SENATE, No. 1611

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Senator JAMES W. HOLZAPFEL
District 10 (Ocean)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.

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

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

1. (New section) The board shall not consider, review, or approve, and a public utility shall not be permitted to file, a request for a rate increase during any period of time when:

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

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

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

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

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

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

[Fix rates. (b)**]** b. The board may after hearing, upon notice, by order in writing:

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

[Increase in rates; hearings. (d)**]** 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 the 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**]** increase, change, or alteration. 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**]** increase, change, or alteration, 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**]** increase, change, or alteration 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 exceeded its authorized rate of return; or 2) the public utility has been notified by the board that the board is investigating whether the public utility exceeded its authorized rate of return. This prohibition is to continue until such time as the board determines that the base rate case proceeding or the investigation has been concluded.