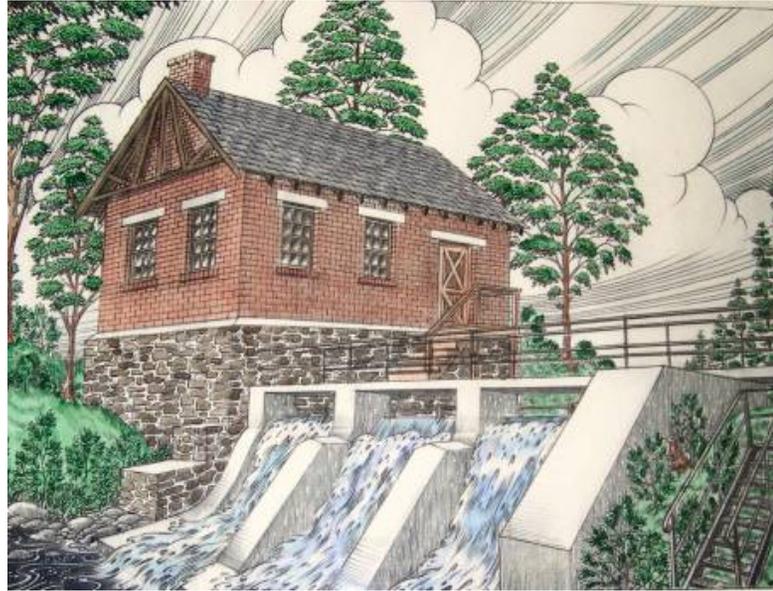


BOARD OF PUBLIC WORKS



BUDGET MEETING

April 14, 2015

**This presentation is available on the
Borough's web site at www.parkridgeboro.com**

BOARD OF PUBLIC WORKS

Terence Maguire, Mayor

George J. Mehm, Jr., President

John D. Pouletsos, Vice President

Robert A. Ludwig

Dr. Charles Moore

Shawn Murray

Richard Bosi, Council Liaison

MANAGEMENT STAFF

William Beattie, Director of Operations

Paul Longo, General Supervisor Electric Distribution

William Hahn, General Supervisor Water and Sewer

Peter Wayne, General Supervisor of Public Works

Angelo Dell'Armo, Project Engineer

Park Ridge Operations Supervisors



William Beattie
Director of Operations



Paul Longo
Supervisor of Electric Dist.



Angelo Dell'Armo
Project Engineer



William Hahn
Supervisor of Water & Sewer



Peter Wayne
Supervisor of Public Works

Utility and Public Works Shared Services

- **Joint Managed Contract Request For Proposals for Wholesale Power Supply** – Park Ridge, Seaside Heights, Lavallette and South River have joined together and are using a new managed contract approach to procure wholesale power. This has resulted in lower power costs **and this savings is being passed along to our customers. Four other NJ municipal utilities (Madison, Butler, Pemberton and Milltown) joined in the bidding in 2012.**
- **Tri-Boro Fuel Depot** – Unleaded and Diesel fueling station shared with Montvale and Woodcliff Lake.
- **Sewer Flusher** – We joined with Emerson and in 2010 we received a new Sewer flusher truck at no cost through a grant that was applied for through Bergen County. Emerson, Park Ridge and Montvale use this sewer flusher.
- **Sewer Camera** – Shared with several towns in the Pascack Valley for video inspection of sewer mains.

- **Public Power Association of New Jersey (PPANJ)** – Electric Department is a member of this service association comprised of all nine municipal electric utilities in New Jersey and Sussex Rural Electric Cooperative. Benefits include:
 - Share legal, engineering, administrative and consulting costs to monitor and act on both state and federal regulatory matters.
 - Share purchase of low-cost hydroelectric power from federally-funded projects on the St. Lawrence.
 - Joint power proposal contracts.

- **Joint Municipal Shared Services Energy Corporation** – This is legislation we are trying to enact which would enable the NJ municipal electric utilities to purchase energy contracts, power facilities, and other shared services. This is subject to legislative approval and the Governor’s signature. The bill was recently reintroduced in the new legislative session and we continue to work to get it passed.

- **American Public Power Association (APPA)** – Park Ridge Electric Department is a member of National APPA, comprised of municipally-owned electric utilities throughout the country. The main function this organization provides is for the monitoring and support for regulatory matters that could affect municipal electric utilities. They also provide educational materials and training.
- **New Jersey American Water Works Association (NJAWWA)** – Park Ridge Water Department is a member of the New Jersey AWWA, comprised of water utilities and professionals in New Jersey. This organization provides support and training for the water utilities. Also monitors and provides guidance to the New Jersey Legislators to promote public health and welfare in the provision of drinking water of unquestionable quality and sufficient quantity.
- **New Jersey Water Association** – Park Ridge Water Department is a member of this organization which is comprised of the smaller water utilities in New Jersey. This organization provides support and free training programs for the water department staff. Because most of our staff have obtained their operator’s licenses, this organization provides an excellent tool for the employees to keep up with their required continuing education credits at a minimal cost. They also provide additional monitoring and guidance for regulatory issues in New Jersey.

FINANCE DEPARTMENT

STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>CFO/Utility Treasurer</i>	Open	
<i>Asst Director of Finance</i>	Susan Corrado	3*
<i>Supv of Billing</i>	Jeannine Hosselet	5**
<i>Assistant Treasurer</i>	Angela Kent (p-t)	13
<i>Principal Account Clerk</i>	Nancy Russell	20
<i>Principal Account Clerk</i>	Liz Maggio	8
<i>Senior Cashier</i>	Joseph Barnes	17
<i>Clerk Typist/Cashier</i>	Jessica Mazzarella	10
<i>Account Clerk</i>	Thomas Mazzarella	4

* 28 years of accounting experience prior to employment with Park Ridge

** 10 years of experience prior to employment with Park Ridge

Average Years of Service: 10

Borough Office Staff



Pictured left to right: Tom Mazarella, Jess Mazarella, Nancy Russell, Francesca Maragliano, Kelley O'Donnell, Karen Prezant, Bob Campora, Joe Barnes, Gina Walak, Liz Maggio, Joan Higgins, Susan Corrado (not pictured Elena Rega, Julie Falkenstern, Bob Ludwig)

ROADS, GROUNDS, VEHICLE MAINTENANCE STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Peter Wayne	24
<i>Road Supervisor</i>	Bill Diedtrich	23
<i>Road Repairer</i>	John Woods	10
<i>Road Repairer</i>	Joseph Zuccaro	7
<i>Road Repairer</i>	Jason Coughenour	7
<i>Road Repairer</i>	Steven Morey	4
<i>Road Laborer</i>	Everett Sayers	2
<i>Mechanic</i>	Ken Nibbling	11 *
<i>Buildings and Grounds</i>	Chuck Deitrich	24

* 13 years experience as a truck mechanic prior to employment with Park Ridge

Average Years of Service: 12

Park Ridge DPW Staff



Pictured left to right: Everett Sayers, Steve Morey, Joe Zuccaro, Ken Nibbling, Peter Wayne. Chuck Deitrich, John Woods, Bill Diedtrich, (not pictured Jason Coughenour)

Park Ridge DPW Staff



Pictured left to right: Everett Sayers, Steve Morey, Joe Zuccaro, Ken Nibbling, Peter Wayne. Chuck Deitrich, John Woods, Bill Diedtrich, (not pictured Jason Coughenour)

Not again, another brutal winter!

The Record
NORTH JERSEY'S TRUSTED SOURCE

1100
TUESDAY
January 27, 2015

READY FOR THE WORST

N.J. 'confident' it can cope with Blizzard of '15

By STEPHANIE AKIN
JAN C. ENGLISH
and SPECTATE DAZZO
STAFF WRITERS

TODAY 27°/17°
Blizzard with heavy snow
TOMORROW 30°/11°
Mostly sunny and breezy

Storm help
Where can you call for help or information if the blizzard of '15 gets a little too close for comfort? ... power disruptions.

For electric call your utility. For gas call your gas company. For water call your water utility. For food call your grocery store. For medical call your doctor. For other services call your local business.

SNOWFALL BUILDING UP IN NORTH JERSEY



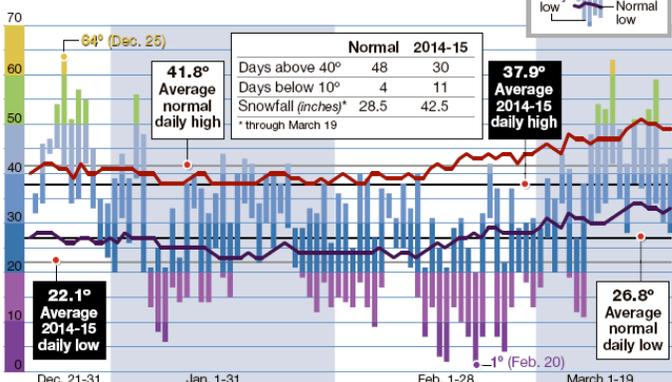
THOMAS E. FRANZ

Goodbye to a bone-chilling winter

The winter of 2014-15 will officially end at 6:45 p.m. today in much the same way it's been for two months: cold. And forecasters are predicting a few inches of snow thrown in for good measure.

If predictions for today hold, this winter will be the ninth coldest at Newark Airport since records were first kept in 1931. After a relatively warm start to the season, 42 of the past 54 days have featured below-average temperatures. Not since the winter of 1993-94, when the average high was 37.6 degrees, has the region endured this level of cold.

With spring, of course, the end is in sight, but not quite yet. The prediction for almost every day in the next two weeks: more temperatures below average.



Source: National Weather Service at Newark Liberty International Airport R.L. REBACH/STAFF ARTIST

YET ANOTHER BLAST FROM OLD MAN WINTER

Snow: North Jersey plows ahead toward spring - 14 days

LOCAL NEWS THE RECORD L-3

FRIDAY, MARCH 13, 2015



CHRIS PERATA/STAFF PHOTOGRAPHER

a helping hand as the students climbed over a pile of snow at the curb. — Rich Down

Upper Saddle River
Ildy Kofal saw another day of slushy blizzard at the conference store and gear station she owns on East Saddle River Road.
About from Elmer's County Snowing in grab breakfast or an afternoon snack for their children, and many of the office workers who likely swirled from home or took the day off.
"People are staying off the roads," Kofal said.
While she's thankful for the postponement of snow plowers and others whose work the nasty weather necessitates, Kofal has had enough of winter.
"It's been a lot of unexpected expenses to plow the snow — and the loss of business," she said. "So it hurts."
— Chris Harris

Waldwick
Public Works Supervisor Michael LaTore said the snow was manageable.
"In this particular case, when we're plowing we're going right down to black top, so it's a good thing," LaTore said.
Lt. Douglas Moore said there were two accidents — and no injuries — in Waldwick on Thursday morning, and said both accidents appeared to be weather-related.
A driver reportedly lost control of his vehicle and hit a divider on Route 17 north near Sheridan Avenue. Ice shrapnel was gone. In the other incident, the driver "was out of control" of another vehicle when ending off of Route 17.
— Gloria Villanova

Wayne
Inquisitive Villanova knows she's in the misery when she says the snow doesn't bother her.
"You have to enjoy it while it's here," she said as she brushed snow off her car. "It's just the driving."
She was heading out around noon for her work ending 6:30 p.m.
Before she entered her car, she took one look down her street. White Oak Lane. "It looks beautiful," she said. "I don't want that weather."
— Chris Harris

Ridgewood
The snow couldn't keep joggers from getting in their runs around the track just outside Village Hall, which remained open for business Thursday.
— Steve Black

Montclair State U.
Monocular class Governor weathered Thursday by his decision to remain open during the worst of snow.

River Edge
— Thomas E. Franz

Summary of Winter Operations 2014-2015

- Twenty (20) snow and/or ice events
- 56” of total snow accumulation
- Many of the events included icing (which is much harder to clean than snow)
- 1,625 tons of salt spread to make the roads safe
- Total operating time –245.5 hours (longest event 23 hours)
- Over 2,200 man-hours
- Utilized in-house staff only – no outside contractors
- Effectively managed operations and salt supply
- Feedback from the public was Park Ridge roads were much better than the surrounding communities

ROADS, GROUNDS, VEHICLE MAINT

2015 PROJECTS

- Funding has again been appropriated to extend the Recycling Center operating hours on Saturdays. It is now open from 9AM-2PM all year.
- Capital budget includes funds to purchase a new dump truck and rack truck.
- Continue to work to improve the turf conditions in the parks and ballfields.
- Continue to process approximately 1,800 tons (3,600,000 lbs.) of recyclables and refuse delivered by residents to the Borough's recycling facility.
- Over 9,000 tons (18,000,000 lbs.) of total materials recycled in Park Ridge including curbside pickup and business recycling.
- Continue to maximize the use of Borough equipment and personnel to save recycling and solid waste costs.
- Continue to implement improved recycling and solid waste services.
- Continue employee-training programs.

WATER AND SEWER DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	William Hahn	27
<i>Water Supervisor</i>	Ken Reynolds	29
<i>Water Repairer</i>	Jay Ottens	29
<i>Water Repairer</i>	Dan Boyle	22
<i>Water Repairer</i>	Mark Gronbeck	13
<i>Water Repairer</i>	Kevin Altomare	28
<i>Water Laborer</i>	Kevin Origoni	3
<i>Sewer/Water Repairer</i>	Jim Babcock	34

Average Years of Service: **23**

Park Ridge Water Department Staff



Pictured left to right: Dan Boyle, Kevin Altomare , Jim Babcock, Jay Ottens, Mark Gronbeck, Bill Hahn, Ken Reynolds (not pictured Kevin Origoni)

Frigid Temperatures Affect on Water Mains

- Cold temperatures cause the frost line to get deeper into the ground and puts a strain on the water mains.
- The strain occurs when the frost is established and also when it thaws.
- Cold temperatures cause water mains to contract and result in tensile forces on the cast and ductile iron water mains.
- As our well pumps turn on and off, variable pressure changes cause additional forces on water mains (i.e. water hammer).
- All of these forces can cause water main breaks with increased frequency in the winter months.
- Park Ridge Water Department's investment in variable frequency drives used to run the pumps has reduced the variable pressure forces.
- During this winter, we had relatively fewer water main breaks than the surrounding water systems.
- Nine (9) water main breaks occurred between December 1 and March 31.

SEWER

2015 PROJECTS

- Continue aggressive grease trap inspection program. Employee recently promoted to Water/Sewer Repairer and Inspector position to increase and improve our grease trap inspection program.
- Continue program to reduce infiltration and inflow.
- Replace worn out sewer manholes.
- Utilize shared sewer flusher truck with Montvale and Emerson.
- Utilize sewer camera to perform internal visual inspections of our sewer collection system.

WATER

2015 PROJECTS

- Replace carbon at the Well #17 treatment facility (\$40,000).
- Replace Well #19 Air Stripping Tower (\$200,000).
- Install and perform testing on new Well #21 “Test Well” in Woodcliff Lake (\$50,000).
- Purchase new F250 Pickup with utility body to replace 2004 Meter Van (\$30,000).
- Purchase new hybrid electric car for meter reader (\$28,000 split with Electric Dept.).
- Upgrade Well #10 Treatment Facility and Replace Resin (\$255,000).
- Update Long Range Engineering Plan.
- Contract for semi-annual leak detection survey.
- Continue employee-training programs.

WATER

Building for the Future

2016 System Improvements

- Water distribution improvements - \$100,000

2017 System Improvements

- Construct Well #21 pumping facility - \$600,000 to \$800,000
- Water distribution improvements - \$100,000

2018 System Improvements

- Water distribution improvements - \$100,000

<u>Water Dept Annual Numbers (2010-2014)</u>		
<u>Gallons Billed</u>		
2014		627,873,000
2013		611,505,000
2012		637,435,000
2011		630,060,000
2010		732,919,000
<u>Revenue (from Water Sales)</u>		
2014		2,835,125
2013		2,815,220
2012		2,517,950
2011		2,384,423
2010		2,610,654
<u>Precipitation (inches)</u>		
2014		40.30
2013		42.94
2012		36.35
2011*		69.91
2010		47.03
* Note: Nineteen (19) inches of rain in August		

WATER UTILITY BUDGET

A. REVENUES	14 MODIFIED		
	15 BUDGET	BUDGET	14 ACTUAL
1 SURPLUS	\$ 399,400	\$ 267,512	\$ 267,512
2 RENTS	2,805,000	2,805,000	2,871,721
3 MISCELLANEOUS	250,000	230,000	279,820
4 WCL CAPITAL SURCHARGE - WELL 20	-	389,772	389,772
5 CAPITAL SURPLUS	71,057	-	-
6 WCL PROJ BOND PRINCIPAL - CURRENT	57,971	26,842	26,842
7 WCL PROJ BOND PRINCIPAL - PRIOR	31,131	25,051	25,051
TOTAL REVENUES	\$ 3,614,559	\$ 3,744,177	\$3,860,718
B. OPERATING EXPENSES			
1 SALARY AND WAGES	1,182,000	\$ 1,177,998	\$1,154,865
2 OTHER EXPENSES	1,542,000	1,588,500	1,518,873
3 GROUP INSURANCE EMPLOYEES	308,000	369,800	318,913
4 CAPITAL OUTLAY	205,000	220,000	111,119
5 SOCIAL SECURITY	91,000	90,000	83,509
6 CAPITAL IMPROVEMENT FUND	5,000	25,000	25,000
7 PUBLIC EMPLOYMENT RETIREMENT SYSTEM	113,000	102,525	102,525
8 BOND PRINCIPAL	110,000	110,000	110,000
9 BOND INTEREST	37,059	38,854	38,441
10 DEFERRED CHARGES	21,500	21,500	21,500
TOTAL EXPENSES	\$ 3,614,559	\$ 3,744,177	\$3,484,745

Surplus

\$ 540,321	January 1, 2014
\$ 626,759	December 31, 2014
\$ 159,019	2014 Appropriation Reserves

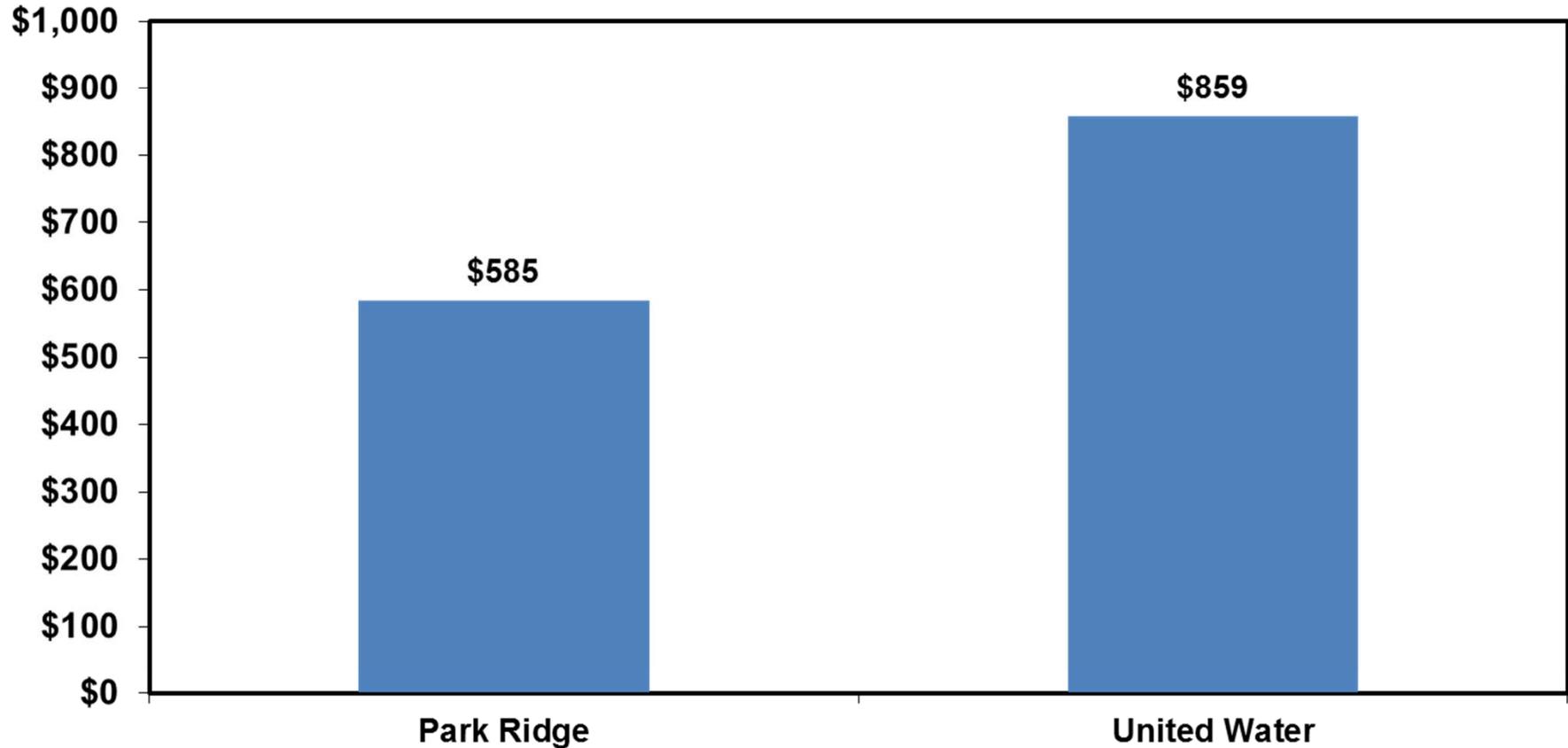
WATER UTILITY BUDGET (2011-2015)

REVENUES	15 BUDGET	14 MODIFIED BUDGET	13 MODIFIED BUDGET	12 MODIFIED BUDGET	11 MODIFIED BUDGET
SURPLUS	\$ 399,400	\$ 267,512	\$ 541,644	\$ 335,648	\$ 762,800
RENTS	2,805,000	2,805,000	2,863,000	2,380,000	2,399,000
MISCELLANEOUS	250,000	230,000	263,000	270,000	303,000
RESERVE FOR WCL CAPITAL	-	-	-	588,452	-
WCL CAPITAL SURCHARGE	-	389,772	-	-	-
CAPITAL SURPLUS	71,057	-	-	-	-
WCL PROJ BOND PRINCIPAL - CURRENT	57,971	26,842	-	-	-
WCL PROJ BOND PRINCIPAL - PRIOR	31,131	25,051	-	-	-
TOTAL REVENUES	\$ 3,614,559	\$ 3,744,177	\$ 3,667,644	\$ 3,574,100	\$ 3,464,800
OPERATING EXPENSES					
SALARY AND WAGES	1,182,000	1,177,998	1,150,700	\$ 1,176,000	\$ 1,197,000
OTHER EXPENSES	1,542,000	1,588,500	1,450,400	1,574,600	1,477,000
GROUP INSURANCE EMPLOYEES	308,000	369,800	404,500	375,000	318,300
CAPITAL OUTLAY	205,000	220,000	223,000	236,500	261,500
SOCIAL SECURITY	91,000	90,000	86,500	90,000	92,000
CAPITAL IMPROVEMENT FUND	5,000	25,000	25,000	25,000	25,000
PUBLIC EMPLOYMENT RETIREMENT	113,000	102,525	99,750	97,000	94,000
BOND PRINCIPAL	110,000	110,000	70,000	-	-
BOND INTEREST	37,059	38,854	32,511	-	-
BAN INTEREST	-	-	283	-	-
DEFERRED CHARGES	21,500	21,500	25,000	-	-
SPECIAL EMERGENCY - HURRICANE SANDY	-	-	-	25,000	-
TOTAL EXPENSES	\$ 3,614,559	\$ 3,744,177	\$ 3,567,644	\$ 3,599,100	\$ 3,464,800

BOROUGH OF PARK RIDGE
Existing Bonded Service
2012 & 2013 Water Utility Bonds

<i>Year</i>	<i>2012 Bonds</i>				<i>2013 Bonds</i>				<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Outstanding</i>
				1,105,000				547,000	1,652,000
2015	75,000	22,386	97,386	1,030,000	35,000	15,368	50,368	512,000	1,542,000
2016	75,000	20,886	95,886	955,000	40,000	15,018	55,018	472,000	1,427,000
2017	80,000	19,386	99,386	875,000	40,000	14,218	54,218	432,000	1,307,000
2018	80,000	17,786	97,786	795,000	40,000	13,418	53,418	392,000	1,187,000
2019	80,000	16,186	96,186	715,000	40,000	12,618	52,618	352,000	1,067,000
2020	85,000	14,586	99,586	630,000	40,000	11,818	51,818	312,000	942,000
2021	85,000	12,886	97,886	545,000	40,000	10,618	50,618	272,000	817,000
2022	85,000	11,186	96,186	460,000	45,000	9,418	54,418	227,000	687,000
2023	90,000	9,486	99,486	370,000	45,000	8,068	53,068	182,000	552,000
2024	90,000	7,686	97,686	280,000	45,000	6,718	51,718	137,000	417,000
2025	90,000	5,886	95,886	190,000	45,000	5,255	50,255	92,000	282,000
2026	95,000	4,086	99,086	95,000	45,000	3,680	48,680	47,000	142,000
2027	<u>95,000</u>	<u>2,090</u>	<u>97,090</u>	-	<u>47,000</u>	<u>1,880</u>	<u>48,880</u>	-	-
Total	1,105,000	164,522	1,269,522		547,000	128,095	675,095		

Annual Residential Water Cost Comparison (based on average residential bill)



Park Ridge's rate is 32% less than United Water rate for the typical residential customer

ELECTRIC DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Paul Longo	11(*16)
<i>Line Supervisor</i>	James Leichtnam	9(**18)
<i>Senior Line Worker</i>	Shane Geanoules	6(***5)
<i>Line Worker</i>	Paul Neumann	28
<i>Line Worker</i>	Silvestre Jose	5 (****6)
<i>Line Worker</i>	OPEN	
<i>Electrician/Line Worker</i>	Bob Murken Jr.	20
<i>Meter Reader</i>	John Reynolds	29

- * 16 years experience with PSE&G prior to employment with Park Ridge
- **18 years experience with PSE&G prior to employment with Park Ridge
- ***5 years experience with PSE&G prior to employment with Park Ridge
- ****6 years experience with PSE&G prior to employment with Park Ridge

Average Years of Service: 15

Park Ridge Electric Department Staff



Pictured left to right: Paul Neuman, Paul Longo, Shane Geanoules, Bob Murken, Jim Leichtnam, (not pictured Silvestre Jose, John Reynolds)

ELECTRIC

2015 PROJECTS

- Recently completed the power line clearance tree trimming on the east side of town. The west side was completed in 2014
- Complete substation testing and maintenance at the Brae Blvd substation.
- Replace two 26KV oil circuit breakers and relaying equipment with new vacuum circuit breakers and electronic relays at the Mill Road Substation (\$180,000).
- Continue to replace power lines to upgrade and standardize the electric distribution system.
- Continue engineering study on the potential addition of a third substation for added redundancy and to eliminate need to replace two transformers at Mill Road Substation.
- Continue using electric department staff expertise for municipal installations (street and recreational lighting, computer networks, etc.).
- Identify changes in load that may occur based on the relocation at the Hertz and Sony facilities, and potential development changes on Kinderkamack Road.
- Continue employee-training programs.

ELECTRIC

Building for the Future

2016-17 System Improvements

Replace Conductors for Sub-transmission Circuit 2601 which feeds from Mill Road substation to the Brae Blvd substation - \$325,000

2017-18 System Improvements

Install 4011 Circuit from Mill Road Substation to Southeast Borough feed locations. Reconfigure existing circuits 4001, 4003, and 4006. - \$300,000

2019 System Improvements

Purchase and install Vacuum Circuit Breakers to replace the two existing oil circuit breakers OCB-3 and OCB-4 at Mill Rd. Substation - \$100,000

2020 System Improvements

Purchase and Install Bus No. 2 Low Side Main Circuit Breaker, Main Disconnect Switches and Associated Bus - \$165,000

ELECTRIC

Building for the Future

2021-22 System Improvements

Prepare Specifications, Bid, Purchase and Install No. 2 Main Power Transformer at Mill Road Substation - \$1,975,000

2023 System Improvements

Increase Bus Capacity and Main Disc. Switches on Bus No.1 & 2 at the Mill Road Substation - \$400,000

2024 System Improvements

Purchase and Install Bus No. 1 Low Side Main Circuit Breaker, Main Disconnect Switches and Associated Bus System at the Mill Road Substation - \$195,000

2025 System Improvements

Prepare Specifications, Bid, Purchase and Install No. 1 Main Power Transformer at Mill Road Substation - \$2,375,000

Electric Department's Extra Benefits to Municipality					
	2011	2012	2013	2014	2015
*In Lieu of Budget Transfer	500,000	500,000	500,000	500,000	500,000
Street Lighting	200,000	200,000	200,000	200,000	200,000
Employees funded out of Electric Department	101,000	102,000	103,000	103,000	104,000
Discounted electric rates for municipal facilities	50,000	50,000	50,000	50,000	50,000
*Renovation of Municipal Building Roof	-	-	-	-	-
*Payment in Lieu of Taxes	155,000	155,000	155,000	155,000	155,000
Tree Trimming	30,000	30,000	30,000	35,000	35,000
Misc Work (electrical work, cabling, etc)	22,000	22,000	23,000	25,000	26,000
Senior Citizen Rate Savings	36,000	36,000	36,000	36,000	36,000
Computers Purchases and Maintenance	15,000	15,000	15,000	15,000	15,000
Holiday Decorations/Banners	10,000	5,000	5,000	5,000	5,000
Use of equipment during snow operations	10,000	10,000	10,000	10,000	10,000
Maintaining Traffic Signals	12,000	12,000	12,000	12,000	12,000
Sports Lighting Bulbs and Maintenance	12,000	12,000	13,000	13,000	13,000
Contribution to the Rehabilitation of Sulak Field	-	-	-	-	-
Contribution for the study of Mill Pond	-	10,000	10,000	-	-
Total	1,153,000	1,159,000	1,162,000	1,159,000	1,161,000
Water Department's Extra Benefits to Municipality					
	2011	2012	2013	2014	2015
Employees funded out of Water Department	150,000	170,000	143,000	143,000	149,000
Reduced Hydrant Fee	140,000	140,000	140,000	140,000	140,000
* Rental Fee	105,000	105,000	105,000	105,000	105,000
* Reimbursement of Expenses	100,000	100,000	100,000	100,000	100,000
Misc Work (plumbing work, stormwater, etc)	12,000	12,000	12,000	12,000	12,000
Use of equipment during snow operations	12,000	12,000	12,000	12,000	12,000
Total	519,000	539,000	512,000	512,000	518,000
Grand Totals	1,672,000	1,698,000	1,674,000	1,671,000	1,679,000
* Direct Transfers	860,000	860,000	860,000	860,000	860,000

Park Ridge Utilities



Thinking Green



**Toyota Prius Hybrid
(to be replaced this year)**



Ford Escape Hybrid



Toyota Camry Hybrid

The Park Ridge Water and Electric Conservation Measures

- Bi-Annual Leak Detection for Entire Water System: Twice a year, the Park Ridge Water Department hires a leak detection consultant to survey the entire water system using specialized equipment to look for distribution system leaks. After each session, a report is generated and the Park Ridge Water Department repairs the leaks. This results in our system having a very low unaccounted-for water measurement (Gallons Pumped vs. Gallons Billed)
 - United Water 2011 – 25%
 - New York City – 30%
 - Park Ridge Water Department’s 2014 Unaccounted-for-Water – 13%

- Electric and Water SCADA Systems: The Park Ridge Electric and Water Systems are monitored by a supervisory control and data acquisition system (SCADA) which allows us to monitor the real time water and electric system demands. By closely monitoring the demands we can see if there are potential water main breaks (e.g. high demand in the middle of the night).

The Park Ridge Water and Electric Conservation Measures

- **Water System Peak Shaving Power Save Mode:** We have built into our water system control program, a setting where we can shut down the wells and run the systems off the tank pressure for several hours during periods of peak electric use. By shutting the wells off during the peak periods, our electric system load factor is improved and our capacity charges are reduced.
- **Electric Load Forecasting Service and Request for Voluntary Reductions:** For the past few years, we have paid for a daily grid load forecasting service. Based on weather and other factors in our regional power grid (PJM), we are advised of days we should conserve energy. By reducing load on these days, we can save on the following year's bulk power costs. On these days we send out notifications to our residents and businesses requesting a voluntary reduction in load (generally from 3PM to 6PM). On these days, we also reduce load in our municipal and utilities operations.

The Park Ridge Utility Garage Solar System

(as of October 2014)



- Cost of Installation (including engineering): \$195,000
- The construction for the project started in March 2010 and was completed and went online in June 2010
- Total DC capacity for the system: 29.7 KW
- Financial benefits as of July 2011:
 - \$29,700 rebate received from the NJ Office of Clean Energy
 - \$39,670 received for solar energy renewable credits (SRECs)
 - \$18,686 in reduced electric costs
 - **\$88,057 in total benefits**
- Total electrical energy generated to date: 121,442 kilowatt-hours

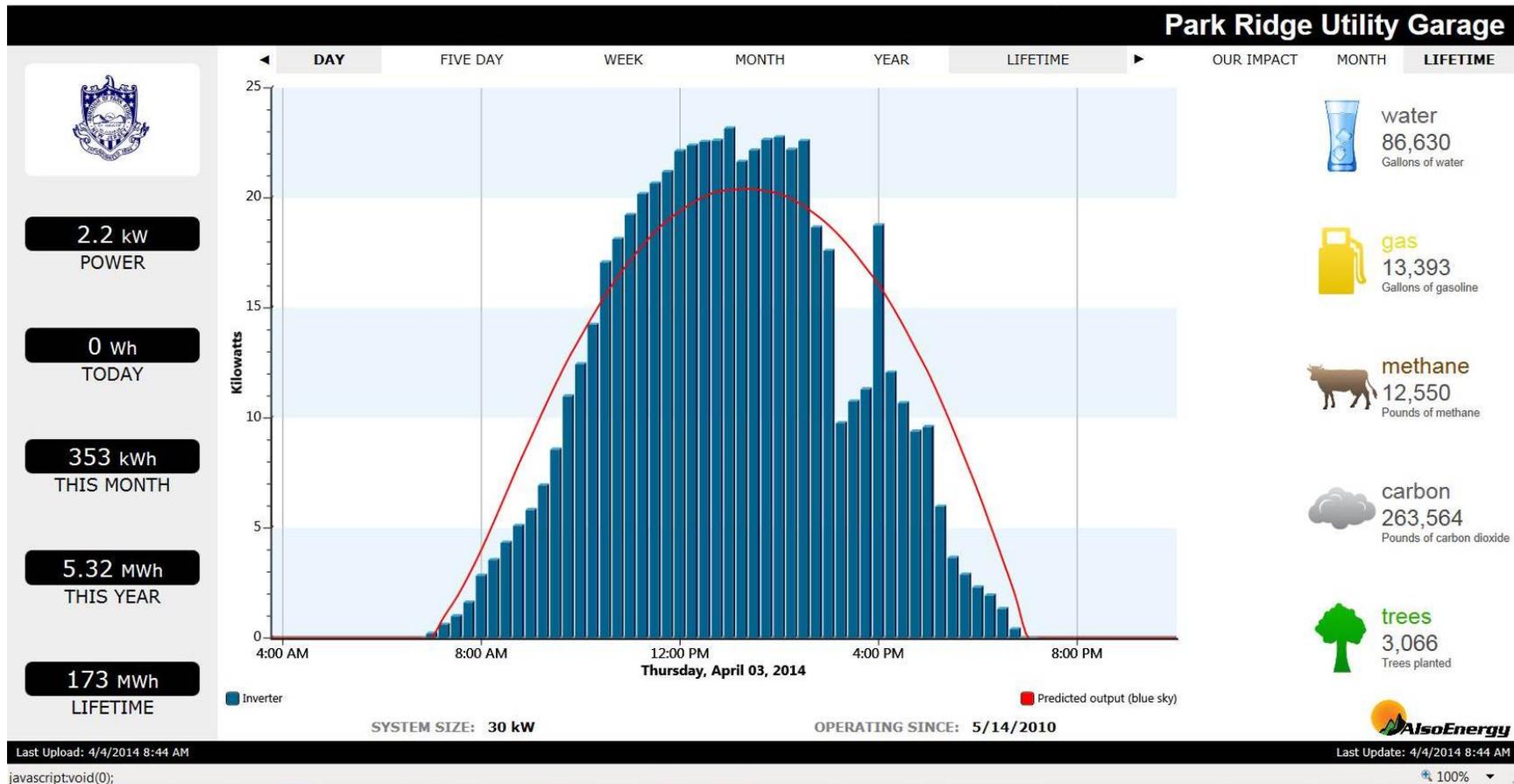
The Park Ridge Utility Garage Solar System

(as of October 2014)



- Environmental benefits due to the generation of clean renewable energy: To date, the solar system has reduced the amount of carbon dioxide emissions equal to:
 - The amount 17.6 passenger vehicles would create in a year.
 - The amount that would have been generated from the electricity used in 11.5 homes in a year.
 - The amount that would have been reduced by the growth of 2,147 tree seedlings over ten years.

Park Ridge Real Time Solar Output Web Page



Web page available on the Borough's web site at www.parkridgeboro.com in the Electric Utility section.

<u>Electric Dept Annual Numbers (2010-2015)</u>		
<u>Purchase of Current</u>		<u>(\$)/KWH</u>
2015 Budget	\$7,126,000	0.09928
2014	\$7,377,195	0.10278
2013	\$7,190,095	0.10018
2012	\$6,387,383	\$ 0.089
2011	\$6,832,594	\$ 0.093
2010	\$7,006,107	\$ 0.095
<u>Energy Billed (KWH's)</u>		
2015 Budget	65,939,991	
2014	65,939,991	
2013	65,893,133	
2012	67,381,578	
2011	69,913,780	
2010	70,053,814	
<u>Revenue (from Energy Sales)</u>		
2015 Budget	9,849,000	
2014	9,849,282	
2013	9,853,268	
2012	9,582,597	
2011	10,019,928	
2010	9,903,930	
<u>Heating/Cooling Degree Days</u>		
	<u>HDD</u>	<u>CDD</u>
2014	5,696	1,015
2013	4,752	1,339
2012	3,955	1,450
2011	4,275	1,585
2010	4,443	1,671

ELECTRIC UTILITY BUDGET

A. REVENUES	15 BUDGET	14 MODIFIED BUDGET	14 ACTUAL
1 SURPLUS	514,598	945,480	945,480
2 LIGHT AND POWER	9,849,000	9,840,000	9,840,000
3 ADDITIONAL PURCHASE POWER ADJ.	-	180,000	9,282
4 MISCELLANEOUS	22,000	36,000	22,074
5 RESERVED FOR HURRICANE SANDY	-	52,427	52,427
6 FEMA REIMBURSEMENT	-	108,673	108,673
7 CAPITAL SURPLUS	36,841	-	-
8 INSURANCE PROCEEDS	-	25,983	25,983
	\$ 10,422,439	\$ 11,188,563	\$ 11,003,919

B. OPERATING EXPENSES	15 BUDGET	14 MODIFIED BUDGET	14 ACTUAL
1 PURCHASE OF CURRENT	7,126,000	7,840,000	7,377,195
2 SALARY AND WAGES	1,133,000	1,119,000	1,072,390
3 OTHER EXPENSES	670,000	636,500	502,241
4 GROUP INSURANCE EMPLOYEES	286,000	360,200	317,368
5 IN LIEU FR & GR RECEIPT TAXES	500,000	500,000	500,000
6 PAYMENT IN LIEU OF TAXES-CURRENT	155,000	155,000	155,000
7 CAPITAL OUTLAY	33,500	33,500	11,463
8 CAPITAL IMPROVEMENT FUND	15,000	-	-
9 PUBLIC EMPLOYEES RETIREMENT SYSTEM	107,000	91,994	91,065
10 SOCIAL SECURITY	87,000	85,000	75,278
11 BOND PRINCIPAL	240,000	235,000	235,000
12 BOND INTEREST	44,439	52,198	50,776
13 BAN INTEREST	-	2,244	1,400
14 DEFERRED CHARGES	25,500	25,500	25,500
15 SPECIAL EMERGENCY - HURRICANE SANDY	-	52,427	52,427
TOTAL EXPENSES	\$ 10,422,439	\$ 11,188,563	\$ 10,467,103

<u>Surplus</u>		
\$ 1,089,664		January 1, 2014
\$ 616,593		December 31, 2014
\$ 194,194		2014 Appropriation Reserves

ELECTRIC UTILITY BUDGET (2011-2015)

REVENUES	15 BUDGET	14 MODIFIED BUDGET	13 MODIFIED BUDGET	12 MODIFIED BUDGET	11 MODIFIED BUDGET
SURPLUS	\$ 514,598	\$ 945,480	\$ 1,118,760	\$ 796,335	\$ 634,479
LIGHT AND POWER	9,849,000	9,840,000	9,580,810	9,400,000	9,440,000
ADDITIONAL PURCHASE POWER ADJ.	-	180,000	-		
MISCELLANEOUS	22,000	36,000	36,000	50,000	45,000
FEMA NOTE REIMBURSEMENT	-	52,427	45,000		
FEMA REIMBURSEMENT	-	108,673	-		
CANCELLED FUNDED ORDINANCES	36,841	-	-		
INSURANCE PROCEEDS	-	25,983	-		
TOTAL REVENUES:	\$ 10,422,439	\$ 11,188,563	\$ 10,780,570	\$ 10,246,335	\$ 10,119,479
OPERATING EXPENSES					
PURCHASE OF CURRENT	\$ 7,126,000	\$ 7,840,000	\$ 7,235,000	\$ 6,846,000	\$ 6,923,000
SALARY AND WAGES	1,133,000	1,119,000	1,075,000	1,012,000	1,060,000
OTHER EXPENSES	670,000	636,500	588,900	672,700	530,500
GROUP INSURANCE EMPLOYEES	286,000	360,200	370,000	363,000	334,500
IN LIEU FR & GR RECEIPT TAXES	500,000	500,000	500,000	500,000	500,000
PAYMENT IN LIEU OF TAXES-CURRENT	155,000	155,000	155,000	155,000	155,000
CAPITAL OUTLAY	33,500	33,500	93,500	243,500	203,500
CAPITAL IMPROVEMENT FUND	15,000	-	-	100,000	55,000
PUBLIC EMPLOYEES RETIREMENT SYSTEM	107,000	91,994	103,595	100,000	97,000
SOCIAL SECURITY	87,000	85,000	82,250	80,000	82,000
BOND PRINCIPAL	240,000	235,000	220,000	125,000	125,000
BOND INTEREST	44,439	52,198	58,627	49,135	53,979
BAN INTEREST	-	2,244	3,698	-	-
DEFERRED CHARGES	25,500	25,500	45,000	-	-
SPECIAL EMERGENCY - HURRICANE SANDY	-	52,427	-	225,000	-
TOTAL EXPENSES	\$ 10,422,439	\$ 11,188,563	\$ 10,530,570	\$ 10,471,335	\$ 10,119,479

BOROUGH OF PARK RIDGE
Existing Bonded Service
2007, 2012 & 2013 Electric Utility Bonds

<i>Year</i>	<i>2007 Bonds</i>				<i>2012 Bonds</i>				<i>2013 Bonds</i>				<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Outstanding</i>
				893,000				505,000				85,000	1,483,000
2015	125,000	34,814	159,814	768,000	100,000	10,100	110,100	405,000	15,000	1,550	16,550	70,000	1,243,000
2016	125,000	29,970	154,970	643,000	100,000	8,100	108,100	305,000	15,000	1,400	16,400	55,000	1,003,000
2017	150,000	25,126	175,126	493,000	100,000	6,100	106,100	205,000	15,000	1,100	16,100	40,000	738,000
2018	150,000	19,314	169,314	343,000	100,000	4,100	104,100	105,000	20,000	800	20,800	20,000	468,000
2019	175,000	13,501	188,501	168,000	105,000	2,100	107,100	-	20,000	400	20,400	-	168,000
2020	168,000	6,720	174,720	-									-
Total	893,000	129,445	1,022,445		505,000	30,500	535,500		85,000	5,250	90,250		

NEW MANAGED CONTRACT APPROACH TO PROCURING WHOLESALE POWER

- In 2008 Park Ridge decided to join with South River, Seaside Heights, and Lavallette to procure wholesale power requirements using an alternate “Managed Contract” approach as opposed to the fixed price, full-requirements method. Four other NJ municipal utilities (Madison, Butler, Pemberton and Milltown) joined in the bidding in 2012
- The municipalities contracted with American Power Net to provide procurement advice and wholesale electric procurement services.
- We needed to join the PJM Interconnection which is the regional transmission organization that coordinates the movement and settlement of wholesale electricity.
- Approach approved by the NJ Department of Community Affairs

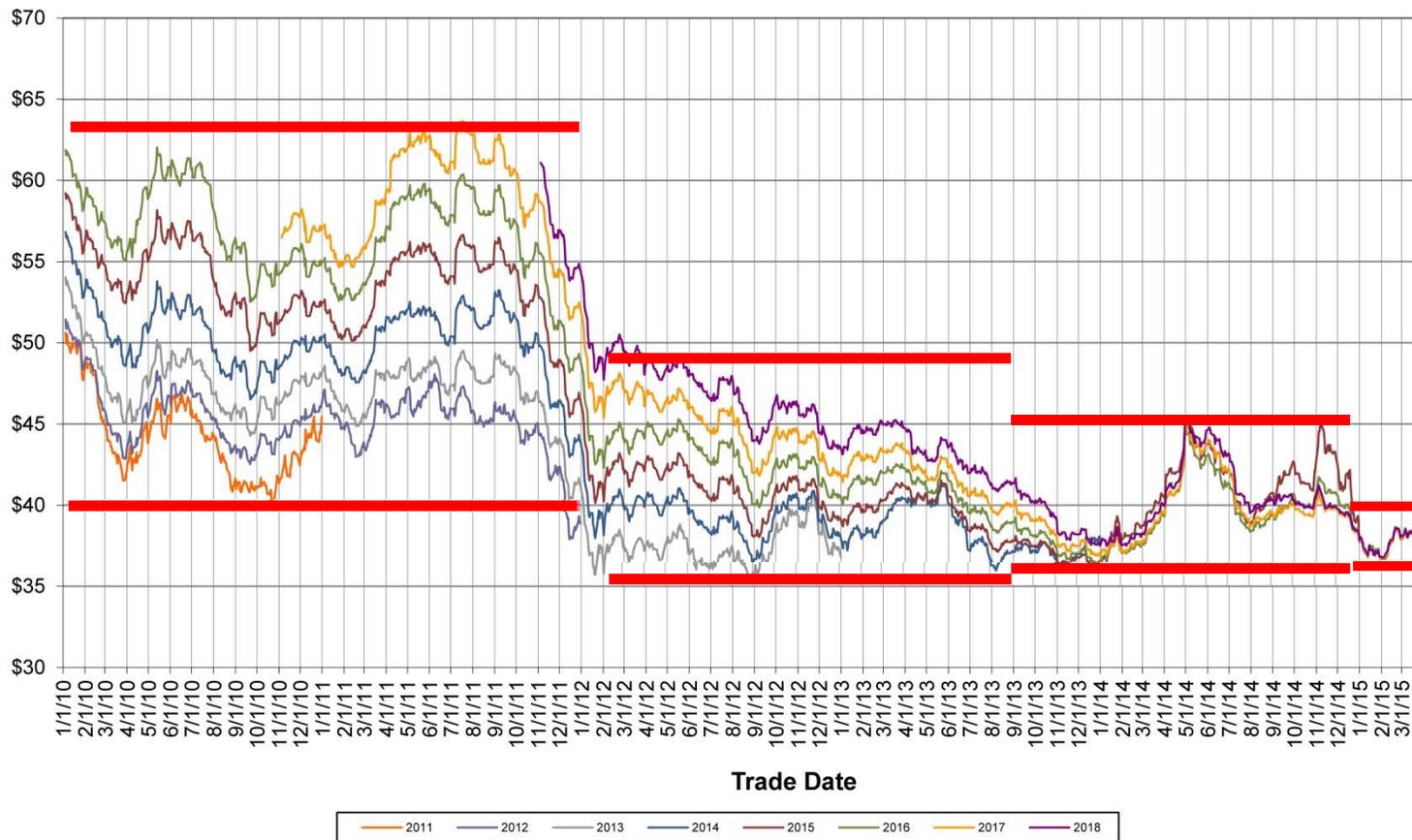
NEW MANAGED CONTRACT APPROACH TO PROCURING WHOLESALE POWER

- Using this process, we request proposals and purchase blocks of energy from suppliers at various times to build up a portfolio of contracts for the Borough's power requirements.
- This new approach gives us the ability to monitor the power supply market and purchase some of our requirements, either on a regular basis OR when there are dips in the wholesale electricity futures prices.
- We have been very successful since implementing this program. Our first wholesale purchases using this approach were for the term beginning 6/1/09 through 5/31/10.
- Since November 2008, we have gone out to the market with request for proposals (RFP's) and purchased blocks of power twenty five (25) times. We have purchased all of our block power requirements through May 2018 and 1/3 of our requirements for June 2018 through May 2019 term.

Electricity Futures Market Factors

- Largely based on natural gas futures prices.
- Normally, the further you purchase out in the market, the bigger the year-to-year spread
- Currently this is not the case based on winter market conditions.
- Prices based economic forecast, natural gas storage, weather, and other factors.

PJM West Annual ATC Futures (1/1/10 - 3/27/15)



Electricity Futures Market Factors

- Largely based on natural gas futures prices.
- Normally, the further you purchase out in the market, the bigger the year-to-year spread
- Currently this is not the case based on winter market conditions.
- Prices based economic forecast, natural gas storage, weather, and other factors.

PJM West Forward Strips for 3/27/2015													
On-Pk	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Strip
2015	N/A	N/A	N/A	\$38.90	\$40.45	\$43.50	\$56.30	\$47.90	\$40.30	\$38.00	\$39.20	\$44.00	\$43.17
2016	\$65.20	\$58.95	\$44.75	\$39.50	\$40.10	\$42.90	\$55.35	\$49.20	\$38.15	\$36.65	\$37.75	\$42.40	\$45.91
2017	\$62.70	\$57.20	\$43.65	\$38.90	\$40.55	\$43.90	\$55.05	\$49.05	\$38.75	\$36.15	\$36.10	\$40.65	\$45.22
2018	\$62.25	\$58.35	\$44.15	\$37.25	\$40.40	\$42.90	\$54.90	\$48.95	\$38.90	\$35.45	\$36.70	\$41.50	\$45.14
2019	\$60.90	\$56.50	\$44.55	\$37.40	\$39.65	\$42.90	\$56.30	\$50.35	\$40.35	\$36.35	\$37.20	\$41.95	\$45.37
2020	\$59.50	\$55.55	\$45.00	\$38.25	\$40.90	\$44.30	\$57.15	\$50.95	\$41.35	\$36.10	\$37.00	\$41.75	\$45.65
Off-Pk	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Strip
2015	N/A	N/A	N/A	\$28.25	\$27.50	\$27.50	\$31.70	\$28.75	\$26.85	\$26.90	\$28.35	\$32.95	\$28.75
2016	\$50.80	\$46.55	\$33.65	\$30.10	\$27.30	\$27.10	\$29.85	\$29.20	\$26.40	\$26.75	\$26.75	\$32.65	\$32.26
2017	\$49.45	\$45.20	\$34.55	\$30.65	\$26.50	\$26.45	\$29.40	\$28.70	\$26.45	\$27.25	\$27.85	\$29.95	\$31.87
2018	\$45.75	\$42.80	\$35.10	\$31.00	\$27.45	\$27.90	\$30.25	\$29.65	\$27.15	\$28.30	\$28.65	\$30.35	\$32.03
2019	\$45.55	\$42.60	\$34.75	\$30.95	\$28.15	\$28.30	\$30.60	\$29.95	\$26.55	\$28.70	\$29.00	\$30.60	\$32.14
2020	\$46.05	\$43.20	\$35.05	\$31.10	\$28.30	\$28.30	\$31.05	\$30.35	\$26.80	\$28.90	\$29.25	\$30.70	\$32.42
ATC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Strip
2015	N/A	N/A	N/A	\$33.15	\$33.46	\$34.86	\$43.02	\$37.56	\$33.04	\$32.01	\$33.34	\$38.03	\$35.38
2016	\$57.42	\$52.25	\$38.76	\$34.42	\$33.19	\$34.37	\$41.58	\$38.40	\$31.81	\$31.30	\$31.81	\$37.14	\$38.54
2017	\$55.55	\$50.72	\$38.74	\$34.45	\$32.96	\$34.48	\$41.20	\$38.06	\$32.11	\$31.34	\$31.65	\$34.87	\$38.01
2018	\$53.34	\$49.95	\$39.26	\$33.88	\$33.41	\$34.80	\$41.59	\$38.53	\$32.56	\$31.59	\$32.35	\$35.48	\$38.06
2019	\$52.61	\$48.99	\$39.26	\$33.92	\$33.44	\$35.02	\$42.42	\$39.33	\$32.90	\$32.22	\$32.77	\$35.82	\$38.23
2020	\$52.24	\$48.88	\$39.63	\$34.39	\$34.10	\$35.66	\$43.06	\$39.83	\$33.49	\$32.21	\$32.82	\$35.78	\$38.51

Current & Outstanding Power Purchase Contracts				
June 2018-May 2019				
Date Purchased	Product	Price	Delivery	Company
3/11/2015	1st Traunch	43.85	PSE&G Zone	Constellation
	2nd Traunch			
	3rd Traunch			
	2x16			
June 2017- May 2018				
Date Purchased	Product	Price	Delivery	Company
4/22/2013	1st Traunch	52.00	Hillsdale Node	PPL
9/10/2014	2nd Traunch	46.05	PSE&G Zone	Exelon
3/11/2015	3rd Traunch	49.60	Hillsdale Node	PSEG
	2x16			
June 2016- May 2017				
Date Purchased	Product	Price	Delivery	Company
6/28/2012	1st Traunch	51.20	Hillsdale Node	PPL
4/22/2013	2nd Traunch	51.10	Hillsdale Node	PSEG
9/4/2013	3rd Traunch	45.25	Hillsdale Node	PPL
	2x16			
June 2015- May 2016				
Date Purchased	Product	Price	Delivery	Company
12/1/2011	1st Traunch	60.16	Hillsdale Node	PSEG
1/5/2012	2nd Traunch	53.90	Hillsdale Node	PSEG
2/1/2012	3rd Traunch	50.51	Hillsdale Node	PSEG
9/10/2014	Addl Summer	46.75	Hillsdale Node	Nextera
2/1/2012	2x16	45.70	PSE&G Zone	Exelon
June 2014- May 2015				
Date Purchased	Product	Price	Delivery	Company
2/16/2011	1st Traunch	58.96	PSE&G Zone	Exelon
12/1/2011	2nd Traunch	56.40	Hillsdale Node	PSEG
1/5/2012	3rd Traunch	51.75	Hillsdale Node	PSEG
5/19/2014	Addl Summer	55.95	Hillsdale Node	PPL
11/20/2014	Addl Winter	79.55	PSE&G Zone	PSEG
12/1/2011	2x16	57.35	PSE&G Zone	Exelon

Prior Power Purchase History				
June 2013- May 2014				
Date Purchased	Product	Price	Delivery	Company
5/12/2010	1st Traunch	64.50	PSE&G Zone	PPL
6/9/2010	2nd Traunch	61.52	PSE&G Zone	PPL
8/26/2010	3rd Traunch	58.90	PSE&G Zone	Exelon
2/1/2012	Summer Peak	55.20	PSE&G Zone	Nextera
1/30/2014	1 MW	114.57	PSE&G Zone	PPL
8/26/2010	2x16	59.25	PSE&G Zone	Exelon
June 2012- May 2013				
Date Purchased	Product	Price	Delivery	Company
3/24/2010	1st Traunch	59.18	Hillsdale	Nextera
4/29/2010	2nd Traunch	61.32	Hillsdale	PSEG
4/29/2010	3rd Traunch	61.32	Hillsdale	PSEG
1/5/2012	Summer Peak	55.10	PSE&G Zone	PSEG
8/26/2010	2x16	56.20	PSE&G Zone	Exelon
June 2011- May 2012				
Date Purchased	Product	Price	Delivery	Company
8/12/2009	1st Traunch	67.95	Hillsdale	Nextera
12/7/2009	2nd Traunch	69.20	Hillsdale	Nextera
3/24/2010	3rd Traunch	55.71	Hillsdale	Nextera
3/24/2010	2x16	63.25	Hillsdale	PSE&G
11/15/2010	Summer Peak	65.45	PSE&G Zone	PPL
June 2010- May 2011				
Date Purchased	Product	Price	Delivery	Company
1/21/2009	1st Traunch	58.95	Western Hub	Nextera
5/14/2009	2nd Traunch	72.81	Hillsdale Node	Nextera
8/12/2009	3rd Traunch	62.85	Hillsdale Node	Nextera
8/12/2009	2x16	71.50	PSE&G Zone	PSE&G
June 2009- May 2010				
Date Purchased	Product	Price	Delivery	Company
11/6/2008	1st Traunch	66.40	Western Hub	Nextera
12/10/2008	2nd Traunch	60.75	Western Hub	DTE
1/21/2009	3rd Traunch	54.10	Western Hub	Nextera
12/10/2008	2x16	68.00	Western Hub	PSE&G
1/21/2009	2x16	59.15	Western Hub	Nextera
6/17/2009	Superpeak	97.00	PSE&G Zone	PSE&G

Wholesale Component Budget Costs Comparison - Updated 3-24-15						
	2011	2012	2013	2014	2015	2016
Energy	4,841,213	4,816,265	4,510,959	4,631,999	4,224,220	3,883,000
Capacity	1,141,999	1,089,868	1,781,839	1,540,924	1,271,843	1,363,000
Transmission	592,446	556,641	789,063	1,093,690	1,374,484	1,433,000
Others	336,811	265,885	252,300	156,156	205,206	214,000
Total	6,912,469	6,728,660	7,334,161	7,422,769	7,075,753	6,893,000
Percentage of Total Cost Comparison						
	2011	2012	2013	2014	2015	2016
Energy	70%	72%	62%	62%	60%	56%
Capacity	17%	16%	24%	21%	18%	20%
Transmission	9%	8%	11%	15%	19%	21%
Others	5%	4%	3%	2%	3%	3%

Energy Costs

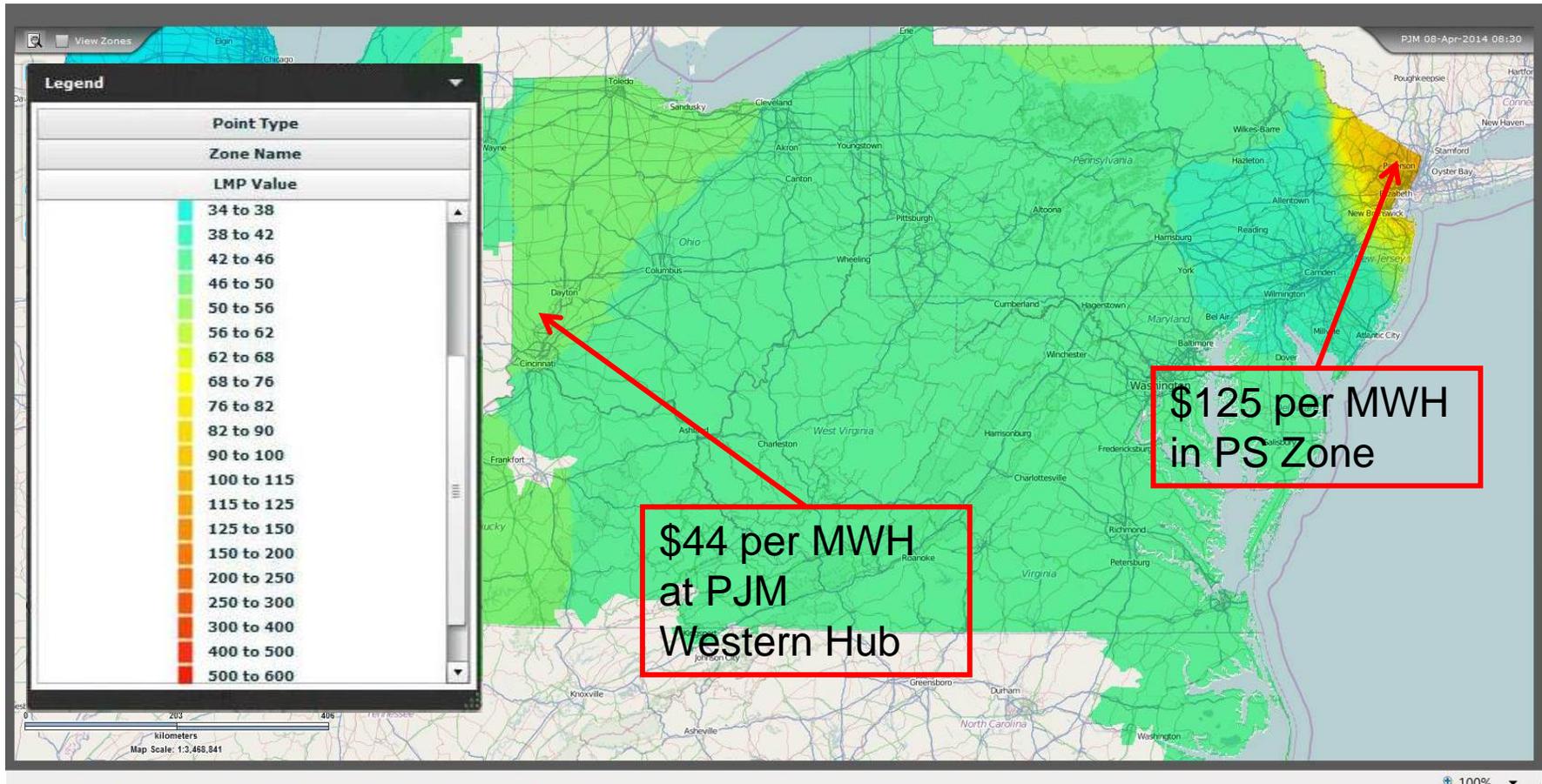
Energy costs are what we pay for the energy that is generated at the power plants and then delivered to our substation. The cost is based on our wholesale block purchases along with hourly spot purchases when we need additional energy, and spot sales when we have surplus energy.

Due to the very cold winter, spot prices for energy in late January and February skyrocketed up to \$556.46 per MWH.

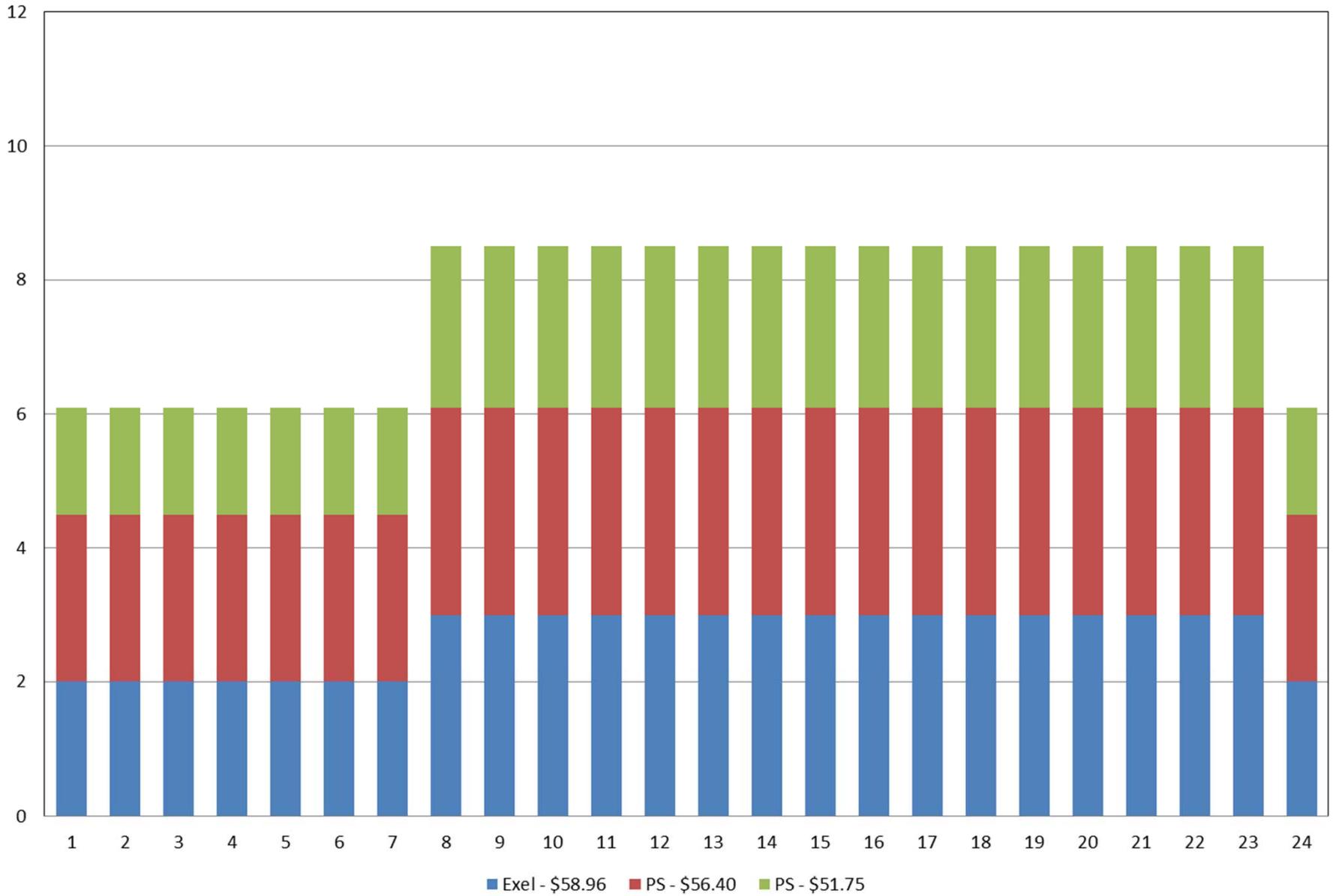
As insurance against these high spot prices, we purchased some additional blocks of winter energy at fixed prices.

June 2014- May 2015				
Date Purchased	Product	Price	Delivery	Company
2/16/2011	1st Traunch	58.96	PSE&G Zone	Exelon
12/1/2011	2nd Traunch	56.40	Hillsdale Node	PSEG
1/5/2012	3rd Traunch	51.75	Hillsdale Node	PSEG
5/19/2014	Addl Summer	55.95	Hillsdale Node	PPL
11/20/2014	Addl Winter	79.55	PSE&G Zone	PSEG
12/1/2011	2x16	57.35	PSE&G Zone	Exelon

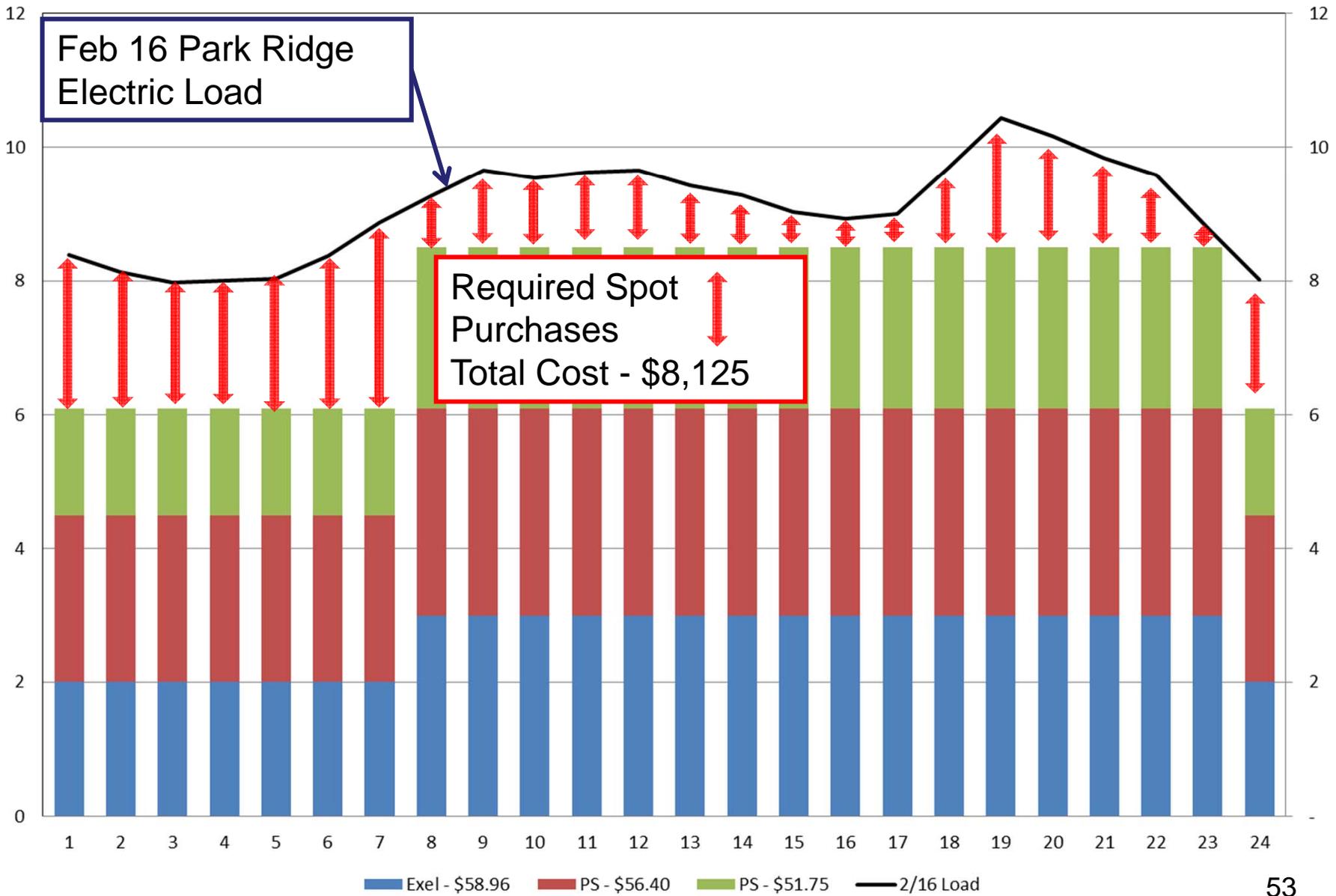
Typical PJM Locational Marginal Pricing (LMP) Contour Map



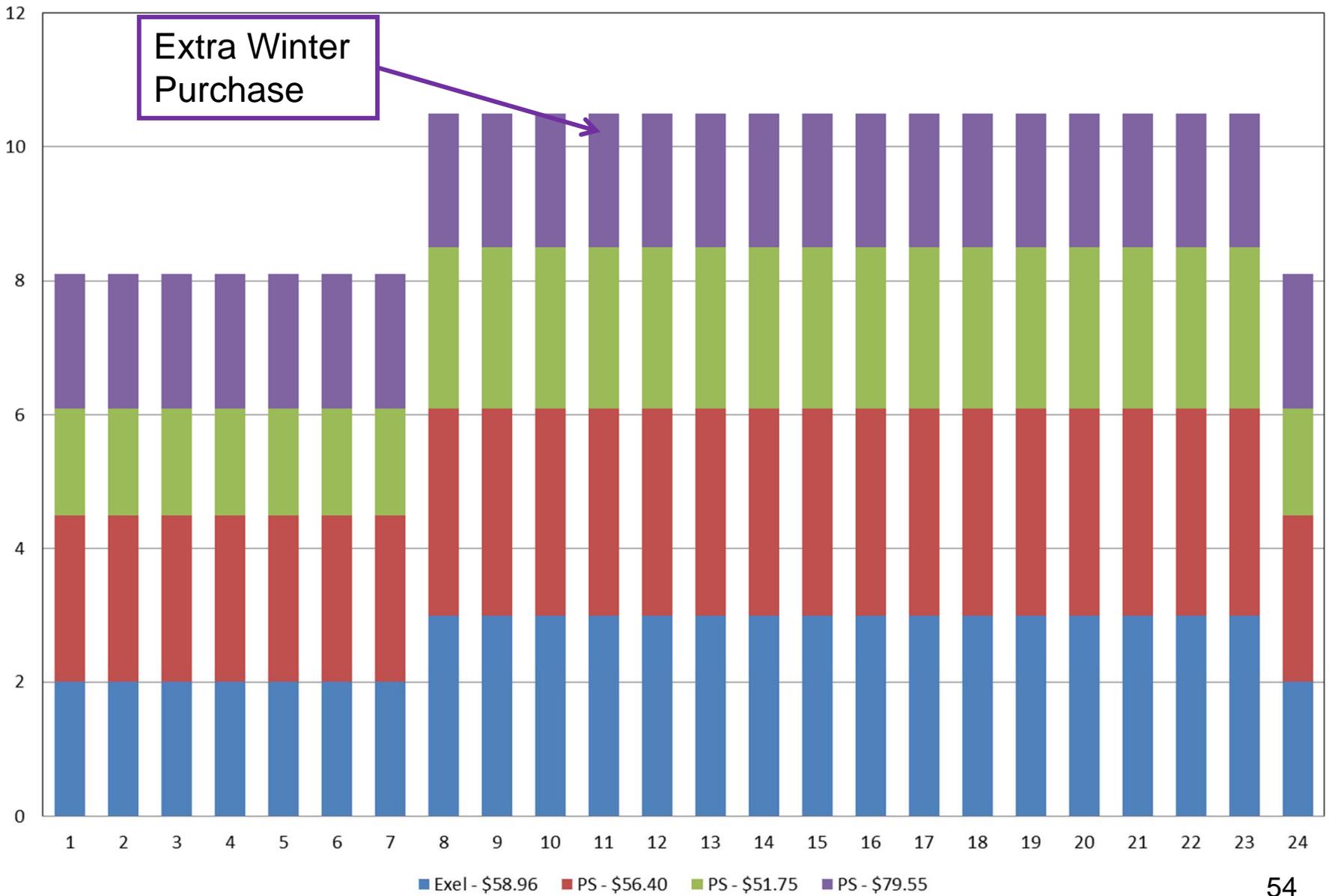
Feb 16 Contract Purchases without Extra



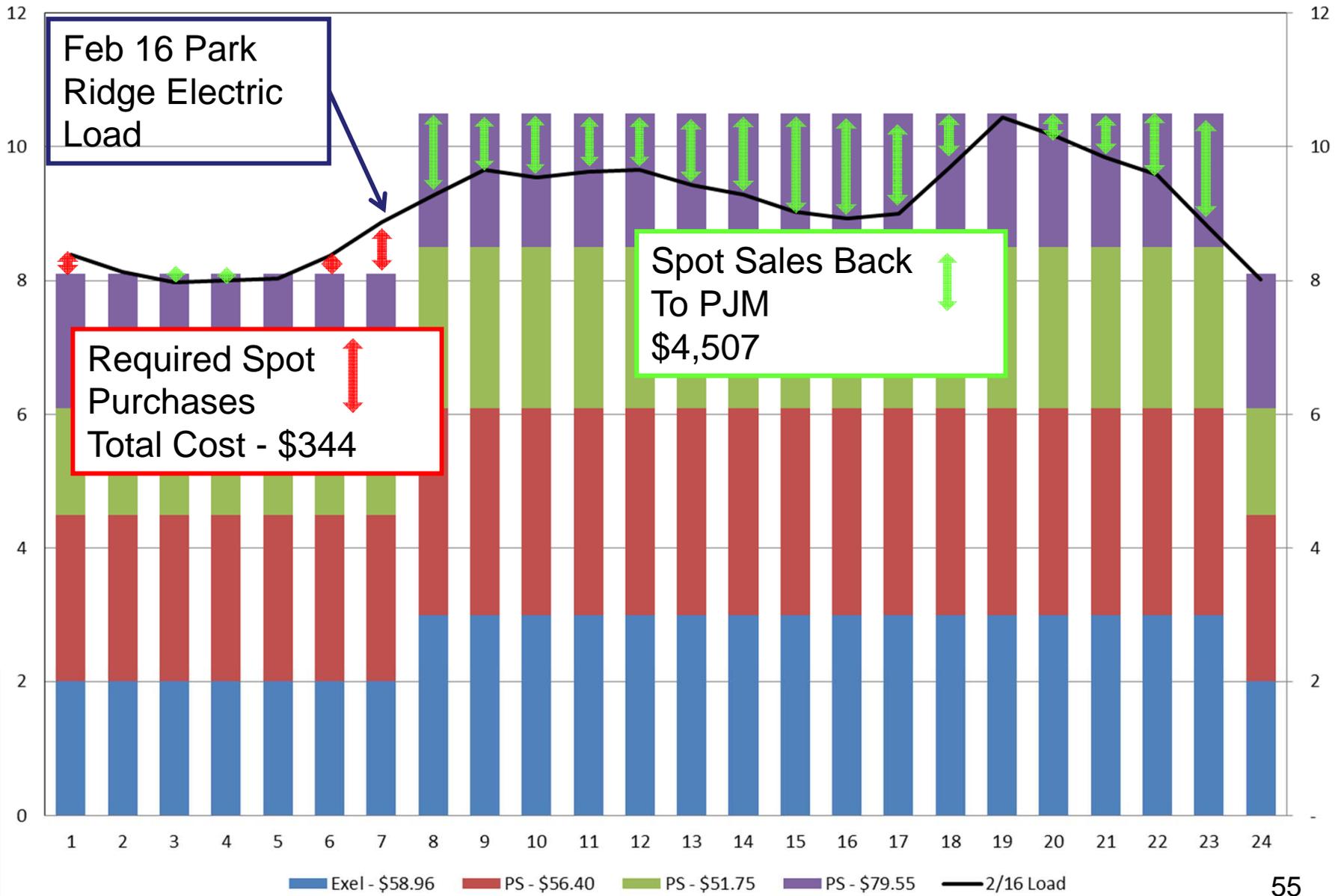
Feb 16 Contract Purchases without Extra



Feb 16 Contract Purchases with Extra Winter Purchase



Feb 16 Contract Purchases with Extra Winter Purchase



Capacity Cost

Capacity costs are what we pay throughout the year to assure that there is enough power produced in the entire grid during peak hours. Our capacity costs are set through PJM auctions. These auctions allow generators to bid their capacity for power supplied three year in advance. For all customers in our area, the price for capacity is based on the result of the auction in the PSE&G Zone. The following table summarizes the auction results and the effect on our annual costs.

PJM Delivery Year	PJM Rate MW-Day	Park Ridge Annual Cost
June 2012 to May 2013	\$139.73	\$1,020,029
June 2013 to May 2014	\$245.00	\$1,788,500
June 2014 to May 2015	\$170.95	\$1,247,935
June 2015 to May 2016	\$166.29	\$1,213,917
June 2016 to May 2017	\$177.05	\$1,292,465
June 2017 to May 2018	\$175.21	\$1,279,033
Park Ridge Peak Load	20 MW	

Transmission Costs

Transmission costs are what we pay PJM for the operation, maintenance, and expansion of the regional transmission grid. The cost for transmission is regulated by the Federal Energy Regulatory Commission (FERC). FERC has approved a number of large projects for PSE&G and the costs are updated and adjusted each year beginning January 1. Due to these major improvements, our transmission costs have increase significantly over the past few years.

PSE&G announces it will spend \$10 billion on transmission line upgrades



Public Service Electric & Gas at work last year on a high-voltage transmission line in Livingston, part of the North Central Reliability Project. Today, PSE&G announced it would spend \$10 billion over the next five years to upgrade its transmission lines. (Star-Ledger file photo)

Public Service Electric & Gas today announced a capital investment of \$10 billion over the next five years, mostly to upgrade its high-voltage transmission lines.

TRANSMISSION PLAYING LARGER PART IN PSE&G PLANS -- AND CUSTOMER BILLS

TOM JOHNSON | FEBRUARY 21, 2014

In earnings call, PSEG chief says transmission projects now account for more than one-third of its utility's business



PSE&G's investments in upgrading its transmission lines are playing a bigger part in its business plan and its profits. Most likely they also mean higher bills for Public Service Electric & Gas customers.

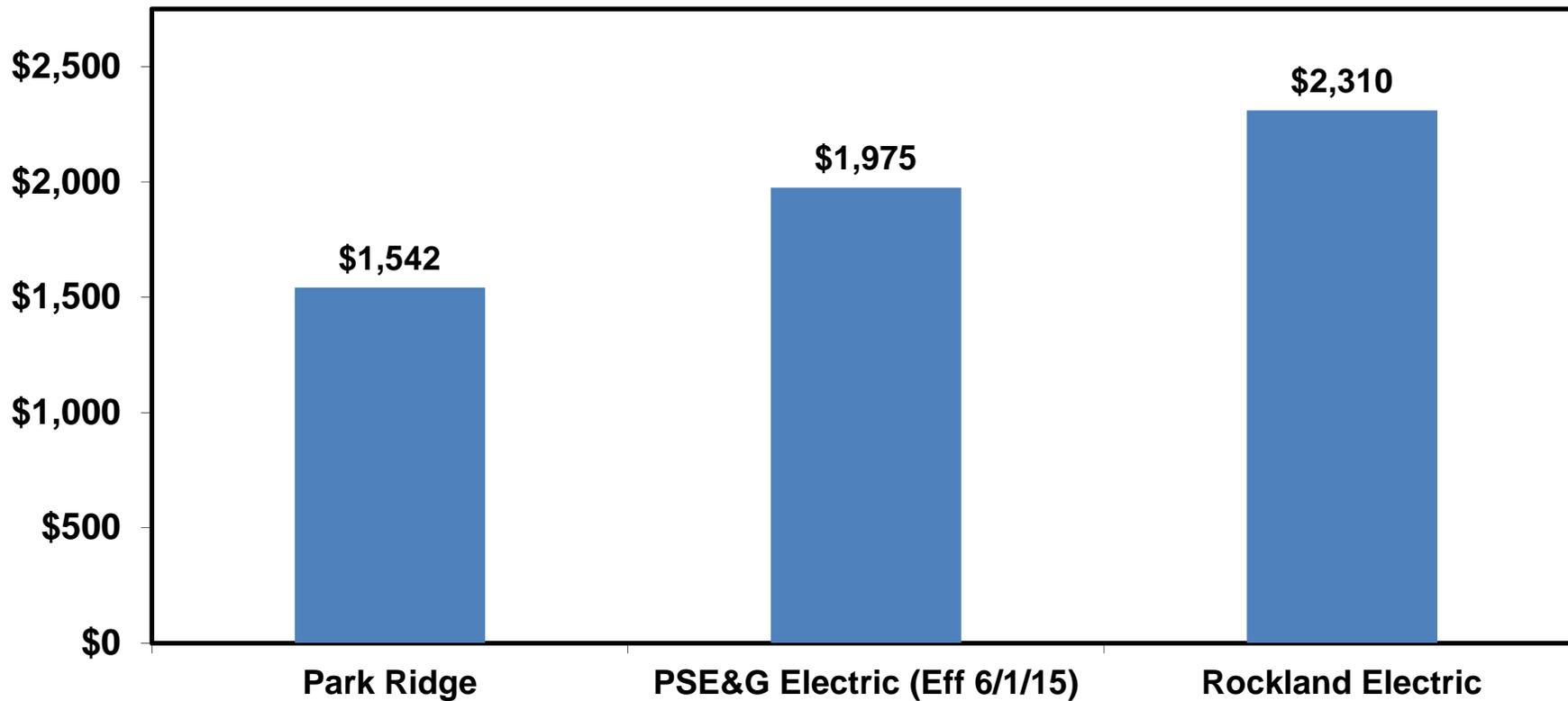
In a quarterly earnings call, the Newark company yesterday disclosed its expenditures on transmission projects now account for 36 percent of the utility's rate base, up from 28 percent the previous year. The rate base largely determines what the utility earns from its customers and how much they have to pay.

Transmission Costs

Transmission costs are what we pay PJM for the operation, maintenance, and expansion of the regional transmission grid. The cost for transmission is regulated by the Federal Energy Regulatory Commission (FERC). FERC has approved a number of large projects for PSE&G and the costs are updated and adjusted each year beginning January 1. Due to these major improvements, our transmission costs have increased significantly over the past few years.

Wholesale Component Budget Costs Comparison - Updated 3-24-15						
	2011	2012	2013	2014	2015	2016
Energy	4,841,213	4,816,265	4,510,959	4,631,999	4,224,220	3,883,000
Capacity	1,141,999	1,089,868	1,781,839	1,540,924	1,271,843	1,363,000
Transmission	592,446	556,641	789,063	1,093,690	1,374,484	1,433,000
Others	336,811	265,885	252,300	156,156	205,206	214,000
Total	6,912,469	6,728,660	7,334,161	7,422,769	7,075,753	6,893,000
Percentage of Total Cost Comparison						
	2011	2012	2013	2014	2015	2016
Energy	70%	72%	62%	62%	60%	56%
Capacity	17%	16%	24%	21%	18%	20%
Transmission	9%	8%	11%	15%	19%	21%
Others	5%	4%	3%	2%	3%	3%

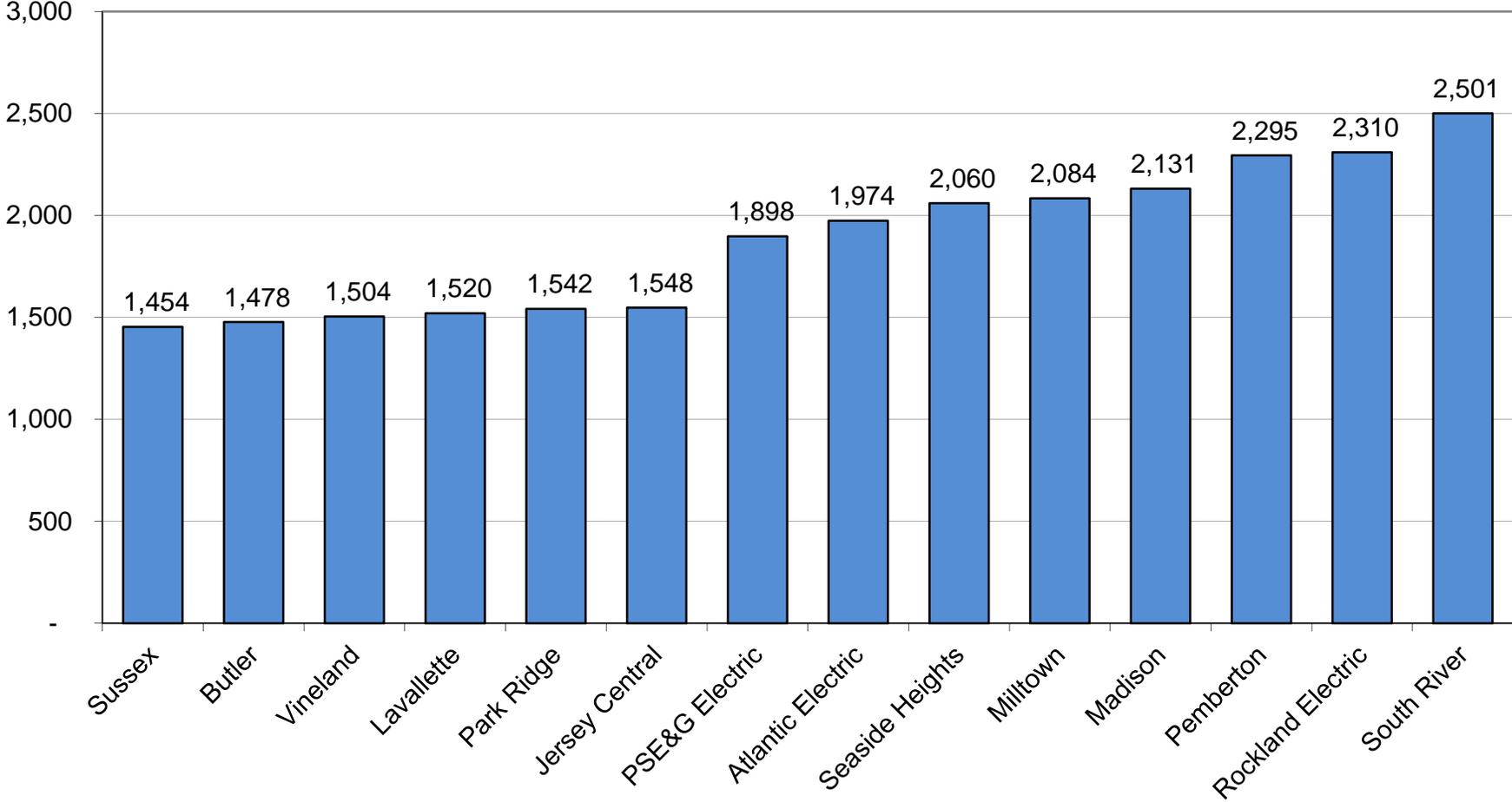
Annual Residential Electric Cost Comparison (based on average residential bill)



Park Ridge rates are 22% lower than PSE&G

Park Ridge rates are 33% lower than ROCKLAND ELECTRIC

Annual Residential Electric Cost Comparison (based on typical Park Ridge residential load)



Negotiations with Utility, Public Works and Office Staff **Collective Bargaining Units**

The collective bargaining unit agreements for the Electric and Water operations staff, Public Works operations staff, and Borough Hall Office staff have all expired as of January 1, 2015. The staff continues to work under the terms of the expired agreements, and the Mayor and Council have designated a negotiations committee who have started meeting with the representatives to negotiate new contracts.

Possible Rate Action

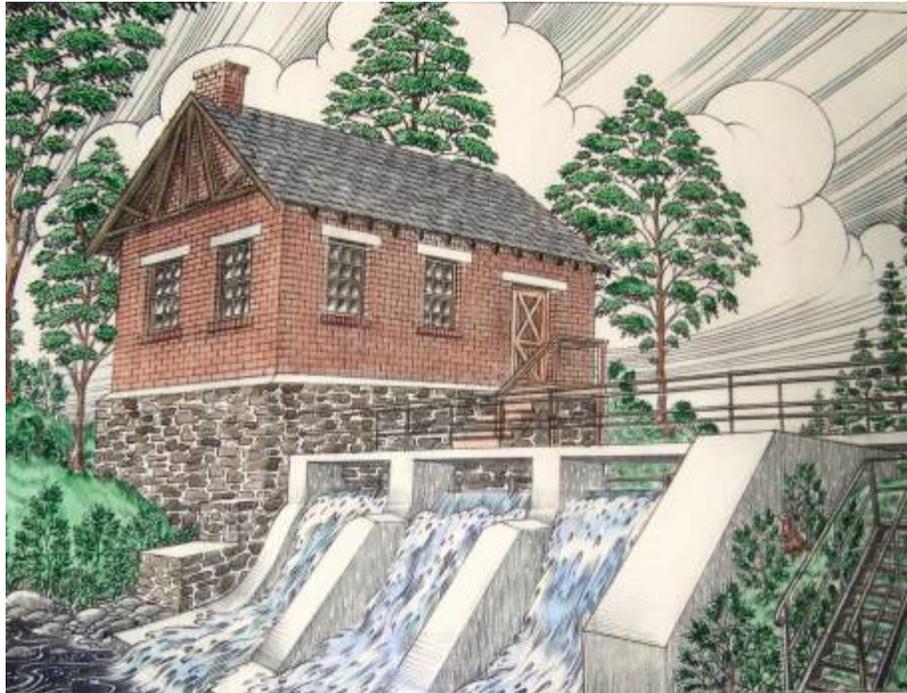
Electric Department Factors:

- Decrease in this year's wholesale energy and capacity costs offset somewhat by increasing transmission costs.
- Less surplus used to balance 2015 budget.
- No power adjustment or rate increase expected for 2015.

Water Department Factors:

- No rate increase in 2015.
- Increase in water treatment costs.
- Capital expenditures.

COMMENTS



Questions?