

ASSEMBLY, No. 4024

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 4, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Requires BPU to consider certain revenue-raising limitations when determining whether to approve increases in public utility rates, fares, or charges that may be assessed to municipalities.

CURRENT VERSION OF TEXT

As introduced.



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

3

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

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

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

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

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

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 fixed by the **【Interstate Commerce Commission】** federal Surface
2 Transportation Board for similar service.

3 **【Increase in rates; hearings.】** (d) When any public utility shall
4 increase any existing individual rates, joint rates, tolls, charges, or
5 schedules thereof, as well as commutation, mileage, and other
6 special rates, or change or alter any existing classification, the
7 board, either upon written complaint or upon its own initiative, shall
8 have power after hearing, upon notice, by order in writing, to
9 determine whether the increase, change, or alteration is just and
10 reasonable. The burden of proof to show that the increase, change,
11 or alteration is just and reasonable shall be upon the public utility
12 making the **【same】** increase, change, or alteration. The board,
13 pending **【such】** the hearing and determination, may order the
14 suspension of the increase, change, or alteration until the board
15 shall have approved the **【same】** increase, change, or alteration, not
16 exceeding **【4】** four months. If the hearing and determination shall
17 not have been concluded within **【such 4】** four months, the board
18 may, during **【such】** the hearing and determination, order a further
19 suspension for an additional period not exceeding, **【4】** four months.
20 The board shall approve the increase, change, or alteration upon
21 being satisfied that the **【same】** increase, change, or alteration is just
22 and reasonable. In arriving at any determination pursuant to this
23 subsection concerning the justness or reasonableness of any
24 increase in a public utility rate, fare, or charge when the increase in
25 rate, fare, or charge is to be assessed to one or more municipalities
26 in this State, the board shall consider any limitations that are
27 imposed, pursuant to section 10 of P.L.2007, c.62 (C.40A:4-45.45),
28 on the ability of a municipality or municipalities to raise sufficient
29 revenues to pay an increase in the public utility rate, fare, or charge,
30 in addition to any other factors that the board deems necessary to
31 arrive at its determination pursuant to this subsection. If the board
32 determines the increase is just and reasonable, it shall, within a
33 written order approving the increase, make a finding of the facts on
34 the basis of which it approved the increase, including a review of
35 the limitations imposed by section 10 of P.L.2007, c.62 (C.40A:4-
36 45.45).

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

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39 2. This act shall take effect immediately.
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42 STATEMENT

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44 This bill amends R.S.48:2-21 to require the Board of Public
45 Utilities to consider any limitations imposed on a municipality's
46 revenue-raising ability pursuant to section 10 of P.L.2007, c.62
47 (C.40A:4-45.45), in arriving at any determination as to the justness

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- 1 and reasonableness of an increase in public utility rates, fares, or
- 2 charges that may be assessed to one or more municipalities in this
- 3 State.