawrence Bilder, Acting Secretary to the Governor to discuss transportation problems in New Jersey.

On March 19th, President Hyland met with Governor Hughes in Trenton regarding utility matters.

On March 26th, President Hyland attended the Cabinet Meeting in Governor Hughes' office.

Respectfully submitted,

William F. Hyland
President

Dated: April 30, 1963