

ASSEMBLY, No. 1946

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman SERENA DIMASO

District 13 (Monmouth)

SYNOPSIS

Prohibits public utility from increasing rates until conclusion of hearing and BPU determination that rate increase is just and reasonable.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning public utility rate increase petitions and
2 amending R.S.48:2-21 and R.S.48:2-21.1.

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

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7 1. R.S.48:2-21 is amended to read as follows:

8 **【Schedule of rates. (a)】** R.S.48:2-21. a. The board may require
9 every public utility to file with **【it】** the board complete schedules of
10 every classification employed and of every individual or joint rate,
11 toll, fare, or charge made, charged, or exacted by **【it】** a public
12 utility for any product supplied or service rendered within this
13 State, as specified in the requirement.

14 **【Fix rates. (b)】** b. The board may after hearing, upon notice,
15 by order in writing:

16 **【1.】** (1) Fix just and reasonable individual rates, joint rates,
17 tolls, charges, or schedules thereof, as well as commutation,
18 mileage, and other special rates which shall be imposed, observed,
19 and followed thereafter by any public utility, whenever the board
20 shall determine any existing rate, toll, charge, or schedule thereof,
21 commutation, mileage, or other special rate to be unjust,
22 unreasonable, insufficient, or unjustly discriminatory or
23 preferential. In every such proceeding, the board shall complete
24 and close the hearing within **【6】** six months and enter its final order
25 within **【8】** eight months after the filing of the order of the board
26 initiating such proceeding, when such proceeding is on the board's
27 own motion; or after issue is joined through the filing of an answer
28 to a complaint, when such proceeding is initiated by complaint.

29 **【2.】** (2) Fix just and reasonable joint rates, which shall be
30 charged, enforced, collected, and observed by railroads and street
31 railroads in the carrying of freight. Whenever the railroads or street
32 railroads involved fail to agree upon the apportionment or division
33 of a joint rate so established, the board may issue a supplemental
34 order declaring the apportionment or division of the joint rate.

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

45 **【Increase in rates; hearings. (d)】** d. When any public utility
46 **【shall】** petitions the board to increase any existing individual rates,
47 joint rates, tolls, charges, or schedules thereof, as well as

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.

1 commutation, mileage, and other special rates, or change or alter
2 any existing classification, the board, either upon written complaint
3 or upon its own initiative, shall have power after hearing, upon
4 notice, by order in writing, to determine whether the increase,
5 change, or alteration is just and reasonable. The burden of proof to
6 show that the increase, change, or alteration is just and reasonable
7 shall be upon the public utility making the **[same]** petition. **[The]**
8 Except as provided in subsection b. of R.S.48:2-21.1, the board,
9 pending such hearing and determination, may order the suspension
10 of the **[increase,]** change or alteration until the board shall have
11 approved the **[same]** change or alteration, not exceeding **[4]** four
12 months. If the hearing and determination shall not have been
13 concluded within such **[4]** four months, the board may, during such
14 hearing and determination, order a further suspension for an
15 additional period not exceeding, **[4]** four months. The board shall
16 approve the **[increase,]** change or alteration upon being satisfied
17 that the **[same]** change or alteration is just and reasonable.
18 (cf: P.L.1962, c.198, s.13)

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20 2. R.S.48:2-21.1 is amended to read as follows:

21 **[The]** R.S.48:2-21.1. a. Except as provided in subsection b. of
22 this section, the board [may], during the pendency of any hearing
23 instituted by it, on its own initiative, or on petition, in which the
24 approval or fixing of just and reasonable individual rates, joint
25 rates, tolls, charges, or schedules thereof, as well as commutation,
26 mileage or other special rates is in issue, or at any other time, may
27 negotiate and agree with any public utility for an adjustment of the
28 individual rates, joint rates, tolls, charges, or schedules thereof, as
29 well as commutation, mileage or other special rates for any product
30 or service supplied or rendered by such public utility. Such
31 adjustment may be for, or without, a specified limit of time. In no
32 event shall any such adjustment be regarded as contractual. Such
33 adjustment shall at all times be subject to change through the
34 proceedings provided for by this chapter, or through negotiation and
35 agreement under this **[section]** subsection. The board, as a part of
36 any such negotiation and adjustment, shall provide for the
37 continuance, suspension, or other disposition of any hearing of the
38 character aforesaid then pending.

39 b. If a public utility petitions the board to increase an
40 individual rate, joint rate, toll, charge, or schedule thereof, pursuant
41 to R.S.48:2-21, for a product supplied or service rendered by the
42 public utility, the board shall not allow the public utility that
43 petitioned the board to increase an individual rate, joint rate, toll,
44 charge, or schedule for that product supplied or service rendered
45 until the hearing on the petition has concluded and the board has
46 determined that the increase is just and reasonable.

47 (cf: P.L.1962, c.198, s.14)

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1 3. This act shall take effect immediately, but shall remain
2 inoperative for 60 days following the date of enactment.

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STATEMENT

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7 This bill prohibits a public utility from increasing any rate for a
8 product supplied or service rendered until the Board of Public
9 Utilities (BPU) has determined, at the conclusion of the hearing on
10 the rate increase petition, that the rate increase is just and
11 reasonable. Current law allows a public utility to increase its rates
12 for a product supplied or service rendered, upon receiving BPU
13 approval, prior to the conclusion of a rate increase hearing and the
14 BPU making a determination that the rate increase is just and
15 reasonable.