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WILLIAM F. HYLAND  
PRESIDENT

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STATE OF NEW JERSEY  
DEPARTMENT OF PUBLIC UTILITIES  
130 N. BROADWAY  
CAMDEN, N. J.

OCT 4 - 1966

March 29, 1965

185 W. State Street  
Trenton, N. J.

Honorable Richard J. Hughes  
Governor, State of New Jersey  
State House  
Trenton, New Jersey

Dear Governor:

Attached is the February 1965 report of the Department of Public Utilities.

Of special interest during February was the continuance of hearings on the proposed Oyster Creek nuclear generating plant in Ocean County. These hearings are well attended and are producing a considerable amount of data concerning the proposed construction and operation of this facility and its effect on the local environment. The hearing schedule is proceeding as rapidly as the subject matter will permit, and it is anticipated that hearings will be concluded during the last week in March, except for possible rebuttal testimony that may be offered by the company.

Our Department has proceeded with a high degree of activity in its grade crossing protection program. At a number of different locations throughout the State, automatic flashing lights or gates are being installed, and the Railroad Division is giving a great deal of attention to other phases of this important responsibility. Unfortunately, grade crossing accidents increased in 1964, in the same fashion that general highway accidents increased. I am planning to make specific recommendations to the Attorney General concerning this problem, including greater emphasis on grade crossing hazards in the driver education and public information programs.

Sincerely yours,

*William F. Hyland*  
William F. Hyland,  
President

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## II RAILROAD MATTERS

Six Decisions and Modification of Orders were issued during the month. The Board's program of inspecting grade crossings and stations included inspection of 100 such items to determine conditions and operating practices. The staff of the Railroad Division spent twenty-one hours participating in Interstate Commerce Commission proceedings.

A report on the bridge reconstruction program indicates that bridges in two communities, New Providence and Matawan, are substantially complete and final accounting is in progress. Plans for reconstructing bridges in eight other communities are being prepared.

Construction or the installation of improved protection is progressing at grade crossings in Eatontown, Hazlet, Red Bank and Denville, while improved protection has been ordered for grade crossings in Oakland, Roxbury Township, Spring Lake, and Irvington. Petition to establish one new grade crossing in Metuchen on Forrest Avenue was submitted by the Lehigh Valley Railroad Company.

## III MOTOR BUS MATTERS

Eight new petitions relating to autobuses, and three applications seeking authority from the Interstate Commerce Commission for the operation of autobuses into or through the State were filed with the Board. In addition, twenty-three informal complaints were received, along with nineteen miscellaneous matters.

Motor bus matters completed include seven decisions, one Interstate Commerce Commission application, thirteen informal complaints, and nineteen miscellaneous matters.

### DECISIONS

#### Fare Increases Approved

Boro Busses Company filed a petition with the Board for increased fares which were estimated to increase annual revenues by \$50,420. The proposed adult fares generally provide for a 5¢ increase per ride, and adjustments in certain zones on the six local routes serving the Monmouth County area which would result in no increase or reduction in fares to some of its riders. Student fares on the local routes were proposed to be increased to 10¢ less than the adult fares per ride. A proposal was also included which would eliminate student cash fares and require that student tickets be purchased in advance. Other increases in fares on the Phillipsburg-Asbury Park Route, the Long Branch-Newark Route, and six race track and seasonal routes were requested.

After deliberation, the Board determined that the petitioner's financial condition indicated that fare relief was appropriate. Therefore, the proposed fares were accepted as filed, except that student fares are to be payable in cash, or ticket, and restricted to a 5¢ per ride increase.

Will-Morris, Incorporated, also filed a petition for increased fares. The proposed tariff provided for a 20¢ first zone fare, plus a 5¢ additional charge for each zone thereafter. The proposal also included a 5¢ paid transfer for passengers using two buses within a single fare area to reach a single destination, and similar exchange tickets for passengers using two buses to reach a single destination traveling in more than one fare area on one bus and only one fare area on the other bus. In addition, student tickets were proposed to be increased to 60% of the related one-way adult fares. The proposed fare changes would produce increased annual revenues of \$2,601.

After investigation, the Board was satisfied that the petitioner's financial condition indicates that some fare relief was appropriate. Therefore, it accepted the proposed first zone adult fare of 20¢ and a student fare of 12¢, and the introduction of transfer and exchange privileges. However, transfer and exchange privileges are to be made available to student ticket riders at the non-student transfer or exchange rate.

#### IV ELECTRIC COMPANY MATTERS

A public hearing was held pertaining to the proposed construction of a boiling water nuclear fueled reactor by Jersey Central Power & Light Company. The proposed reactor is designed to operate at 1,600 megawatts (thermal) and will be located at Oyster Creek, Lacey Township, Ocean County. The purpose of the public hearing

was to insure that safe, adequate and proper service will be rendered. Further hearings will be held in March.

Three petitions by Jersey Central Power and Light Company requesting the right to exercise the power of eminent domain were approved by the Board. The interests sought are all within the Township of Lakewood, Ocean County, and are for easements for rights-of-way to construct 230 kilw. transmission facilities from the company's Larabee substation to its Manitow Station. The company stated that these facilities are required because of increasing electrical loads in the Toms River area and the planned development of the Oyster Creek Generating Station.

The Board issued orders of dismissal in two eminent domain proceedings of Atlantic City Electric Company. The attorney for the company advised the Board that successful negotiations with the owners of the properties involved had resulted in the procurement of the necessary easements for the proposed right-of-way.

#### V GAS COMPANY MATTERS

Two filings, one by Public Service Electric and Gas Company and one by City Gas Company of Newton, have been processed by the Rates and Research Division. These filings dealt with revisions of the Fuel Price Adjustment provisions of the companies' tariffs in accordance with the Board's Administrative Order 14:285.



Five explosions occurred in February which were attributed to gas line leaks. Four of these incidents were in the service area of Public Service Electric and Gas Company. Three were the result of cast iron mains breaking, possibly caused by ground movement or temperature changes. The fourth incident was caused by ground settlement which resulted from improper backfill after sewer line excavation. The fifth incident resulted from contractor work and occurred in the service area of New Jersey Natural Gas Company.

The Board approved a petition of New Jersey Natural Gas Company which dealt with a municipal consent resolution granted by the Borough Council of Bay Head, Ocean County. The Borough resolution is to be effective for the next fifty years.

#### VI WATER COMPANY MATTERS

The Jackson Water Company was granted permission to discontinue service in its service area. This action was taken when it was established that the petitioner had entered into an agreement of sale with the Jackson Township Municipal Utilities Authority, and that the Authority would assume operation of service on the closing date of the sale agreement.

The Board dismissed a petition filed by the Borough of Toms River as the result of a written request of the Borough Council to do so. The petition had requested an investigation of the service rendered by the Toms River Water Company.

### Increased Rates Request Reduced

On February 2, 1965, the Board issued a decision on the request of Edenwood Water Company for increased rates. The Board reduced the rate increase request when it determined that it would produce income in excess of what was determined a fair rate of return. Rate schedules designed to produce an increase in annual operating revenues of \$20,143 were determined to be fair and reasonable and, therefore, would be acceptable.

### VII COMMUNICATIONS COMPANY MATTERS

Three filings by New Jersey Bell Telephone Company were processed relating to the offering of additional types of equipment. In addition, two other petitions by the same company were also approved. These petitions requested approval of franchise rights granted to the Company by the Board of Chosen Freeholders of Cape May County and by the Borough Council of Leonia Borough. The Company has furnished telephone service in Cape May since 1911 and in Leonia since 1908. The newly approved franchise rights are to be in effect for the next fifty years.

### VIII SEWER COMPANY MATTERS

The Jackson Sewer Company was granted permission to discontinue service when it had been shown that it had entered into an agreement of sale with the Jackson Township Municipal Utilities Authority. The Authority has assumed operation of service in the affected area.

The Board dismissed a petition filed by Pinewood Homes Incorporated requesting that the Board compel Maxim Sewerage Corporation to carry out the terms of its contract to provide service to the petitioner. The dismissal was initiated by a request from the petitioner's lawyer for such action.

Tariff Revision Accepted

The Board has accepted for filing a new tariff for sewerage service, providing for increased rates to become effective after February 15, 1965, which has been submitted by Gibbsboro Sewerage Corporation. The proposed increase will produce an increase in annual operating expenses of \$3,096. This action was taken after the Board had determined that the previous rates would produce an operating loss for the petitioner.

New Company Approved

The Board has authorized the Raritan Valley Sanitation Company to begin serving the Township of Raritan. Action on the petitioner's request included approval of the municipal consent of Raritan Township, approval of the issuance of 100 shares of capital stock of a par value of \$100. per share, approval of the transfer of said stock, approval of the issuance of a non-interest bearing promissory note in the aggregate principal amount of \$75,000, and the approval of an Indenture of Mortgage to secure the payment of said promissory note. The only restriction placed on the above proposals was that the promissory note should be nonnegotiable and may not be assigned or conveyed without the approval of the Board.



IX FINANCING AUTHORIZED

TOTAL AUTHORIZED TO DATE

February	(1965)	\$ 100,750.00
February	(1964)	228,384.00
Two Months	(1965)	1,360,750.00
Two Months	(1964)	1,078,358.00