



Agenda Date: 9/7/22
Agenda Item: 2E

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE LETTER PETITION OF)
ATLANTIC CITY ELECTRIC COMPANY FOR A WAIVER)
OF THE REQUIREMENTS OF N.J.A.C. 14:1-5.6 AND)
FOR APPROVAL PURSUANT TO N.J.A.C. 14:1-1.2 OF)
THE SALE OF CERTAIN UTILITY ASSETS TO LUND'S)
FISHERIES, INC.)
ORDER CONSIDERING
WAIVER REQUEST AND
APPROVAL OF SALE

DOCKET NO. EM22050338

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Philip J. Passanante, Esq., Atlantic City Electric Company

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On May 12, 2022, Atlantic City Electric Company (“ACE” or “Petitioner”) filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting a waiver of the requirements of N.J.A.C. 14:1-5.6, and for approval of the sale of certain utility assets to Lund’s Fisheries, Inc. (“Lund’s”) pursuant to N.J.A.C 14:1-1.2 (“Petition”). The Petitioner relied upon N.J.A.C. 14:1-5.6(d), which exempts certain sales from requiring Board approval where either (a) the sale of an asset is deemed to be in the “ordinary course of business” or (b) the sale price is less than \$100,000 and the assets are “no longer used by or useful to the utility.” The Petitioner did not claim the sale in this matter met either of these criteria, but sought a waiver of the sale requirements under N.J.A.C. 14:1-5.6 per the Board’s authority under N.J.A.C 14:1-1.2(b).

According to the Petition, Lund’s, a commercial customer since April 1998, approached ACE several years ago and requested an analysis of what would be required to change its class of service from Secondary electric service to Primary electric distribution service under ACE’s Annual General Service-Primary tariff. After review, Lund’s was advised the change would require either (i) acquiring the Petitioner’s three (3) ABB 2000KVA/480V pad mounted transformers, ancillary poles and equipment (“Assets”) currently located on Lund’s property, or (ii) independently purchasing and installing similar equipment from a third-party supplier. According to ACE, this change in tariff classification is expected to save Lund’s approximately \$73,000 annually. The book value of the Assets is approximately \$70,108. In an Equipment Agreement (“EA”) dated April 26, 2022, ACE agreed to sell the Assets to Lund’s for the purchase price of \$70,108, subject to Board approval.

The Petition further stated that if Lund's were to choose a third-party supplier for similar equipment, the estimated cost would be \$148,000, of which \$78,000 would be installation costs and \$70,000 for the purchase of equipment. Additionally, the Assets currently in place would be removed, considered no longer used and useful, and retired without realizing any further value for them.

On July 6, 2022, the New Jersey Division of Rate Counsel ("Rate Counsel") filed comments with the Board stating that while not opposed to the sale, Rate Counsel recommended the sale be subject to certain conditions. Specifically, Rate Counsel recommended that the accounting for the proceeds of the sale of the Assets be reviewed in ACE's next base rate filing or other appropriate proceeding directed by the Board. Rate Counsel further recommended that, from the time of closing on the sale of the Assets to Lund's until ACE's next base rate case, ACE should credit the proceeds from the sale of the Assets to its deferred liability account with interest to accrue for the benefit of ratepayers in the interim. Finally, Rate Counsel stated that it would reserve all rights to review ACE's accounting for all costs and revenues from the installation, ownership, operation, maintenance and sale of the Assets in ACE's next base rate filing or other appropriate proceeding for prudence, recoverability, and allocation.

On August 8, 2022, ACE filed a reply to Rate Counsel's comments with the Board regarding Rate Counsel's recommended account handling of the "proceeds" of the sale. ACE stated that from an accounting perspective, there would be no gain/proceeds on the sale of the Assets. Once the transaction was completed, the sale/purchase price ACE received would represent the value of the undepreciated transformers and would offset the assets needed to retire the transferred assets within "Property, Plant and Equipment" on ACE's Balance Sheet. Therefore, the Petitioner stated that there would be no "proceeds from the sale of the Assets" within the Income Statement to credit or move to a deferred liability account, and requested that this recommendation not be included in the Board Order.

DISCUSSION AND FINDINGS

After careful review and consideration of the Petition and comments submitted in this matter, the Board **HEREBY FINDS** that while the Assets are currently used and useful, they would no longer be considered as such if Lund's purchased similar equipment from a third-party and the Assets would be removed and retired without realizing any further value. As such, the Board **HEREBY GRANTS** ACE's request for a waiver of the requirements of N.J.A.C. 14:1-5.6(d)(1) for the sale of the Assets under its authority pursuant to N.J.A.C 14:1-1.2(b)(1). The Board **HEREBY APPROVES** the sale of the Assets to Lund's per the EA for the price of \$70,108, subject to the conditions set forth below:

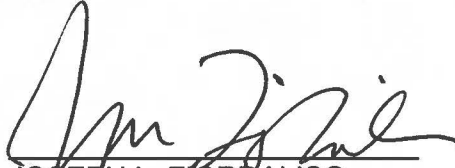
1. ACE shall notify the Board and Rate Counsel if it anticipates any material changes in the sale.
2. The Board and Rate Counsel retain all rights to review all accounting, costs and proceeds related to the acquisition, installation, ownership, operation, maintenance and sale of the Assets in ACE's next base rate case or other appropriate proceeding.
3. Approval of the sale does not include or imply any position as to the prudence, recoverability or allocation of the costs of acquiring, owning, operating, maintaining or selling the Assets.

4. This Order shall not affect nor in any way limit the exercise of the authority of the Board or of this State, in any future petition or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or any other matter affecting the Petitioner.

This Order shall be effective on September 14, 2022.

DATED: September 7, 2022

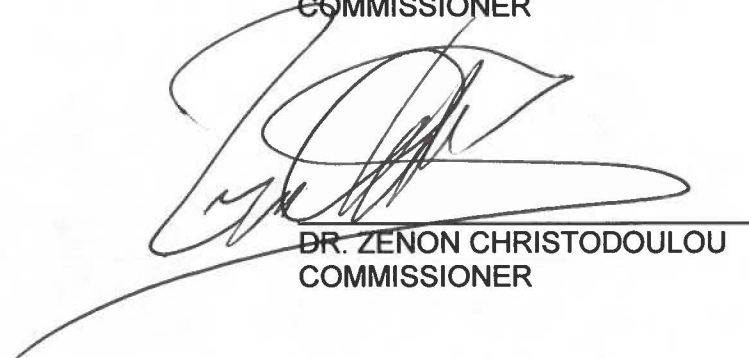
BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT

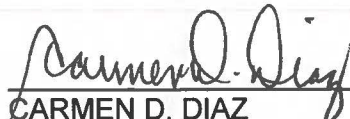

MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:


CARMEN D. DIAZ
ACTING SECRETARY


I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE LETTER PETITION OF ATLANTIC CITY ELECTRIC COMPANY
FOR A WAIVER OF THE REQUIREMENTS OF N.J.A.C. 14:1-5.6 AND FOR APPROVAL
PURSUANT TO N.J.A.C. 14:1-1.2 OF THE SALE OF CERTAIN UTILITY ASSETS TO LUND'S
FISHERIES, INC.

DOCKET NO. EM22050338

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Exhibit A

EQUIPMENT AGREEMENT

AM
April 26

This EQUIPMENT AGREEMENT ("Equipment Agreement") is entered into as of ~~March~~, 2021 between Atlantic City Electric Company ("ACE"), a corporation organized under the laws of the State of New Jersey with an office at 5100 Harding Highway, Mays Landing, New Jersey 08330, and Lund's Fisheries Inc ("Lund's"), a New Jersey corporation with an office at 997 Ocean Drive, Cape May, New Jersey 08204.

WHEREAS, ACE presently owns certain equipment, including pad-mounted transformers and underground cables as listed in Exhibit A, attached and incorporated by reference herein and located at 997 Ocean Drive, Cape May, New Jersey 08204 ("Equipment") through which ACE provides electric service to Lund's;

WHEREAS, Lund's requested a conversion from secondary voltage metering to primary metering to take advantage of AGS rate schedules. The plan for this conversion was to sell three (3) existing transformers that currently feed the site of the Equipment to Lund's to minimize outage impact and facilitate more seamless transition. After this metering conversion, Lund's will own and maintain the facilities downstream of the metering point including these three (3) transformers.

WHEREAS, Lund's is interested in taking ownership of the Equipment through which ACE provides electric service to Lund's; and

WHEREAS, ACE desires to sell the Equipment to Lund's and Lund's desires to purchase the Equipment from ACE.

NOW THEREFORE, in consideration of these premises and the mutual promises set forth herein, ACE and Lund's ("Parties," or individually "Party"), each intending to be legally bound, hereby agree to the following:

ARTICLE I
EQUIPMENT TO BE SOLD AND PURCHASED

1.1 ACE agrees to sell the Equipment set forth in Exhibit A to Lund's and Lund's agrees to purchase the Equipment subject to the terms and conditions set forth herein and in Exhibit B.

1.2 The negotiated sale price shall be **\$70,108.00** and this will be paid at execution of this Equipment Agreement.

1.3 Upon execution of this Equipment Agreement, title will transfer to the Equipment and Lund's will own and maintain all of the Equipment.

1.4 Lund's agrees as of the execution of this Equipment Agreement to assume all liability associated with the Equipment, except to the extent provided in Article 3.2.

ARTICLE II
EXCLUSION OF WARRANTIES

2.1 LUND'S AGREES THAT IT IS TAKING THE EQUIPMENT "AS IS", "WHERE IS" AND "WITH ALL FAULTS." ACE MAKES NO REPRESENTATIONS, COVENANTS OR WARRANTIES OF ANY NATURE AS TO THE CONDITION OF OR THE CONTINUED SERVICEABILITY OF THE EQUIPMENT AND LUND'S, ITS SUCCESSORS AND ASSIGNS, ACCEPT ALL RISKS CONNECTED WITH THE OWNERSHIP AND USE OF SAID EQUIPMENT. THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, ARE EXCLUDED FROM THIS TRANSACTION AND SHALL NOT APPLY TO THE EQUIPMENT SOLD.

2.2 ACE warrants that as of the day of execution of this Equipment Agreement, it will be transferring title of the Equipment to Lund's free and clear of any third party liens, encumbrances, unpaid fees, and that, as of the date of the execution of this Equipment Agreement, it is aware of no third party liens, claims, or encumbrances of any kind against the Equipment. Subject to the limitations set forth in Article 4 below, ACE agrees to indemnify, defend and hold Lund's harmless against any such claims, liens or encumbrances.

2.3 Lund's warrants that it has the authority to purchase the Equipment. ACE warrants that it has full corporate authority to sell the Equipment.

ARTICLE III
LIABILITY

3.1 Lund's Liability. As of the date of execution of this Equipment Agreement, Lund's hereby assumes all risk of liability for any and all injury to persons, including death, and damage to property with respect to the design, installation, operation, maintenance, or other activities associated Lund's ownership. Operation, and maintenance of the Equipment after the date of this Agreement.

3.2 LIMITATION ON LIABILITY. IN NO EVENT SHALL EITHER ACE OR LUND'S BE LIABLE TO THE OTHER OR ANY OTHER PERSON OR ENTITY FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL OR SPECIAL DAMAGES UNDER ANY CAUSE OF ACTION ARISING OUT OF OR RELATED TO THIS EQUIPMENT AGREEMENT FOR LOSS OF USE OF FACILITIES, BUSINESS INTERRUPTION, LOSS OF BUSINESS, PROFITS OR INFORMATION OR OTHER ECONOMIC LOSS.

ARTICLE IV **INDEMNIFICATION**

4.1 On and after execution of this Equipment Agreement, Lund's agrees to be solely responsible for, and shall indemnify, hold harmless, and defend ACE, and each and every one of ACE's parents, affiliates, officers, agents, servants, employees, independent contractors, successors and assigns from and against any causes of action, claims, suits, actions, liabilities (including environmental liability), response costs, natural resource damages, pollution, penalty, fine, losses, damages, and judgments (a "Claim"), to the extent caused by Lund's, its officers, agents, servants, employees, successors, or assigns, or by a third party, as well as against any fees, including counsel fees, charges, or expenses which ACE, its parents, affiliates, officers, agents, servants, employees, successors, and assigns may incur in the defense of any such claim, suits, actions or similar such demands in any manner directly or indirectly arising from, connected with, or growing out of any activities under or connected with this Equipment Agreement or the Equipment, irrespective of whether the cause of action arises as a result of activities prior to or after execution of this Equipment Agreement; provided, however, that such indemnification shall not apply to the extent that the Claim is proven to be directly the result of gross negligence or intentional harm occurring after the execution of this Equipment Agreement by ACE, its parents, affiliates, officers, agents, servants, employees, successors, or assigns, and provided further that this indemnification shall not be in effect with respect to a breach of contract Claim brought by Lund's, or a breach of warranty under Article 2.2.

4.2 ACE shall not be responsible to Lund's in tort (including negligence and strict liability), contract or otherwise for any loss, cost, or damage of any kind that may result from or be caused by interruptions in service as a result of any failures of the Equipment.

ARTICLE V **MISCELLANEOUS**

5.1 Governing Law and Jurisdiction. This Equipment Agreement is to be interpreted and enforced under New Jersey law (without regard to the choice of law provisions thereof), and any dispute involving this Equipment Agreement shall be heard in a court of competent jurisdiction in New Jersey.

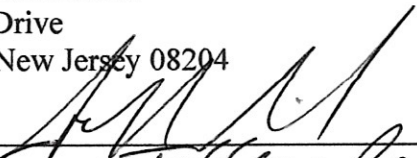
5.2 Compliance with Governmental Requirements. Each party agrees to comply with all applicable laws and regulations of governmental bodies having jurisdiction over the subject matter of this Equipment Agreement.

5.3 Regulatory Approval; Cooperation Before Regulatory Authorities. Each Party agrees and understands that this Equipment Agreement requires the approval of the New Jersey Board of Public Utilities ("BPU"). ACE agrees that, upon execution hereof by Lund's, ACE shall file a Petition or other application with the BPU (the "Regulatory Filing") seeking BPU authorization to consummate the terms and conditions of this Equipment Agreement. Lund's agrees to cooperate with ACE in obtaining the approval of the Equipment Agreement from the BPU. If the BPU fails to issue an order approving of the sale of the assets within nine months from the

date of the Regulatory Filing, either Party shall have the right to terminate this Equipment Agreement and shall have no further obligation to the other Party as a result thereof.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Equipment Agreement as of the day and year first above written.

LUND'S FISHERIES INC
997 Ocean Drive
Cape May, New Jersey 08204

By: 
Name: Jeffrey Reichle
Its: CHARMAK

ATLANTIC CITY ELECTRIC COMPANY
5100 Harding Highway
Mays Landing, New Jersey 08330

By: _____
Name: _____
Its: _____

EXHIBIT A

**TO EQUIPMENT AGREEMENT BETWEEN
ATLANTIC CITY ELECTRIC COMPANY AND
LUND'S FISHERIES INC**

DESCRIPTION OF EQUIPMENT

In accordance with the terms and conditions of the Equipment Agreement, Atlantic City Electric Company agrees to sell, and Lund's agrees to purchase as of the Effective Date of this Equipment Agreement, the equipment listed below that is located at 997 Ocean Drive, Cape May, New Jersey 08204.

Asset Number	Type/Size of Equipment	Serial Number
W51684	2000 KVA 277/480V	97J442345
W51685	2000 KVA 277/480V	97J442344
W51786	2500 KVA 277/480V	10JC514980001

TREATED WOOD PRODUCTS GIVEAWAY PROCEDURE

1. Obtain a “Beneficial Reuse of Treated Wood” form.
2. Obtain Consumer Information Sheet(s) (CISs) for appropriate wood products being given away.
3. Obtain Material Safety Data Sheet(s) (MSDSs) for appropriate wood products being given away.
4. Complete SECTION 1 of “Beneficial Reuse of Treated Wood” form
5. Give Treated Wood Recipient(s) copies of appropriate MSDSs and CISs.
6. Have Treated Wood Recipient complete SECTION 2 of the “Beneficial Reuse of Treated Wood” form.
7. Copy completed form.
8. Retain one copy in your Department/Area/District.
9. Forward one copy to Power Delivery Safety & Environmental, NCRO.

NOTE for Pole Giveaways New Castle/Bay Regions only:

Verify the date of MITC-fume application (vial installation) prior to including these materials in a giveaway. Any poles with a MITC-fume treatment date, 3 years or younger, are not available for giveaways. Please contact your supervisor or PD, Safety & Environmental with any questions.

**If you are in need of any of the above-mentioned forms, or sheets, please contact:
Barbara Riebe @ 8-225-4046, Power Delivery Safety & Environmental.**

**EXHIBIT B
TO EQUIPMENT AGREEMENT BETWEEN
ATLANTIC CITY ELECTRIC COMPANY AND
LUND'S FISHERIES INC**

BENEFICIAL REUSE OF TREATED WOOD

SECTION 1 - CONECTIV REPRESENTATIVE

RECIPIENT (Please Mark One)	(X)	TYPE of Wood Product (Please Mark One)	(X)	TYPE of Treatment (Please Mark One)	(X)	QUANTIT Y	
						No. Of Pieces	Total Feet
<i>Customer:</i>	<input checked="" type="checkbox"/>	<i>Pole</i>	<input checked="" type="checkbox"/>	<i>Creosote</i>			
<i>Organization:</i>		<i>Pallet(s)</i>		<i>Pentachlorophe nol</i>			
<i>Employee:</i>		<i>Railroad Tie(s)</i>		<i>Chromated Copper Arsenicals</i>			
<i>Other:</i>		<i>Other</i>		<i>Other</i>			

REQUIRED MATERIALS given to Recipient (please Mark (x))

MSDS(s)	Consumer Information Sheet(s)

Prepared By:	<i>Employee Signature:</i>
<i>Name:</i>	
<i>Department:</i>	<i>Date:</i>

SECTION 2 - TREATED WOOD RECIPIENT

Receipt and Release from Liability

I hereby acknowledge receipt of the treated wood material from Atlantic City Electric Company d/b/a/ Conectiv Power Delivery in the quantity specified above. I have received, reviewed and understand the consumer information sheets for handling and using treated wood products. I agree to fully abide by these guidelines and limitations. I understand that Atlantic City Electric Company makes no representations or warranties concerning the material or my intended use of the material. I hereby release and forever discharge Atlantic City Electric Company, its parents, affiliates, directors, officers' agents, servants, employees, independent contractors, successors and assigns from any claim, causes of action, suits or liability relating to the material.

Organization <i>Lund's Fisheries</i>	Recipient (print name) <i>Jeff Reichle</i>
City/County/State <i>Lower Township/Cape May County/NJ</i>	Signature <i>[Signature]</i>
	Date <i>4-26-2022</i>

1 copy @ District/Area - 1 copy to Safety & Environmental

Consumer Information Sheet

INORGANIC ARSENICAL PRESSURE-TREATED WOOD

(Including: CCA, ACA, and ACZA)

CONSUMER INFORMATION

This wood has been preserved by pressure-treatment with an EPA-registered pesticide containing inorganic arsenic to protect it from insect attack and decay. Wood treated with inorganic arsenic should be used only where such protection is important.

Inorganic arsenic penetrates deeply into and remains in the pressure-treated wood for a long time. Exposure to inorganic arsenic may present certain hazards. Therefore, the following precautions should be taken both when handling the treated wood and in determining where to use or dispose of the treated wood.

USE SITE PRECAUTIONS

Wood pressure-treated with waterborne arsenical preservatives may be used inside residences as long as all sawdust and construction debris are cleaned up and disposed of after construction.

Do not use treated wood under circumstances where the preservative may become a component of food or animal feed. Examples of such sites would be structures or containers for storing silage or food.

Do not use treated wood for cutting boards or countertops.

Only treated wood that is visibly clean and free of surface residue should be used for patios, decks and walkways.

Do not use treated wood for construction of those portions of beehives which may come into contact with the honey.

Treated wood should not be used where it may come into direct or indirect contact with public drinking water, except for uses involving incidental contact such as docks and bridges.

HANDLING PRECAUTIONS

Dispose of treated wood by ordinary trash collection or burial. Treated wood should not be burned in open fires or in stoves, fireplaces, or residential boilers because toxic chemicals may be produced as part of the smoke and ashes. Treated wood from commercial or industrial use (e.g., construction sites) may be burned only in commercial or industrial incinerators or boilers in accordance with state and Federal regulations.

Avoid frequent or prolonged inhalation of sawdust from treated wood. When sawing and machining treated wood, wear a dust mask. Whenever possible, these operations should be performed outdoors to avoid indoor accumulations of airborne sawdust from treated wood.

When power-sawing and machining, wear goggles to protect eyes from flying particles.

After working with the wood, and before eating, drinking, and use of tobacco products, wash exposed areas thoroughly.

If preservatives or sawdust accumulate on clothes, launder before reuse. Wash work clothes separately from other household clothing.

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Approved by the U.S. Environmental Protection Agency*

9/85

Consumer Information Sheet

PENTACHLOROPHENOL PRESSURE-TREATED WOOD

This wood has been preserved by pressure-treatment with an EPA-registered pesticide containing pentachlorophenol to protect it from insect attack and decay. Wood treated with pentachlorophenol should be used only where such protection is important.

Pentachlorophenol penetrates deeply into and remains in the pressure-treated wood for a long time. Exposure to pentachlorophenol may present certain hazards. Therefore, the following precautions should be taken both when handling the treated wood and in determining where to use and dispose of the treated wood.

USE SITE PRECAUTIONS

Logs treated with pentachlorophenol should not be used for log homes.

Wood treated with pentachlorophenol should not be used where it will be in frequent or prolonged contact with bare skin (for example, chairs and other outdoor furniture), unless an effective sealer has been applied.

Pentachlorophenol-treated wood should not be used in residential, industrial, or commercial interiors except for laminated beams or for building components which are in ground contact and are subject to decay or insect infestation and where two coats of an appropriate sealer are applied. Sealers may be applied at the installation site.

Wood treated with pentachlorophenol should not be used in the interiors of farm buildings where domestic animals or livestock are unlikely to crib (bite) or lick the wood, pentachlorophenol-treated wood may be used for building components which are in ground contact and are subject to decay or insect infestation and where two coats of an appropriate sealer are applied. Sealers may be applied at the installation site.

Do not use pentachlorophenol-treated wood for farrowing or brooding facilities.

Do not use treated wood under circumstances where the preservative may become a component of food or animal feed. Examples of such sites would be structures or containers for storing silage or food.

Do not use treated wood for cutting boards or countertops.

Only treated wood that is visibly clean and free of surface residue should be used for patios, decks and walkways. Do not use treated wood for construction of those portions of beehives which may come into contact with the honey.

Pentachlorophenol-treated wood should not be used where it may come into direct or indirect contact with public drinking water, except for uses involving incidental contact such as docks and bridges.

Do not use pentachlorophenol-treated wood where it may come into direct or indirect contact with drinking water for domestic animals or livestock, except for uses involving incidental contact such as docks and bridges.

HANDLING PRECAUTIONS

Dispose of treated wood by ordinary trash collection or burial. Treated wood should not be burned in open fires or in stoves, fireplaces, or residential boilers because toxic chemicals may be produced as part of the smoke and ashes. Treated wood from commercial or industrial use (e.g., construction sites) may be burned only in commercial or industrial incinerators or boilers rated at 20

million BTU/hour or greater heat input or its equivalent in accordance with state and Federal regulations.

Avoid frequent or prolonged inhalation of sawdust from treated wood. When sawing and machining treated wood, wear a dust mask. Whenever possible, these operations should be performed outdoors to avoid indoor accumulations of airborne sawdust from treated wood.

Avoid frequent or prolonged skin contact with pentachlorophenol-treated wood; when handling the treated wood, wear longsleeved shirts and long pants and use gloves impervious to the chemicals (for example, gloves that are vinyl-coated).

When power-sawing and machining, wear goggles to protect eyes from flying particles.

After working with the wood, and before eating, drinking, and use of tobacco products, wash exposed areas thoroughly.

If oily preservatives or sawdust accumulate on clothes, launder before reuse. Wash work clothes separately from other household clothing.

Urethane, shellac, latex epoxy enamel and varnish are acceptable sealers for pentachlorophenol-treated wood.

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Approved by the U.S. Environmental Protection Agency*

8/87

Consumer Information Sheet

CREOSOTE PRESSURE-TREATED WOOD

This wood has been preserved by pressure-treatment with an EPA-registered pesticide containing creosote to protect it from insect attack and decay. Wood treated with creosote should be used only where such protection is important.

Creosote penetrates deeply into and remains in the pressure-treated wood for a long time. Exposure to creosote may present certain hazards. Therefore, the following precautions should be taken both when handling the treated wood and in determining where to use the treated wood.

USE SITE PRECAUTIONS

Wood treated with creosote should not be used where it will be in frequent or prolonged contact with bare skin (for example, chairs and other outdoor furniture) unless an effective sealer has been applied.

Creosote-treated wood should not be used in residential interiors. Creosote-treated wood in interiors of industrial buildings should be used only for industrial building components which are in ground contact and are subject to decay or insect infestation and wood block flooring. For such uses, two coats of an appropriate sealer must be applied. Sealers may be applied at the installation site.

Wood treated with creosote should not be used in the interiors of farm buildings where there may be direct contact with domestic animals or livestock which may crib (bite) or lick the wood.

In interiors of farm buildings where domestic animals or livestock are unlikely to crib (bite) or lick the wood, creosote-treated wood may be used for building components which are in ground contact and are subject to decay or insect infestation if two coats of an effective sealer are applied. Sealers may be applied at the installation site.

Do not use creosote-treated wood for farrowing or brooding facilities.

Do not use treated wood under circumstances where the preservative may become a component of food or animal feed. Examples of such use would be structures or containers for storing silage or food.

Do not use treated wood for cutting boards or countertops.

Only treated wood that is visibly clean and free of surface residues should be used for patios, decks and walkways.

Do not use treated wood for construction of those portions of beehives which may come into contact with the honey.

Creosote-treated wood should not be used where it may come into direct or indirect contact with public drinking water, except for uses involving incidental contact such as docks and bridges.

Do not use creosote-treated wood where it may come into direct or indirect contact with drinking water for domestic animals or livestock, except for uses involving incidental contact such as docks and bridges.

HANDLING PRECAUTIONS

Dispose of treated wood by ordinary trash collection or burial. Treated wood should not be burned in open fires or in stoves, fireplaces, or residential boilers because toxic chemicals may be produced as part of the smoke and ashes. Treated wood from commercial or industrial use (e.g., construction sites) may be burned only in commercial or industrial incinerators or boilers in accordance with state and Federal regulations.

Avoid frequent or prolonged inhalation of sawdust from treated wood. When sawing and machining treated wood, wear a dust mask. Whenever possible, these operations should be performed outdoors to avoid indoor accumulations of airborne sawdust from treated wood.

Avoid frequent or prolonged skin contact with creosote-treated wood; when handling the treated wood, wear longsleeved shirts and long pants and use gloves impervious to the chemicals (for example, gloves that are vinyl-coated).

When power-sawing and machining, wear goggles to protect eyes from flying particles.

After working with the wood, and before eating, drinking, and use of tobacco products, wash exposed areas thoroughly.

If oily preservatives or sawdust accumulate on clothes, launder before reuse. Wash work clothes separately from other household clothing.

Coal tar pitch and coal tar pitch emulsion are effective sealers for creosote-treated wood-block flooring. Urethane, epoxy and shellac are acceptable sealers for all creosote-treated wood.

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8/87