

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 2325

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 16, 2020

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No. 2325.

As amended and reported, this bill prohibits an electric, gas, or water public utility (public utility), an electric, gas, sewer, or water service providing local authority (local authority) or an electric, gas, sewer, or water service providing municipal utility (municipal utility), from: (1) increasing rates, fees, or similar charges for services, late bill payment fees, or service restoration fees; (2) local authorities and municipal utilities from placing liens on real property for unpaid balances; (3) including in the rate base any increase in costs or expenses incurred during “a major public health emergency” as that term is defined in the bill; and (4) discontinuing service to a residential customer for utility bill nonpayment during and for 180 days following a major public health emergency, such as during the outbreak of Coronavirus 2019, except when the utility experiences a “utility emergency”, as that term is defined in the bill. A utility is to resume service, as soon as practicable, during a major public emergency, to any residential customer whose service was discontinued prior to, or during, the existence of a major public health emergency and who is located at, and still residing in, the same residence where the service was discontinued prior to the major public health emergency. These prohibitions and service restoration requirements are to remain in effect for the duration of, and 180 days following, a major public health emergency.

The bill provides that a residential customer who does not pay in full a utility bill on or before the date the bill is due during a major public health emergency is liable for any bill payment balance for service rendered by the public utility 180 days following the end of the major public health emergency. .

During the major public health emergency, the bill also requires public utilities, municipal utilities, and local authorities to offer affordable payment plans, of at least 24 month duration and with no down payment requirement, to customers with overdue payment balances and to inform those customers of their rights and refer them to payment assistance programs.

The committee amended the bill to include local authorities and municipal utilities to the types of utilities subject to the provisions of the bill. The amendments include gas and sewer utilities in addition to electric and water utilities. The amendments restrict public utilities, municipal utilities, and local authorities from increasing rates, fees, and charges, assessing late payment fees, and assessing service restoration fees; prevent liens from being placed on property for unpaid bill balances; and including increased costs from a major public health emergency in the rate base. The amendments clarify that service must be restored to customers with service disconnections during the major public health emergency and who still reside in the units. The amendments also extend the duration of the provisions of the bill to 180 days after the end of the major public health emergency. Finally, the amendments require that public utilities, municipal utilities, and local authorities offer affordable bill payment plans to customers with overdue payment balances, notify them of their rights, and refer them to payment assistance programs during, and for 180 days following, a major public health emergency.