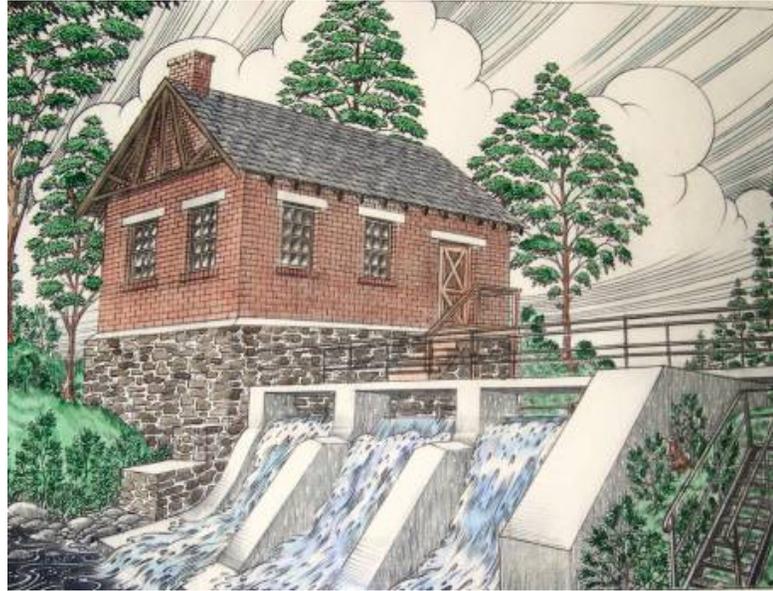


BOARD OF PUBLIC WORKS



BUDGET MEETING

April 8, 2014

**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

Keith Misciagna

Richard Bosi, Council Liaison

MANAGEMENT STAFF

William Beattie, Director of Operations

Colleen Ennis, Director of Finance

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>	Colleen Ennis	6*
<i>Department Head</i>	Susan Corrado	2**
<i>Assistant Treasurer</i>	Jeannine Hosselet	4**
<i>Assistant Treasurer</i>	Angela Kent (p-t)	12
<i>Principal Account Clerk</i>	Nancy Russell	19
<i>Principal Account Clerk</i>	Liz Maggio	7
<i>Senior Cashier</i>	Joseph Barnes	16
<i>Clerk Typist/Cashier</i>	Jessica Mazzarella	9
<i>Account Clerk</i>	Thomas Mazzarella	3

* 12 years of experience prior to employment with Park Ridge

** 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: 9

Utility Office Staff



Pictured left to right: Jeannine Hosselet, Colleen Ennis, Susan Corrado, Jess Mazzarella, Tom Mazzarella, Nancy Russell, Liz Maggio, Joe Barnes (not pictured Angela Kent)

Borough Office Staff



Pictured left to right: Kelley O'Donnell, Mirella Hernandez, Karen Prezant, Bob Ludwig, Elena Rega

ROADS, GROUNDS, VEHICLE MAINTENANCE STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Peter Wayne	23
<i>Road Supervisor</i>	Bill Diedtrich	21
<i>Road Repairer</i>	John Woods	9
<i>Road Repairer</i>	Joseph Zuccaro	6
<i>Road Repairer</i>	Jason Coughenour	6
<i>Road Repairer</i>	Steven Morey	3
<i>Road Laborer</i>	Everett Sayers	1
<i>Mechanic</i>	Ken Nibbling	10 *
<i>Buildings and Grounds</i>	Chuck Deitrich	23

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

Average Years of Service: 11

Park Ridge DPW Staff



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

Park Ridge DPW Staff



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

Public Works – What a Brutal Winter!

Big chill settles in after big snowfall



Misery is piling



Daniel Roman of Paterson frustrated after getting stuck in a snowdrift on Franklin Turnpike in Mahwah early Thursday.

The Record

NORTH JERSEY'S TRUSTED SOURCE

TOI
Windy
TOI
Most

DIGGING OUT, THEN A DEEP FREEZE



The weather hype is starting to get deep

Before we had 'snowpocalypse,' it was just called 'winter'

Disruptive snow? Polar vortex? Thundersnow? Extreme weather event?

Whatever happened to the plain old winter snowstorm? If you grew up, say, in the 1960s, there was a simple drill when it snowed: Your parents listened to the radio to see if your school was closed. If it was, you proceeded accordingly – and with so little event that, as an adult, you probably don't remember any individual snow day of your youth.

Today, television treats every advancing storm as if it's the "snow-mageddon" (or "snow-pocalypse" or "snowzilla"). Meteorologists deliver forecasts – referencing American and European models as if it's a competition – with the kind of gravity news operations once reserved for, say, the Cuban Missile Crisis.

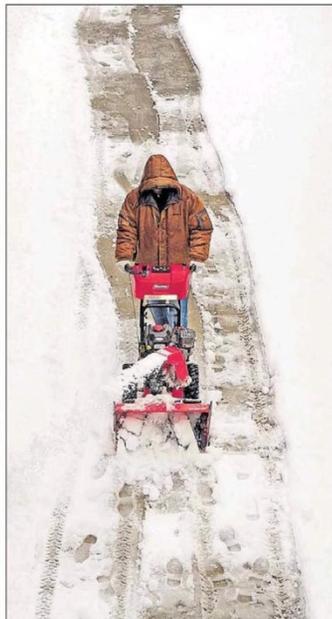
With multiday forecasts, TV weather people start banging the drums days in advance of an approaching storm. Last winter, The Weather Channel even started naming major winter storms – mainly for hashtag purposes.

All this can seem excessive, especially in cases like the storm that hit us Tuesday going into Wednesday, which turned out to be far less severe than predicted with a range of 4.5 inches in Paramus to 7 inches in Kingswood, according to Bob Zill, spokesman for North Jersey Weather Observers.

Plus, there's the buildup all week to a possible nor'easter this weekend – one forecast the other



VIRGINIA ROHAN

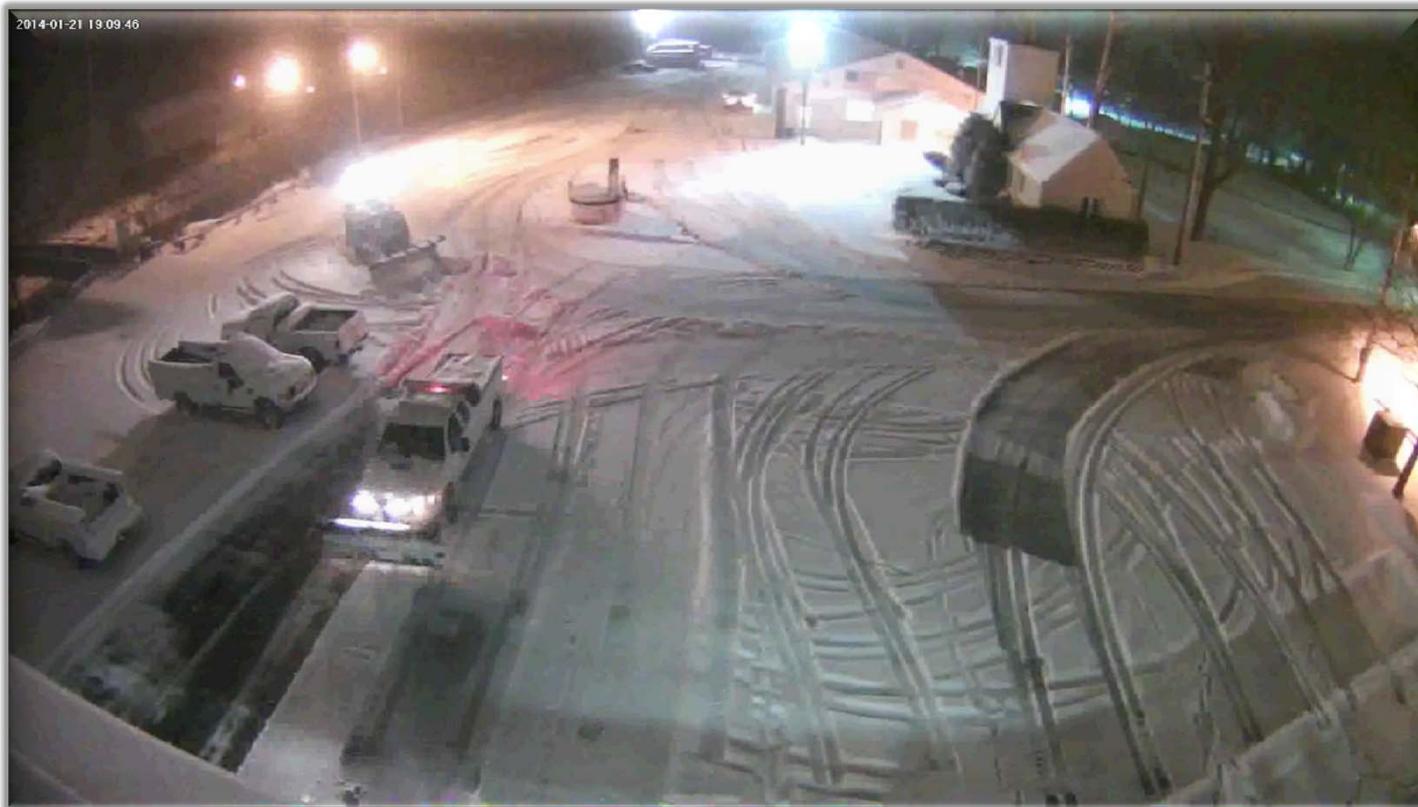


Ice storm next



Street in Paterson during Monday's snowstorm. Before the crash of a snow in Fair Lawn just after 8 a.m. sent the driver to a hospital.

Public Works – What a Brutal Winter!



Summary of Winter Operations 2013-2014

- Eighteen (18) snow and/or ice events
- 59” of total snow accumulation
- Many of the events included icing (which is much harder to clean than snow)
- 1,500 tons of salt spread to make the roads safe
- Total operating time –223.5 hours (longest event 36 hours)
- Over 2,400 man-hours
- Utilized in-house staff only – no outside contractors
- Effectively managed operations when salt supply became limited
- Feedback from the public was Park Ridge roads were much better than the surrounding communities

Dwindling road salt supply has some towns sweating

By **MATTHEW McGRATH, RICHARD COWEN** and **JOHN C. ENSSLIN**
STAFF WRITERS

Some North Jersey towns will be scraping down to their last grains of road salt today as they clean up the aftermath of a slow-moving storm that has dumped a nasty mix of rain, sleet and snow from Georgia to New England.

Robert Lyons, the director of emergency management for Passaic County, said towns have been scrambling for more than

a week to restock their salt supplies. There is a shortage across the state, he said.

“Either vendors haven’t come through or some people in the towns underestimated their need,” he said.

However, Lyons and other officials in North Jersey were confident they had enough salt to get through this latest blast in a string of winter storms.

Bergen County officials reported having all county roads cleared to the blacktop by 2 p.m. Thursday with about 600 to 800

See **SALT** Page **L-5**



ROADS, GROUNDS, VEHICLE MAINT

2014 PROJECTS

- Funding has been appropriated to extend the operating hours at the recycling center. New Saturday hours from 9AM-3PM effective April 5.
- Capital budget includes funds to purchase a new pickup truck and lawn mower, and to make some necessary improvements to the Road Department garage.
- Continue to work to improve the turf conditions in the parks and ballfields.
- Continue to process approximately 2,000 tons (4,000,000 lbs.) of recyclables and refuse delivered by residents to the Borough's recycling facility.
- Over 9,200 tons (18,400,000 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.

Park Ridge Water Department



Happy 90th Birthday!!!

WATER AND SEWER DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	William Hahn	26
<i>Water Supervisor</i>	Ken Reynolds	28
<i>Water Repairer</i>	Jay Ottens	28
<i>Water Repairer</i>	Dan Boyle	21
<i>Water Repairer</i>	Mark Gronbeck	12
<i>Water Repairer</i>	Kevin Altomare	27
<i>Water Laborer</i>	Kevin Origoni	2
<i>Sewer/Water Repairer</i>	Jim Babcock	33

Average Years of Service: **22**

Park Ridge Water Department Staff



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

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

2014 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

2014 PROJECTS

- Recently replaced carbon at the Well #9/15 treatment facility (\$31,400)
- Resin replacement at the Well #9/15 treatment facility (\$130,000).
- Carbon change at the Well #3 and Well #4 treatment facilities (\$40,000).
- Replace Well #19 Air Stripping Tower (\$200,000)
- Purchase trailer mounted backup generator for Well #16 (\$90,000)
- Determine location for Well #21 “Test Well” in Woodcliff Lake.
- Contract for semi-annual leak detection survey.
- Continue employee-training programs.

WATER

Building for the Future

2015 System Improvements

- Install new backup generator at Well #17 - \$100,000
- Design and obtain permit for the Well #21 pumping facility on property provided by Woodcliff Lake - \$50,000 (*)
- Water distribution improvements - \$100,000

2016 System Improvements

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

2017 System Improvements

- Water distribution improvements - \$100,000

<u>Water Dept Annual Numbers (2010-2013)</u>		
<u>Gallons Billed</u>		
2013		611,505,000
2012		637,435,000
2011		630,060,000
2010		732,919,000
<u>Revenue (from Water Sales)</u>		
2013		2,815,220
2012		2,517,950
2011		2,384,423
2010		2,610,654
<u>Precipitation (inches)</u>		
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 BUDGET	13 MODIFIED BUDGET	13 ACTUAL
1 SURPLUS	\$ 255,735	\$ 541,644	\$ 541,644
2 RENTS	2,805,000	2,863,000	2,808,918
3 MISCELLANEOUS	230,000	263,000	267,486
4 WCL CAPITAL SURCHARGE - WELL 20	389,772	-	-
5 FEMA REIMBURSEMENT	-	-	3,007
6 CANCELLED FUNDED ORDINANCES	11,777	-	-
7 WCL PROJ BOND PRINCIPAL - CURRENT	26,842	-	-
8 WCL PROJ BOND PRINCIPAL - PRIOR	25,051	-	-
TOTAL REVENUES	\$ 3,744,177	\$ 3,667,644	\$ 3,621,055
B. OPERATING EXPENSES			
1 SALARY AND WAGES	\$ 1,178,000	\$ 1,150,700	\$ 1,150,696
2 OTHER EXPENSES	1,588,500	1,450,400	1,311,584
3 GROUP INSURANCE EMPLOYEES	360,000	404,500	402,265
4 CAPITAL OUTLAY	220,000	223,000	139,438
5 SOCIAL SECURITY	90,000	86,500	85,416
6 CAPITAL IMPROVEMENT FUND	25,000	25,000	25,000
7 PUBLIC EMPLOYMENT RETIREMENT SYSTEM	112,323	99,750	99,750
8 OVEREXPENDITURE RESERVES	-	-	-
9 BOND PRINCIPAL	110,000	70,000	70,000
10 BOND INTEREST	38,854	32,511	26,482
11 BAN INTEREST	-	283	277
12 DEFERRED CHARGES	21,500	25,000	25,000
13 SPECIAL EMERGENCY - HURR SANDY	-	-	-
TOTAL EXPENSES	\$ 3,744,177	\$ 3,567,644	\$ 3,335,907

Surplus

\$ 751,781	January 1, 2013
\$ 540,321	December 31, 2013
\$ 125,744	2013 Appropriation Reserves

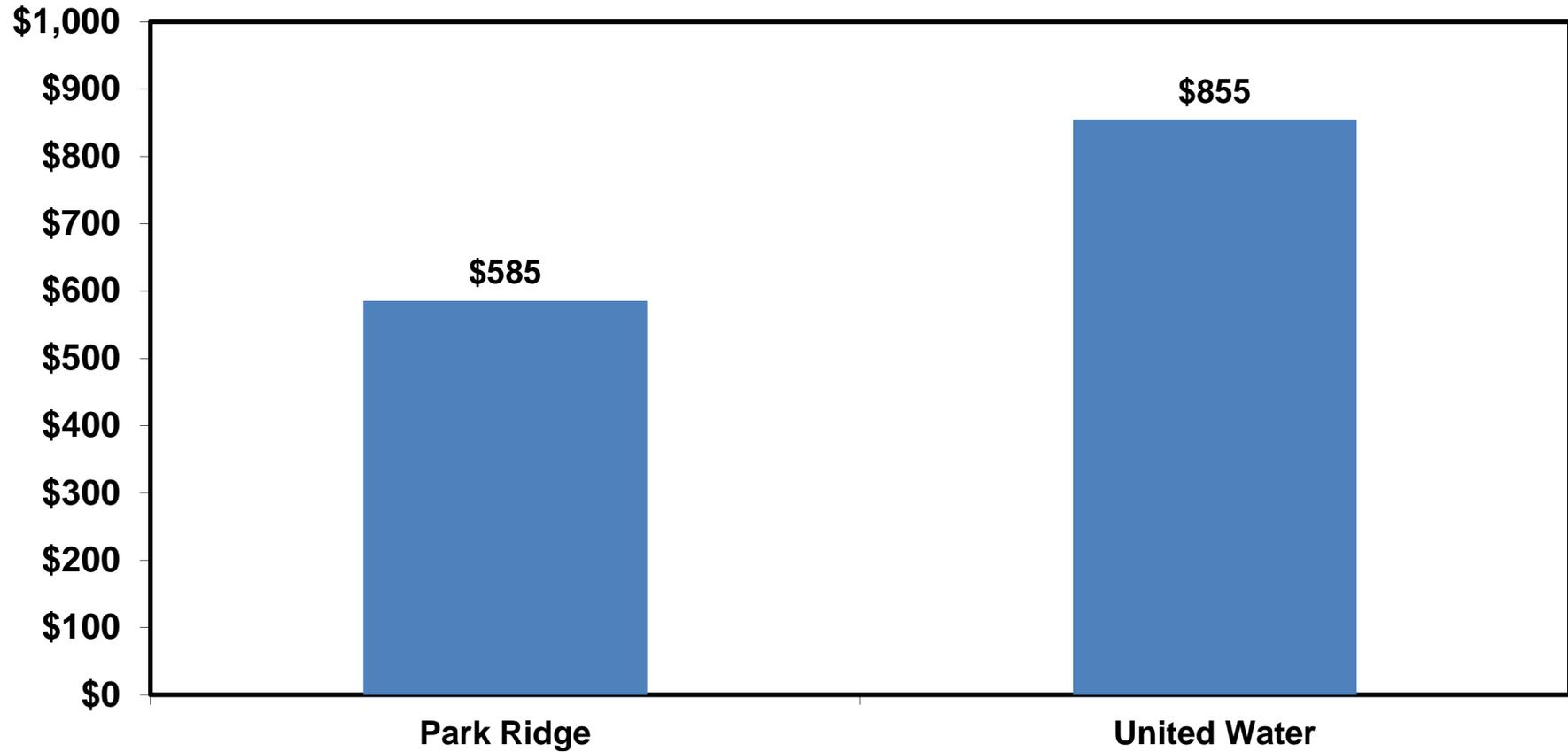
WATER UTILITY BUDGET (2010-2014)

REVENUES	14 BUDGET	13 MODIFIED BUDGET	12 MODIFIED BUDGET	11 MODIFIED BUDGET	10 MODIFIED BUDGET
SURPLUS	\$ 255,735	\$ 541,644	\$ 335,648	\$ 762,800	\$ 830,721
RENTS	2,805,000	2,863,000	2,380,000	2,399,000	2,382,000
MISCELLANEOUS	230,000	263,000	270,000	303,000	249,000
RESERVE FOR WCL CAPITAL			588,452		
WCL CAPITOL SURCHARGE	389,772				
FEMA REIMBURSEMENT	-				
CANCELLED FUNDED ORDINANCES	11,777				
WCL PROJ BOND PRINCIPAL - CURRENT	26,842				
WCL PROJ BOND PRINCIPAL - PRIOR	25,051				
TOTAL REVENUES	\$ 3,744,177	\$ 3,667,644	\$ 3,574,100	\$ 3,464,800	\$ 3,461,721
OPERATING EXPENSES					
SALARY AND WAGES	1,178,000	1,150,700	\$ 1,176,000	\$ 1,197,000	\$ 1,162,000
OTHER EXPENSES	1,588,500	1,450,400	1,574,600	1,477,000	1,495,500
GROUP INSURANCE EMPLOYEES	360,000	404,500	375,000	318,300	286,000
CAPITAL OUTLAY	220,000	223,000	236,500	261,500	322,500
SOCIAL SECURITY	90,000	86,500	90,000	92,000	88,000
CAPITAL IMPROVEMENT FUND	25,000	25,000	25,000	25,000	25,000
PUBLIC EMPLOYMENT RETIREMENT	112,323	99,750	97,000	94,000	82,721
OVEREXPENDITURE RESERVES	-	-	-	-	-
BOND PRINCIPAL	110,000	70,000	-	-	-
BOND INTEREST	38,854	32,511	-	-	-
BAN INTEREST	-	283	-	-	-
DEFERRED CHARGES	21,500	25,000	-	-	-
SPECIAL EMERGENCY - HURRICANE SANDY	-	-	25,000	-	-
TOTAL EXPENSES	\$ 3,744,177	\$ 3,567,644	\$ 3,599,100	\$ 3,464,800	\$ 3,461,721

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>
				1,180,000				582,000	1,762,000
2014	75,000	23,136	98,136	1,105,000	35,000	15,718	50,718	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>	0	<u>47,000</u>	<u>1,880</u>	<u>48,880</u>	0	0
Total	1,180,000	187,658	1,367,658		582,000	143,813	725,813		

**Annual Water Cost Comparison
(based on typical residential customer as of 4/1/14)**



Park Ridge's rate is 31% 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	10(*16)
<i>Line Supervisor</i>	James Leichtnam	8(**18)
<i>Senior Line Worker</i>	Shane Geanoules	5(***5)
<i>Line Worker</i>	Paul Neumann	27
<i>Line Worker</i>	Silvestre Jose	4(****6)
<i>Line Worker</i>	Martino Ippolito	2(*****8)
<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

*****8 years experience with Florida Power and Light prior to employment with Park Ridge

Average Years of Service: 13

Park Ridge Electric Department Staff



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

New Storage Shed Completed in 2013



ELECTRIC

2014 PROJECTS

- Recently Completed the Electric Department Long Range Engineering Plan.
- Power line clearance tree trimming on the west side of town. The east side to be completed in 2015
- Complete substation testing and maintenance at the Mill Road substation.
- Replace two 26KV oil circuit breakers with new vacuum circuit breakers at the Mill Road Substation (\$120,000).
- Continue to replace power lines to upgrade and standardize the electric distribution system.
- Distribution system improvements – Upgrade circuit risers at Mill Road Substation.
- Continue using electric department staff expertise for municipal installations (street and recreational lighting, computer networks, etc.).
- Continue employee-training programs.

ELECTRIC

Building for the Future

2015-16 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					
	2010	2011	2012	2013	2014
*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	101,000	102,000	103,000	103,000
Discounted electric rates for municipal facilities	50,000	50,000	50,000	50,000	50,000
*Renovation of Municipal Building Roof	-	-	-	-	-
*Extra Payment - 2010	125,000	125,000	125,000	125,000	125,000
*In Lieu of Taxes	30,000	30,000	30,000	30,000	30,000
Tree Trimming	30,000	30,000	30,000	30,000	35,000
Misc Work (electrical work, cabling, etc)	22,000	22,000	22,000	23,000	25,000
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	10,000	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	12,000	13,000	13,000
Contribution to the Rehabilitation of Sulak Field	16,000	-	-	-	-
Contribution for the study of Mill Pond	-	-	10,000	10,000	-
Total	1,169,000	1,153,000	1,159,000	1,162,000	1,159,000

Water Department's Extra Benefits to Municipality					
	2010	2011	2012	2013	2014
Employees funded out of Water Department	150,000	150,000	170,000	143,000	143,000
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	519,000	539,000	512,000	512,000

Grand Totals	1,688,000	1,672,000	1,698,000	1,674,000	1,671,000	37
* Direct Transfers	830,000	830,000	830,000	830,000	830,000	

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 2013 Unaccounted-for-Water – 13.9%

- 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
- Air Conditioner Cycling Switches: We have a program in Park Ridge where over 600 air conditioner cycling switches are installed on air conditioner compressors. During periods of peak loads and/or during emergency conditions we can activate them and reduce our electric peak demand and therefore our costs. Power will not need to be generated at peak using least efficient generators. Due to changes in FCC radio regulations, we will be investigating options for this program.

The Park Ridge Utility Garage Solar System

(as of October 2013)



- 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
 - \$33,645 received for solar energy renewable credits (SRECs)
 - \$17,015 in reduced electric costs
 - **\$80,360 in total benefits**
- Total electrical energy generated to date: 118,428 kilowatt-hours

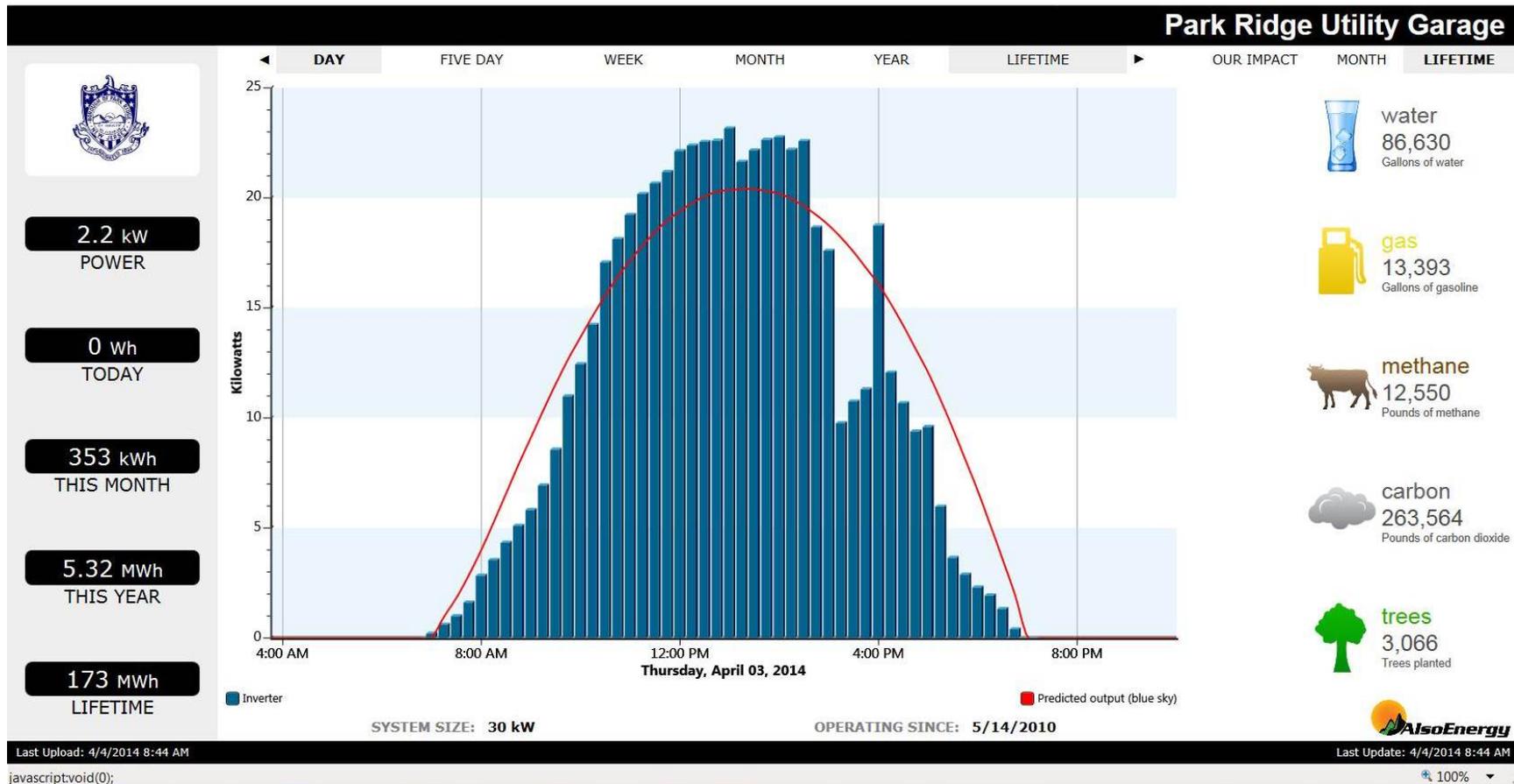
The Park Ridge Utility Garage Solar System

(as of October 2013)



- 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 17.4 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 2,142 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 (2010-2014)</u>		
<u>Purchase of Current</u>		<u>(\$)/KWH</u>
2014 Budget	\$7,840,000	0.10515
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>		
2014 Budget	65,893,133	
2013	65,893,133	
2012	67,381,578	
2011	69,913,780	
2010	70,053,814	
<u>Revenue (from Energy Sales)</u>		
2014 *Budget	10,020,000	
2013	9,853,268	
2012	9,582,597	
2011	10,019,928	
2010	9,903,930	
* Includes \$180,000 from increase in Power Adj.		
<u>Heating/Cooling Degree Days</u>		
	<u>HDD</u>	<u>CDD</u>
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	14 BUDGET	13 MODIFIED BUDGET	13 ACTUAL
1	SURPLUS	918,208	1,118,760	1,118,760
2	LIGHT AND POWER	9,840,000	9,580,810	9,859,919
3	ADDITIONAL PURCHASE POWER ADJ.	180,000	-	-
4	MISCELLANEOUS	36,000	36,000	41,358
5	FEMA NOTE REIMBURSEMENT	52,428	45,000	-
6	FEMA REIMBURSEMENT	108,673	-	162,729
7	CANCELLED FUNDED ORDINANCES	27,271	-	-
8	INSURANCE PROCEEDS	25,983	-	-
TOTAL REVENUES:		\$ 11,188,563	\$ 10,780,570	\$ 11,182,766

B. OPERATING EXPENSES

1	PURCHASE OF CURRENT	7,840,000	7,235,000	7,190,095
2	SALARY AND WAGES	1,119,000	1,075,000	1,046,112
3	OTHER EXPENSES	636,500	588,900	586,889
4	GROUP INSURANCE EMPLOYEES	350,000	370,000	358,645
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	93,500	74,369
8	CAPITAL IMPROVEMENT FUND	-	-	-
9	PUBLIC EMPLOYEES RETIREMENT SYSTEM	102,193	103,595	103,595
10	SOCIAL SECURITY	85,000	82,250	77,006
11	OVEREXPENDITURE RESERVE	-	-	-
12	BOND PRINCIPAL	235,000	220,000	220,000
13	BOND INTEREST	52,198	58,627	54,135
14	BAN INTEREST	2,244	3,698	2,494
15	DEFERRED CHARGES	25,500	45,000	45,000
16	SPECIAL EMERGENCY - HURRICANE SANDY	52,428	-	-
TOTAL EXPENSES:		\$ 11,188,563	\$ 10,530,570	\$ 10,413,340

Surplus

\$	1,301,558	January 1, 2013
\$	1,089,664	December 31, 2013
\$	126,110	2013 Appropriation Reserves

ELECTRIC UTILITY BUDGET (2010-2014)

REVENUES	14 BUDGET	13 MODIFIED BUDGET	12 MODIFIED BUDGET	11 MODIFIED BUDGET	10 MODIFIED BUDGET
SURPLUS	\$ 918,208	\$ 1,118,760	\$ 796,335	\$ 634,479	\$ 694,491
LIGHT AND POWER	9,840,000	9,580,810	9,400,000	9,440,000	9,700,000
ADDITIONAL PURCHASE POWER ADJ.	180,000	-			
MISCELLANEOUS	36,000	36,000	50,000	45,000	73,000
FEMA NOTE REIMBURSEMENT	52,428	45,000			
FEMA REIMBURSEMENT	108,673	-			
CANCELLED FUNDED ORDINANCES	27,271	-			
INSURANCE PROCEEDS	25,983	-			
TOTAL REVENUES:	\$11,188,563	\$10,780,570	\$ 10,246,335	\$ 10,119,479	\$ 10,467,491
OPERATING EXPENSES					
PURCHASE OF CURRENT	\$ 7,840,000	\$ 7,235,000	\$ 6,846,000	\$ 6,923,000	\$ 7,271,000
SALARY AND WAGES	1,119,000	1,075,000	1,012,000	1,060,000	1,108,000
OTHER EXPENSES	636,500	588,900	672,700	530,500	572,500
GROUP INSURANCE EMPLOYEES	350,000	370,000	363,000	334,500	307,000
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	93,500	243,500	203,500	224,500
CAPITAL IMPROVEMENT FUND	-	-	100,000	55,000	5,000
PUBLIC EMPLOYEES RETIREMENT SYSTEM	102,193	103,595	100,000	97,000	84,637
SOCIAL SECURITY	85,000	82,250	80,000	82,000	82,000
OVEREXPENDITURE RESERVE	-	-	-	-	-
BOND PRINCIPAL	235,000	220,000	125,000	125,000	100,000
BOND INTEREST	52,198	58,627	49,135	53,979	57,854
BAN INTEREST	2,244	3,698	-	-	-
DEFERRED CHARGES	25,500	45,000	-	-	-
SPECIAL EMERGENCY - HURRICANE SANDY	52,428	-	225,000	-	-
TOTAL EXPENSES	\$11,188,563	\$10,530,570	\$ 10,471,335	\$ 10,119,479	\$ 10,467,491

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>
				1,018,000				600,000				100,000	1,718,000
2014	125,000	39,658	164,658	893,000	95,000	11,050	106,050	505,000	15,000	1,490	16,490	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	0	20,000	400	20,400	0	168,000
2020	168,000	6,720	174,720	0									0
Total	1,018,000	169,103	1,187,103		600,000	41,550	641,550		100,000	6,740	106,740		

NEW MANAGED CONTRACT APPROACH TO PROCURING WHOLESALE POWER

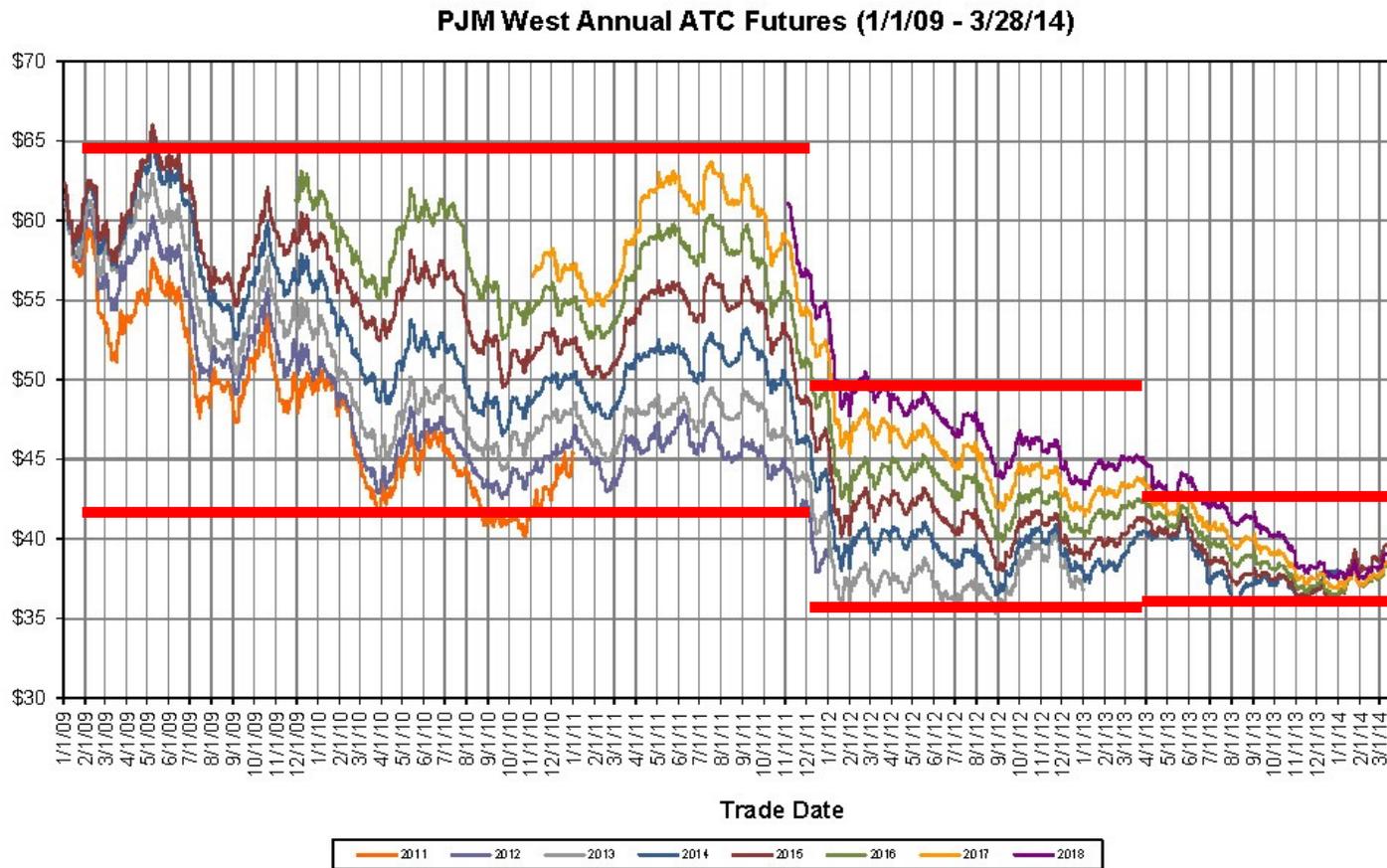
- In 2008 Park Ridge decided to join with South River, Seaside Heights, and Lavallette to procure wholesale power requirements using an alternate “Managed Contract” approach as opposed to the fixed price, full-requirements method. Four other NJ municipal utilities (Madison, Butler, Pemberton and Milltown) 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 2009, we have gone out to the market with request for proposals (RFP's) and purchased blocks of power eighteen (18) times. We have purchased all of our block power requirements through May 2016 and 2/3 of our requirements for June 2016 through May 2017 term and 1/3 of our requirements for the June 2017 through May 2018 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.



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 3/28/2014													
On-Pk	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Strip
2014	N/A	N/A	N/A	\$48.90	\$50.75	\$55.00	\$71.30	\$83.30	\$47.25	\$43.65	\$45.70	\$52.85	\$53.19
2015	\$67.60	\$63.00	\$51.75	\$42.85	\$42.40	\$46.30	\$62.15	\$58.65	\$40.45	\$37.70	\$38.30	\$45.15	\$49.69
2016	\$61.35	\$61.35	\$42.90	\$42.90	\$40.35	\$43.45	\$59.55	\$59.65	\$38.70	\$37.60	\$38.00	\$42.80	\$47.38
2017	\$61.40	\$61.40	\$40.85	\$40.90	\$41.60	\$44.95	\$58.25	\$58.25	\$43.00	\$39.90	\$39.90	\$39.90	\$47.53
2018	\$61.60	\$61.75	\$41.30	\$41.35	\$42.25	\$45.15	\$58.45	\$58.50	\$43.45	\$40.95	\$41.00	\$41.05	\$48.07
2019	\$49.00	\$49.00	\$44.55	\$44.55	\$45.15	\$49.00	\$63.00	\$62.95	\$47.15	\$44.30	\$44.30	\$44.30	\$48.94
2020	\$49.70	\$49.70	\$45.50	\$45.50	\$45.80	\$49.80	\$65.25	\$65.25	\$47.55	\$45.05	\$45.05	\$45.05	\$49.93
Off-Pk	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Strip
2014	N/A	N/A	N/A	\$36.75	\$33.85	\$33.15	\$37.95	\$34.30	\$31.45	\$31.65	\$34.15	\$36.65	\$34.43
2015	\$48.55	\$45.95	\$34.55	\$31.65	\$28.35	\$28.35	\$31.10	\$31.10	\$27.85	\$28.00	\$29.25	\$31.05	\$32.98
2016	\$42.75	\$42.75	\$32.10	\$32.10	\$29.60	\$29.75	\$32.30	\$32.30	\$30.95	\$29.55	\$29.55	\$29.55	\$32.77
2017	\$36.15	\$36.15	\$32.85	\$32.85	\$30.45	\$30.45	\$33.15	\$33.15	\$31.65	\$32.80	\$32.80	\$32.80	\$32.94
2018	\$36.65	\$36.65	\$33.30	\$33.30	\$30.70	\$30.85	\$33.65	\$33.65	\$32.35	\$33.20	\$33.20	\$33.20	\$33.39
2019	\$37.40	\$37.40	\$33.80	\$33.80	\$31.45	\$31.95	\$34.50	\$34.50	\$32.65	\$34.20	\$34.20	\$34.20	\$34.17
2020	\$39.10	\$39.10	\$34.60	\$34.60	\$32.45	\$32.40	\$35.40	\$35.40	\$33.45	\$35.05	\$35.05	\$35.05	\$35.14
ATC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Strip
2014	N/A	N/A	N/A	\$42.34	\$41.62	\$43.20	\$53.29	\$47.64	\$38.72	\$37.17	\$39.46	\$44.10	\$43.06
2015	\$57.31	\$53.79	\$42.46	\$36.80	\$34.81	\$36.61	\$45.38	\$43.77	\$33.65	\$32.46	\$33.41	\$37.54	\$40.67
2016	\$51.31	\$51.31	\$37.07	\$37.07	\$34.55	\$36.05	\$44.84	\$44.88	\$34.52	\$33.25	\$33.44	\$35.65	\$39.49
2017	\$47.77	\$47.77	\$36.53	\$36.55	\$35.58	\$37.12	\$44.70	\$44.70	\$36.87	\$36.07	\$36.07	\$36.07	\$39.65
2018	\$48.13	\$48.20	\$36.98	\$37.00	\$36.01	\$37.43	\$45.06	\$45.08	\$37.46	\$36.77	\$36.79	\$36.81	\$40.14
2019	\$42.74	\$42.74	\$38.75	\$38.75	\$37.75	\$39.79	\$47.61	\$47.59	\$39.32	\$38.85	\$38.85	\$38.85	\$40.96
2020	\$43.98	\$43.98	\$39.61	\$39.61	\$38.59	\$40.40	\$49.13	\$49.13	\$39.94	\$39.65	\$39.65	\$39.65	\$41.94

Current and Outstanding Power Purchase Contracts				
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 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
12/1/2011	2x16	57.35	PSE&G Zone	Exelon
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
2/1/2012	2x16	45.70	PSE&G Zone	Exelon
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
	3rd Traunch			
	2x16			
June 2017- May 2018				
Date Purchased	Product	Price	Delivery	Company
4/22/2013	1st Traunch	52.00	Hillsdale Node	PPL
	2nd Traunch			
	3rd Traunch			
	2x16			

Prior Wholesale Power Purchase Summary				
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
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 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 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

Wholesale Component Budget Costs Comparison - 4-2-14 APN Estimate					
	2011	2012	2013	2014	2015
Energy	4,841,213	4,816,265	4,510,959	4,631,999	4,057,099
Capacity	1,141,999	1,089,868	1,781,839	1,540,924	1,266,857
Transmission	592,446	556,641	789,063	1,093,690	1,344,658
Others	336,811	265,885	252,300	156,156	235,906
Total	6,912,469	6,728,660	7,334,161	7,422,769	6,904,520
Percentage of Total Cost Comparison					
	2011	2012	2013	2014	2015
Energy	70%	72%	62%	62%	59%
Capacity	17%	16%	24%	21%	18%
Transmission	9%	8%	11%	15%	19%
Others	5%	4%	3%	2%	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 polar vortex this winter causing problems on the PJM grid, the spot prices for energy in January and February skyrocketed.

Polar Vortex Caused Extremely High Energy Costs in January and February 2014

January 08, 2014, 09:47 am **Polar vortex hits US energy supply**

By Laura Barron-Lopez



COMMENTS

The polar vortex plaguing the Midwest and East Coast put a damper on the country's energy sources, forcing natural-gas pipeline operators to slowdown flows and refineries to reduce production.

'Polar vortex' cold weather pushes energy costs up

Price of oil and natural gas ticking higher as a result of arctic blast

The Associated Press | Posted: Jan 07, 2014 10:19 AM ET | Last Updated: Jan 07, 2014 10:19 AM ET

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The price of oil rose to near \$94 a barrel Tuesday as unusually cold weather in the U.S. was expected to fuel demand in the world's largest market for energy.



The cost of oil and natural gas has inched higher because of the current extreme winter weather. (The Associated Press)

By mid-afternoon in Europe, benchmark U.S. oil for February delivery was up 42

Related Stories

- Extreme cold weather won't chill

LATEST COLD SNAP SPIKES PRICES OF NATURAL GAS, PUTS STRAIN ON POWER GRID

TOM JOHNSON | JANUARY 29, 2014

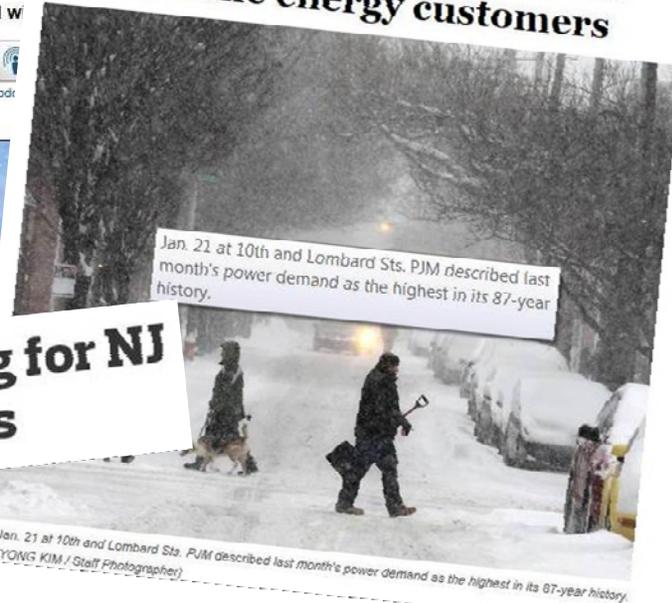
Grid operator urges customers to dial back power usage; strategy typically taken during heat waves, not single-digit weather



How cold has it been in New Jersey and elsewhere? Frigid enough to spike natural-gas prices to their biggest monthly gain of 19.3 percent in January since September 2009, according to S&P Dow Jones

Extreme cold in January could shock some energy customers

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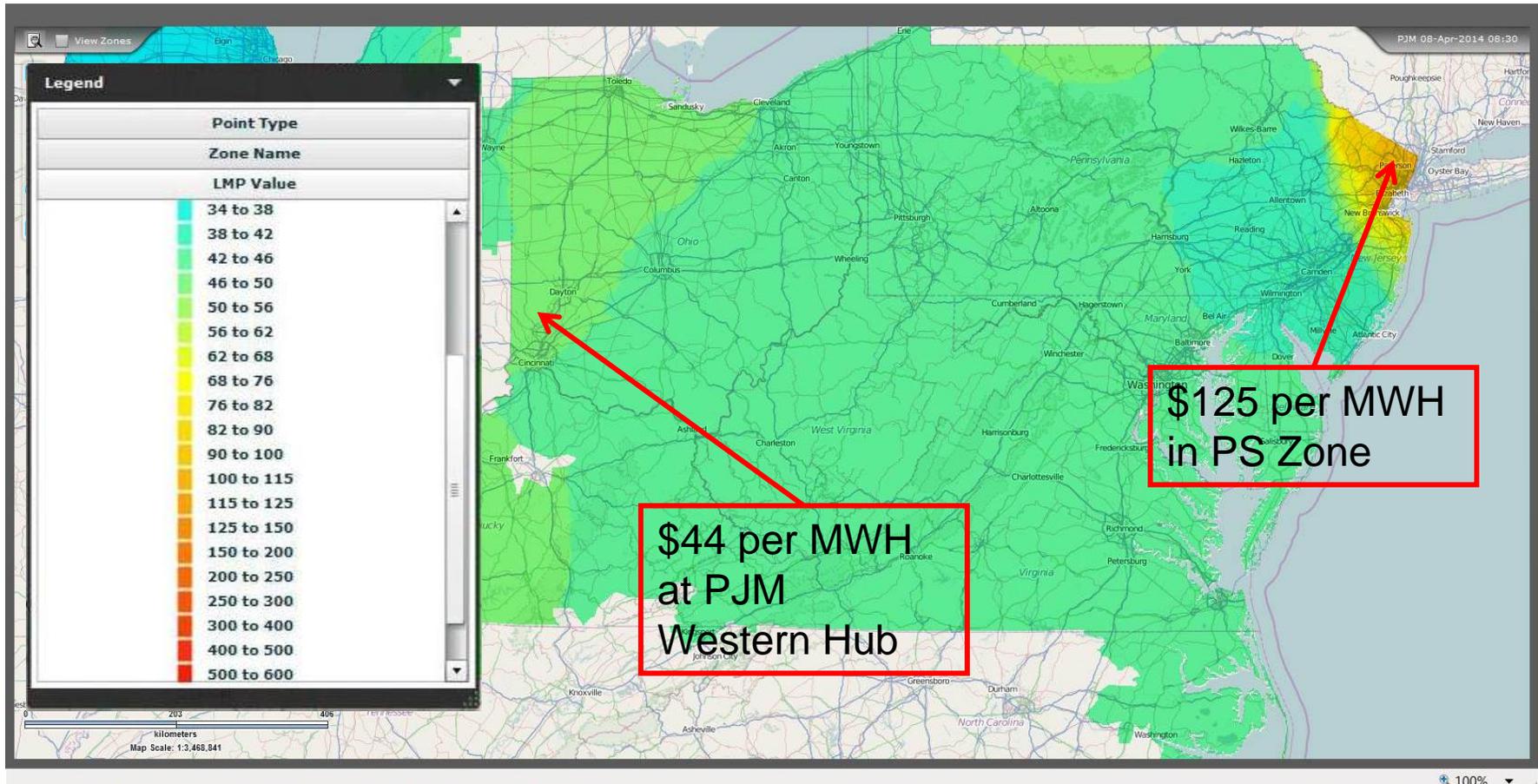


Jan. 21 at 10th and Lombard Sts. PJM described last month's power demand as the highest in its 87-year history.

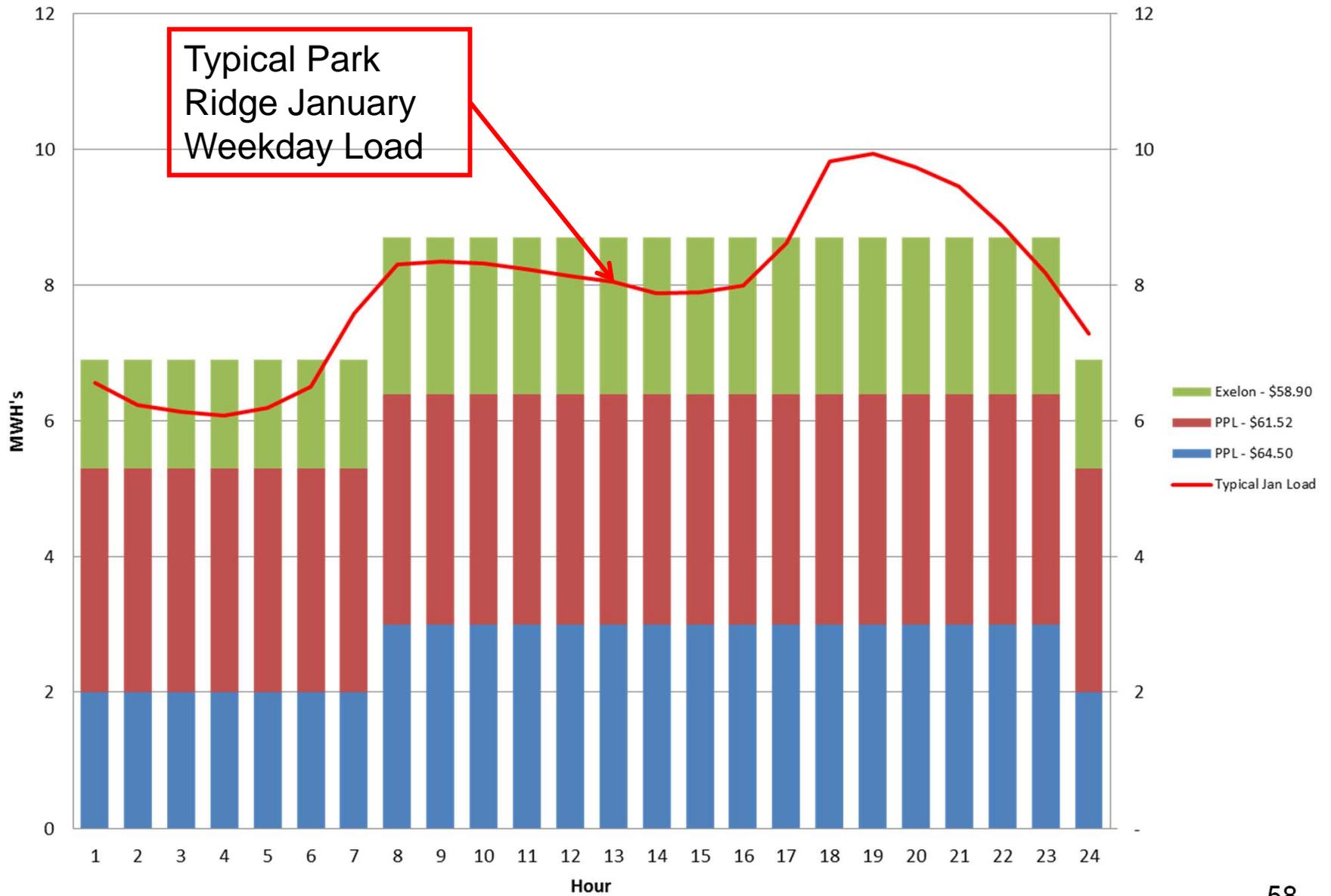
Jan. 21 at 10th and Lombard Sts. PJM described last month's power demand as the highest in its 87-year history. (YOUNG KIM / Staff Photographer)

Frigid winter sends electric prices soaring for NJ customers who switched power suppliers

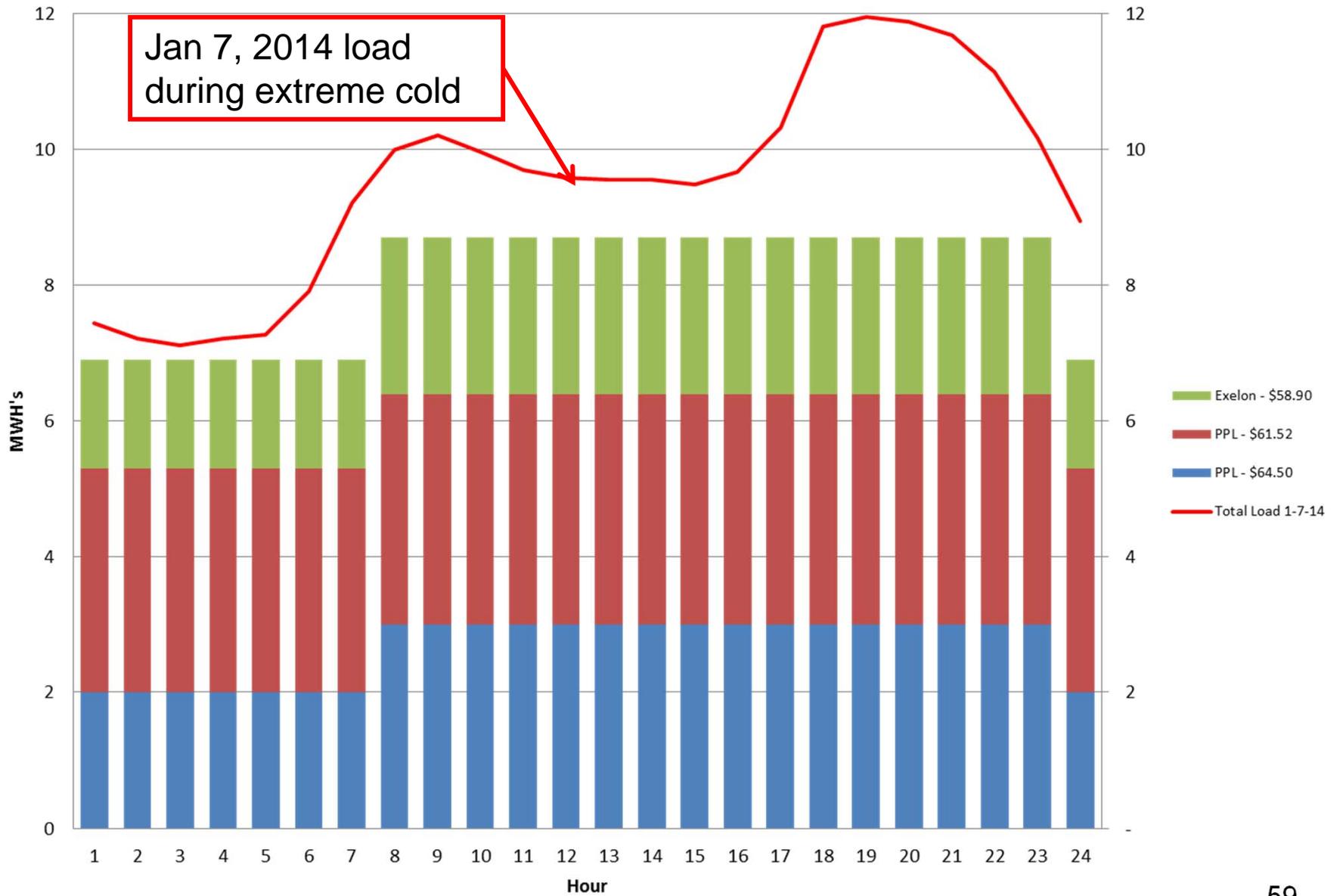
PJM Locational Marginal Pricing (LMP) Contour Map (8AM on 4/8/14)



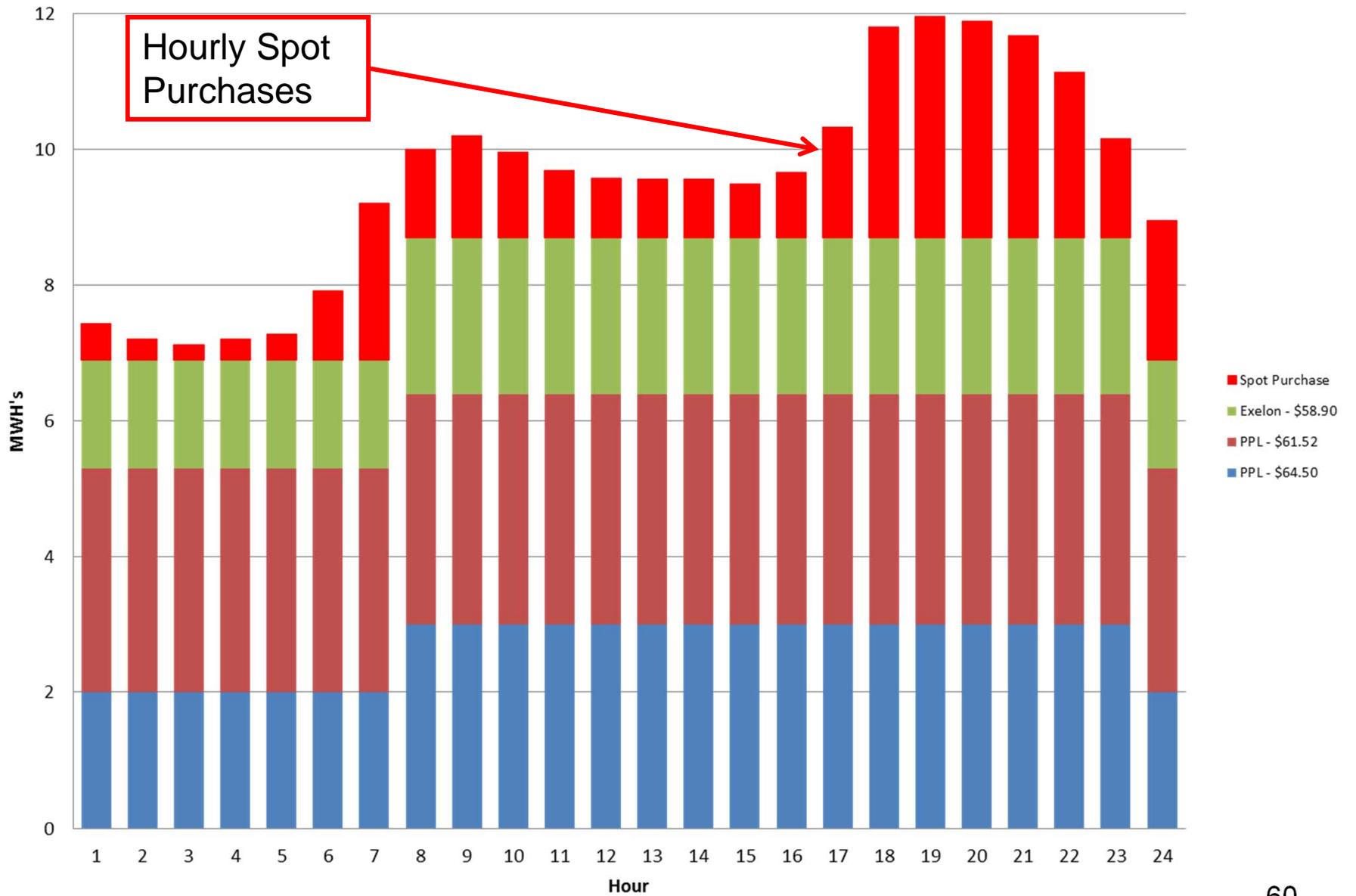
January 7 Wholesale Hourly Purchases



January 7 Wholesale Hourly Purchases



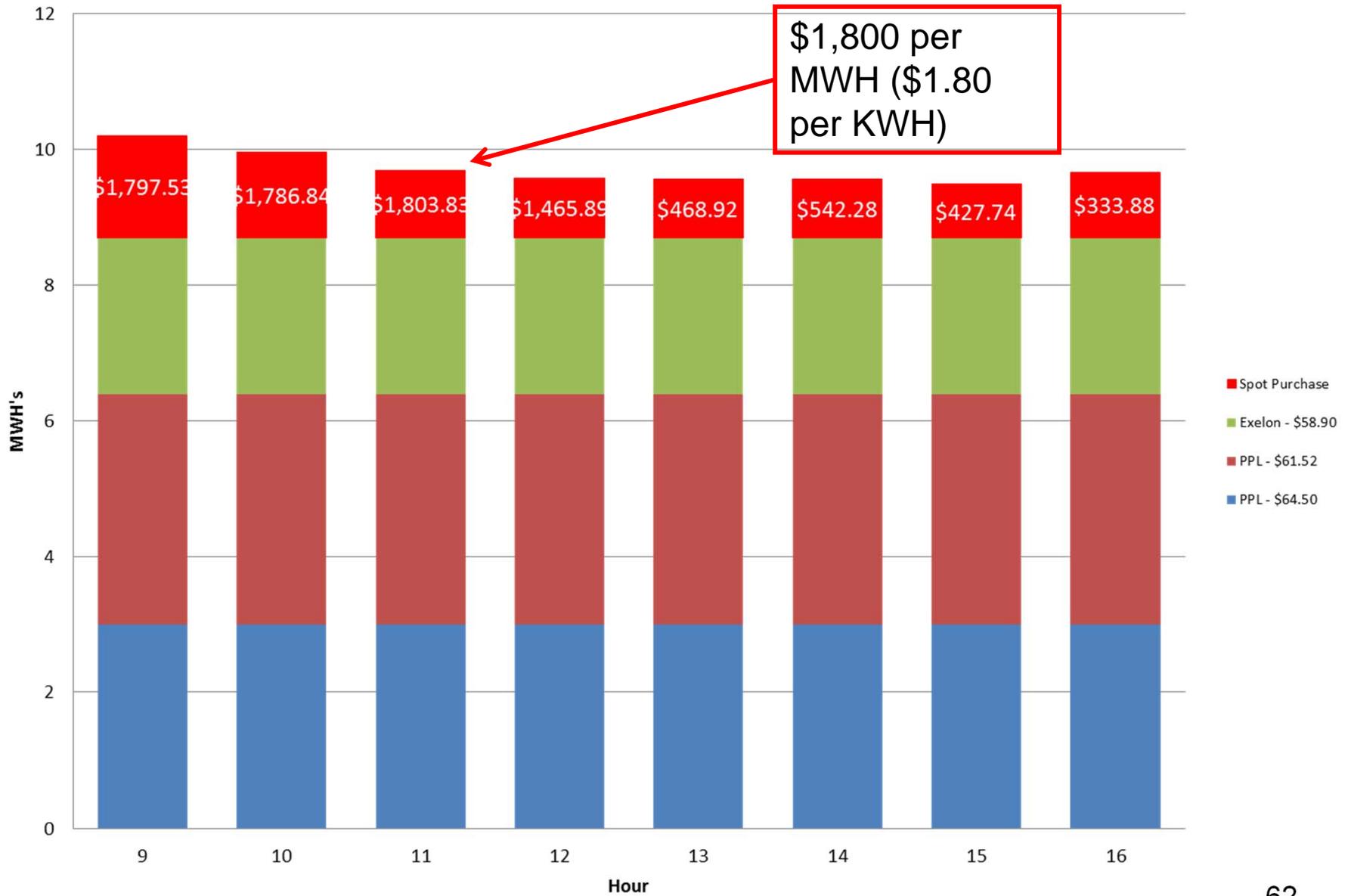
January 7 Wholesale Hourly Purchases



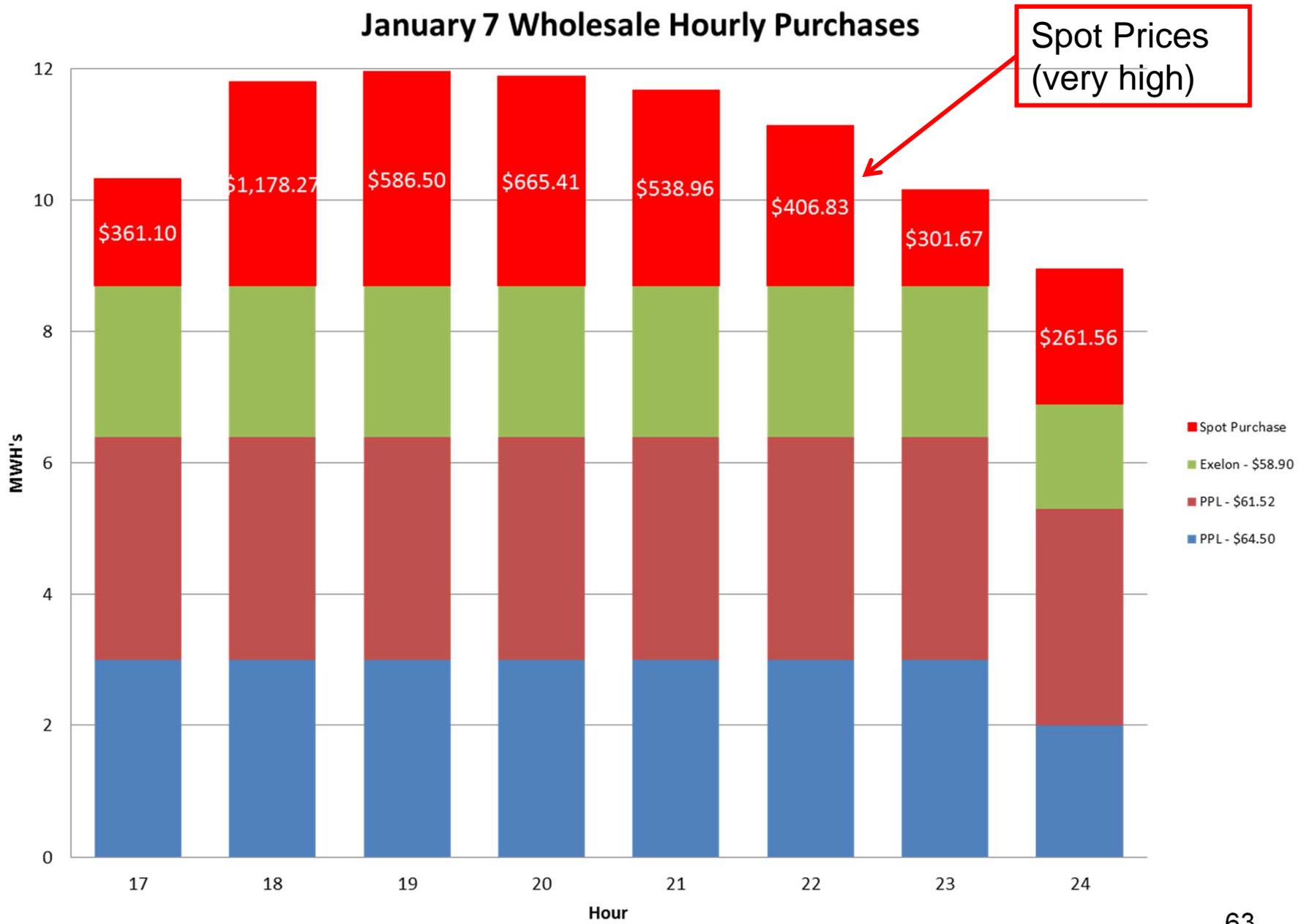
January 7 Wholesale Hourly Purchases



January 7 Wholesale Hourly Purchases



January 7 Wholesale Hourly Purchases



January 2014 Hedged vs Unhedged Energy Costs

Counterparty	Hedged Energy Cost	Unhedged Energy Cost	Delta
Exelon	\$ 84,627.52	\$ -	
PPL Energy Plus	\$ 271,889.41	\$ -	
PJM	\$ 211,320.62	\$ 1,348,005.46	
Total	\$ 567,837.55	\$ 1,348,005.46	\$ 780,167.91
Total MWh	6,522.60	6,522.60	
\$/MWh	\$ 87.06	\$ 206.67	

February 2014 Hedged vs Unhedged Energy Costs

Counterparty	Hedged Energy Cost	Unhedged Energy Cost	Delta
Exelon	\$ 90,847.36	\$ -	
PPL Energy Plus	\$ 299,484.48	\$ -	
PJM	\$ 49,945.44	\$ 603,131.52	
Total	\$ 440,277.28	\$ 603,131.52	\$ 162,854.24
Total MWh	5,517.93	5,517.93	
\$/MWh	\$ 79.79	\$ 109.30	

January 2014 Hedged vs Unhedged Energy Costs

Counterparty	Hedged Energy Cost	Unhedged Energy Cost	Delta
Exelon	\$ 84,627.52	\$ -	
PPL Energy Plus	\$ 271,889.41	\$ -	
PJM	\$ 211,320.62	\$ 1,348,005.46	
Total	\$ 567,837.55	\$ 1,348,005.46	\$ 780,167.91
Total MWh	6,522.60	6,522.60	
\$/MWh	\$ 87.06	\$ 206.67	

February 2014 Hedged vs Unhedged Energy Costs

Counterparty	Hedged Energy Cost	Unhedged Energy Cost	Delta
Exelon	\$ 90,847.36	\$ -	
PPL Energy Plus	\$ 299,484.48	\$ -	
PJM	\$ 49,945.44	\$ 603,131.52	
Total	\$ 440,277.28	\$ 603,131.52	\$ 162,854.24
Total MWh	5,517.93	5,517.93	
\$/MWh	\$ 79.79	\$ 109.30	

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 Rate	Park Ridge
PJM Delivery Year	MW-Day	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	\$166.18	\$1,213,114
June 2016 to May 2017	\$177.61	\$1,296,553
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. We have held several meetings with PSE&G and have received 2015 transmission cost estimates last week.

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

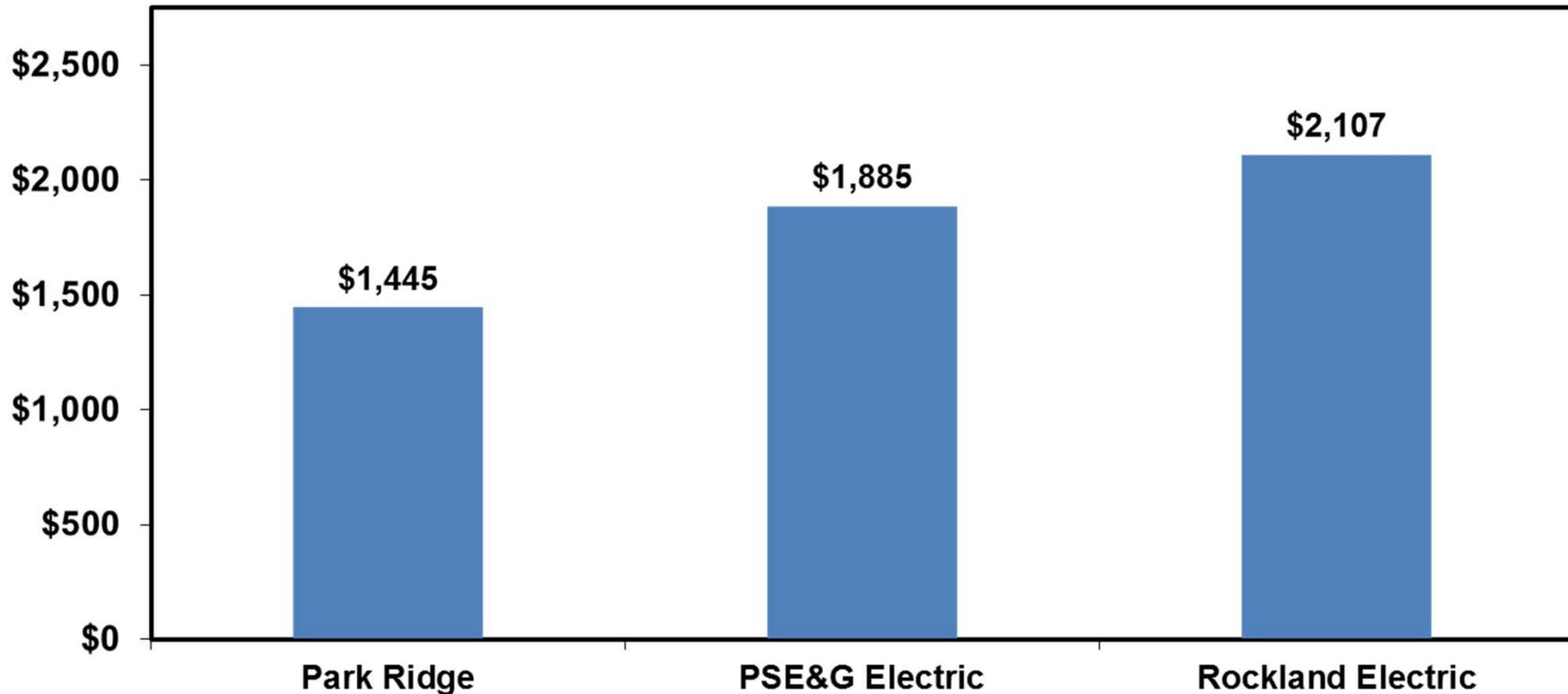
In earnings call, PSEG chief says transmission projects now account for more than one-third of its utility's business



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.

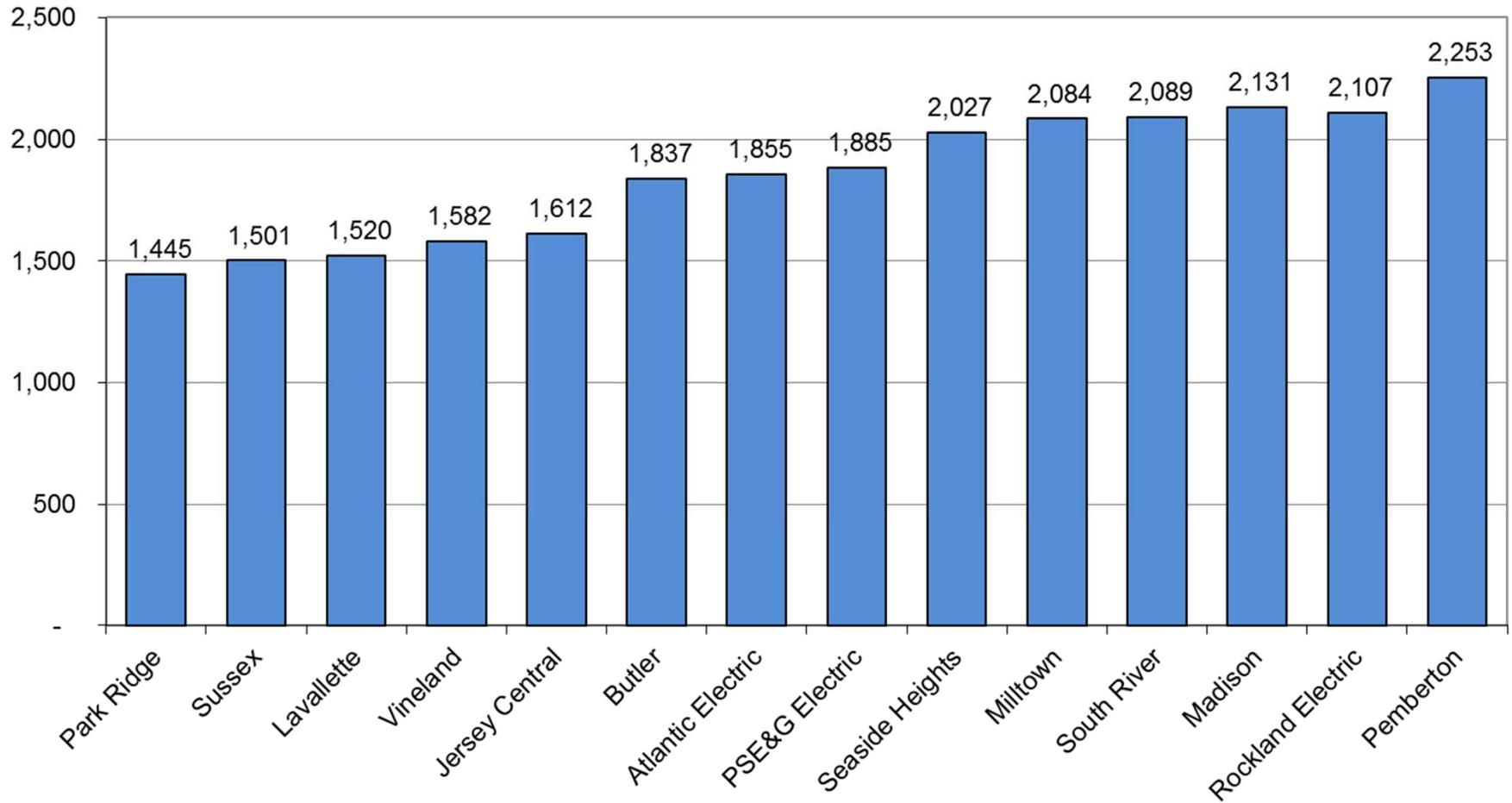
**Annual Residential Electric Cost Comparison
(as of Dec 31 2013 based on typical
Park Ridge residential load)**



Park Ridge rates are 23% lower than PSE&G

Park Ridge rates are 31% lower than ROCKLAND ELECTRIC

Annual Residential Electric Cost Comparison (as of Dec 31, 2013 based on typical Park Ridge residential load)



Possible Rate Action

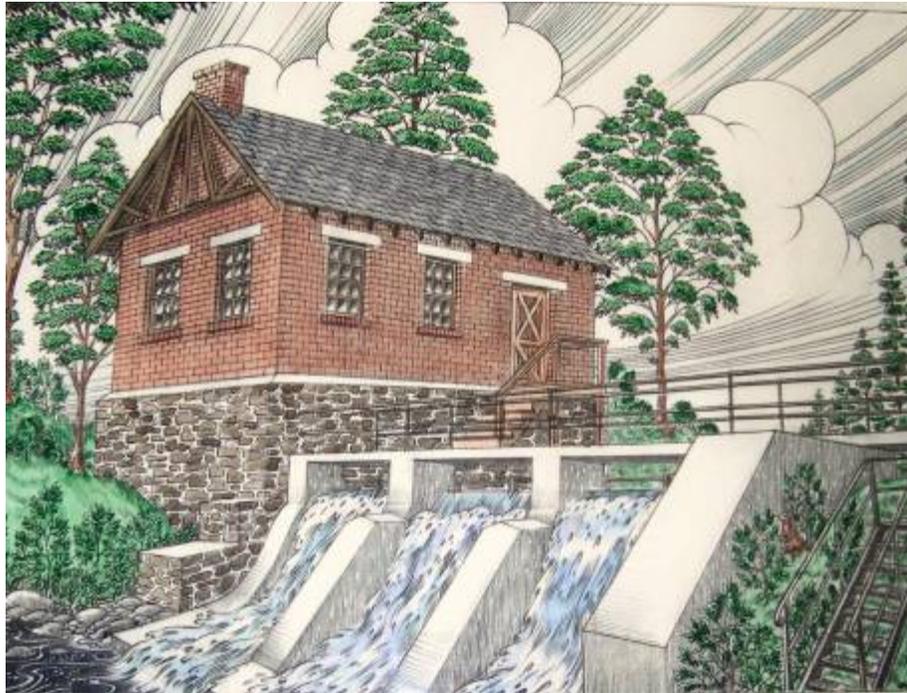
Electric Department Factors:

- Increase in this year's wholesale energy costs due to extremely cold winter and high spot prices
- Significant increase in transmission costs over the last three years and into the foreseeable future
- Due to these increases, the Board reduced the Power Adjustment credit provided to all customers; totaling approximately \$180,000

Water Department Factors:

- No rate increase in 2014
- Increase in water treatment costs
- Capital expenditures

THANK YOU



Questions?