

ASSEMBLY, No. 413

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman GREGORY P. MCGUCKIN

District 10 (Ocean)

Assemblyman JOHN CATALANO

District 10 (Ocean)

Co-Sponsored by:

Assemblymen S.Kean, Peterson and Dancer

SYNOPSIS

Prohibits public utility from filing rate increase petition under certain circumstances.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/3/2020)

1 **AN ACT** concerning rate increases by public utilities regulated by
 2 the Board of Public Utilities, supplementing Title 48 of the
 3 Revised Statutes, and amending R.S.48:2-21.

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 5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*

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 8 1. (New section) The board shall not consider, review, or
 9 approve, and no public utility shall be permitted to file, a request
 10 for a rate increase during any period of time when:

11 a. The board has directed the public utility to file a base rate
 12 case to determine whether the public utility has exceeded its
 13 authorized rate of return; or

14 b. The public utility has been notified by the board that the
 15 board is investigating whether the public utility has exceeded its
 16 authorized rate of return.

17 This prohibition shall continue until such time as the board shall
 18 determine that the base rate case proceeding or the investigation has
 19 been concluded.

20 As used in this section, "base rate case" shall have the same
 21 meaning as is provided in section 2 of P.L.1995, c.180 (C.48:2-
 22 21.25).

23
 24 2. R.S.48:2-21 is amended to read as follows:

25 48:2-21. Schedule of rates. (a) The board may require every
 26 public utility to file with it complete schedules of every
 27 classification employed and of every individual or joint rate, toll,
 28 fare, or charge made, charged, or exacted by it for any product
 29 supplied or service rendered within this State, as specified in the
 30 requirement.

31 Fix rates. (b) The board may after hearing, upon notice, by
 32 order in writing:

33 1. Fix just and reasonable individual rates, joint rates, tolls,
 34 charges, or schedules thereof, as well as commutation, mileage, and
 35 other special rates which shall be imposed, observed, and followed
 36 thereafter by any public utility, whenever the board shall determine
 37 any existing rate, toll, charge, or schedule thereof, commutation,
 38 mileage, or other special rate to be unjust, unreasonable,
 39 insufficient, or unjustly discriminatory or preferential. In every
 40 such proceeding, the board shall complete and close the hearing
 41 within **[6]** six months and enter its final order within **[8]** eight
 42 months after the filing of the order of the board initiating such
 43 proceeding, when such proceeding is on the board's own motion; or
 44 after issue is joined through the filing of an answer to a complaint,
 45 when such proceeding is initiated by complaint.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

2. Fix just and reasonable joint rates, which shall be charged, enforced, collected, and observed by railroads and street railroads in the carrying of freight. Whenever the railroads or street railroads involved fail to agree upon the apportionment or division of a joint rate so established, the board may issue a supplemental order declaring the apportionment or division of the joint rate.

Demurrage rates. (c) The board may fix the rates or charges to be made by any corporation subject to the provisions of this chapter for the detention of a railroad car containing property transported by railroad to any point in this State or for the use of railroad tracks occupied by such car, commonly called demurrage or car service, or for both such detention and use. Such rates and charges shall conform as nearly as possible to the rates and charges for demurrage or car service prescribed and fixed by the Interstate Commerce Commission or any successor agency for similar service.

Increase in rates; hearings. (d) When any public utility shall increase any existing individual rates, joint rates, tolls, charges, or schedules thereof, as well as commutation, mileage, and other special rates, or change or alter any existing classification, the board, either upon written complaint or upon its own initiative, shall have power after hearing, upon notice, by order in writing, to determine whether the increase, change, or alteration is just and reasonable. The burden of proof to show that the increase, change, or alteration is just and reasonable shall be upon the public utility making the same. The board, pending such hearing and determination, may order the suspension of the increase, change, or alteration until the board shall have approved the same, not exceeding **[4]** four months. If the hearing and determination shall not have been concluded within such **[4]** four months, the board may, during such hearing and determination, order a further suspension for an additional period, not exceeding **[, 4]** four months. **[The]** Except as provided in section 1 of P.L. , c. (C.) (pending before the Legislature as this bill), the board shall approve the increase, change, or alteration upon being satisfied that the same is just and reasonable.

(cf: P.L.1962, c.198, s.13)

3. This act shall take effect immediately.

STATEMENT

This bill prohibits the Board of Public Utilities (board) from considering, reviewing, or approving, and prohibits a public utility from being permitted to file, a request for a rate increase during any period of time when: 1) the board has directed the public utility to file a base rate case to determine whether the public utility

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1 exceeded its authorized rate of return; or 2) the public utility has
2 been notified by the board that the board is investigating whether
3 the public utility exceeded its authorized rate of return. This
4 prohibition shall continue until such time as the board shall
5 determine that the base rate case proceeding or the investigation has
6 been concluded.