ASSEMBLY, No. 3324

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:
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District 10 (Ocean)
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SYNOPSIS

Requires public utility to reimburse business customer during period when business ceases operations due to utility repairing or replacing its equipment on business customer's property.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning public utility service to certain businesses and supplementing Title 48 of the Revised Statutes.

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

1. As used in P.L. , c. (C.) (pending before the Legislature as this bill):

"Board" means the Board of Public Utilities or any successor agency.

“Business customer” means a customer receiving service from a public utility under a rate classification deemed by the board as commercial or applicable to a business of any type.

“Emergency event” means a natural or humanly caused occurrence arising from conditions beyond the control of the public utility, including but not limited to, a thunderstorm, earthquake, tornado, hurricane, flood, heat wave, snowstorm, or ice storm, which results in: (1) a sustained service interruption to at least five percent of the customers within an operating area or at least five percent of the public utility’s customers within a municipality or county located in an operating area; or (2) the declaration of a state of emergency or disaster by the State or by the federal government.

"Public utility" means a public utility as that term is defined in R.S.48:2-13.

“Service interruption” means the cessation of public utility service to a business customer of a public utility.

2. a. Notwithstanding the provisions of any other law, rule, regulation, or order to the contrary, a public utility shall reimburse a business customer for financial losses incurred by the business customer during the period when the business customer ceases operations due to a service interruption to the business customer requiring the public utility to repair or replace its equipment on the business customer’s property. The board shall determine the amount of reimbursement cost the public utility shall pay to its business customer for that loss upon examining appropriate documentation provided to the board by the business customer, as determined by the board.

b. The provisions of subsection a. of this section shall not apply to a business customer incurring losses due to a public utility service interruption occurring during an emergency event.

c. A public utility shall not include in its rate base or otherwise recover from ratepayers the amount of the reimbursement cost due to a business customer under subsection a. of this section.

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

STATEMENT

This bill requires a public utility (utility) to reimburse a business customer for financial losses incurred by the business customer during the period when the business customer ceases operations due to a service interruption to the business customer requiring the utility to repair or replace its equipment on the business customer's property. The Board of Public Utilities (BPU) is to determine the amount of any reimbursement cost the utility is to pay its business customer for that loss upon examining appropriate documentation provided to the BPU by the business customer, as determined by the BPU. A utility is not to include in its rate base or otherwise recover from ratepayers the amount of the reimbursement cost that the BPU determines is due to the business customer.

The bill is not to apply to a business customer incurring losses due to a utility service interruption occurring during an emergency event. "Emergency event" is defined as a natural or humanly caused occurrence arising from conditions beyond the control of the utility, including but not limited to, a thunderstorm, earthquake, tornado, hurricane, flood, heat wave, snowstorm, or ice storm, which results in: (1) a sustained service interruption to at least five percent of the customers within an operating area or at least five percent of the utility's customers within a municipality or county located in an operating area; or (2) the declaration of a state of emergency or disaster by the State or by the federal government.