

SENATE, No. 1613

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator JAMES W. HOLZAPFEL

District 10 (Ocean)

SYNOPSIS

Prohibits utility from billing customer for costs incurred for certain upgrades to utility infrastructure; allows costs for certain upgrades to utility infrastructure be recovered in utility's rate base.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning certain upgrades to public utility infrastructure
2 and supplementing Title 48 of the Revised Statutes.

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

9 “Board” shall have the same meaning as provided in section 3 of
10 P.L.1999, c.23 (C.48:3-51).

11 “Contractor” means an individual licensed in this State to
12 construct, improve, alter, or repair a building, structure, or real
13 property.

14 “Public utility” shall have the same meaning as provided in
15 R.S.48:2-13.

16 “Qualified construction project” means construction performed
17 on the real property of a customer of a public utility to mitigate
18 damage to the customer’s real property from a previous or future
19 natural disaster

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21 2. a. A customer of a public utility who has completed a
22 qualified construction project shall, within 90 days of completion of
23 the qualified construction project and in a manner determined by
24 the board, provide to the board and to the customer’s public utilities
25 a certification from a contractor that the construction on the
26 customer’s real property was performed to mitigate damage to the
27 customer’s real property from a previous or future natural disaster.

28 b. (1) A public utility shall not bill a customer to recover the
29 costs incurred to the public utility for necessary upgrades to its
30 infrastructure as a result of a qualified construction project if the
31 customer has complied with the provisions of subsection a. of this
32 section, except that the public utility may bill the customer for the
33 customer’s pro rata share of any increase in the public utility’s rate
34 base or other recovery mechanism approved by the board.

35 (2) The costs incurred by a public utility for the necessary
36 upgrades to its infrastructure, as determined by the board, as a result
37 of a qualified construction project may be included in the public
38 utility’s rate base or otherwise be recovered from ratepayers.

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40 3. This act shall take effect immediately.

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STATEMENT

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45 The bill requires a public utility customer who has completed a
46 qualified construction project to, within 90 days of completion of
47 the construction, provide to the Board of Public Utilities (board)
48 and to the customer’s public utilities a certification from a licensed

1 contractor that the construction on the customer's property was
2 performed to mitigate damage to the customer's property from a
3 previous or future natural disaster. "Qualified construction project"
4 is defined as construction performed on the real property of a
5 customer of a public utility to mitigate damage to the customer's
6 real property from a previous or future natural disaster. A customer
7 who fails to provide the certification to the board and the
8 customer's public utilities within 90 days of the completion of the
9 construction may be liable to the public utility for costs incurred by
10 the public utility for necessary upgrades to its infrastructure as a
11 result of the construction performed on the customer's property.

12 The bill provides that any costs incurred by a public utility for
13 necessary upgrades to its infrastructure as a result of a qualified
14 construction project receiving certification may be recovered in a
15 base rate case. Under the bill, a public utility is not to bill a
16 customer to recover the costs incurred to the public utility for
17 necessary upgrades to its infrastructure as a result of a qualified
18 construction project, except that the public utility may bill the
19 customer for the customer's pro rata share of any increase in the
20 public utility's rate base or other recovery mechanism approved by
21 the board.