

Note: This is an unofficial draft document to be used for purposes of discussion in the stakeholder process.

[TRA86 Tax Gross Up Factor Template May 2011.xls](#)

Full text of the rule proposal follows (additions are indicated in boldface **thus**; deletions are indicated in brackets [thus]):

SUBCHAPTER 8. EXTENSIONS TO PROVIDE REGULATED SERVICES

14:3-8.1 Scope and applicability

(a) This subchapter governs the construction of an extension, as defined at N.J.A.C. 14:3-8.2, including:

1. Whether an extension is placed overhead or underground;
2. How much of the cost of an extension is paid by the applicant for the extension;
3. Whether the regulated entity requires a deposit; and
4. If a deposit is required, how much of the deposit will be refunded to the applicant, and on what schedule any refund will be made.

~~[(b) This subchapter addresses whether and how a regulated entity may contribute financially to an extension made in response to an application for an extension by a person, as these terms are defined at N.J.A.C. 14:3-1.1 and 8.2. Any other extension is not subject to this subchapter; nor is any maintenance, repair or operation of an extension; or any expansion, upgrade, improvement, or other installation of plant and/or facilities, wherever located.~~

~~(c) This subchapter includes provisions regarding whether an extension shall be placed overhead or underground, and the extent to which a regulated entity may pay for or financially contribute to the costs of an extension. How much a regulated entity is authorized to pay for or financially contribute to an extension varies based on whether the customers that the extension will serve are located in an area not designated for growth, a designated growth area, a smart growth infrastructure incentive program (SGIIP) area, or a targeted revitalization incentive program (TRIP) area, as described at N.J.A.C. 14:3-8.12 and 14:3-10, respectively].~~

~~[(d)]~~ (b) This subchapter applies to extensions made by all regulated entities, as those terms are defined at N.J.A.C. 14:3-8.2, except that:

1. This subchapter does not apply to cable television companies. The extension of cable television service shall be governed by N.J.S.A. 48:5A-28 and N.J.A.C. 14:18-3.2;
2. This subchapter does not apply to a telecommunications public utility that has obtained a system-wide franchise from the Board in accordance with N.J.A.C. 14:18-14; and
3. This subchapter does not apply to a portion of an extension that is regulated by the Federal Energy Regulatory Commission (FERC).

~~[(e)]~~ (c) This subchapter applies to construction of extensions to provide service to all customers, whether residential or nonresidential.

~~[(f)]~~ (d) This subchapter does not provide for a calculation of the dollar amount that a regulated entity may charge for construction of an extension. This amount is determined based on tariffs submitted to the Board by each regulated entity and approved by the Board. Instead, this subchapter determines if a regulated entity may require a deposit from an applicant for an extension, and if so how much of the deposit will be refunded to the applicant and on what schedule.

~~[(g)]~~ This subchapter is intended to fulfill the mandate at N.J.S.A. 48:2-23 that regulated entity service be safe, adequate and proper, and furnished in a manner that tends to conserve and preserve the quality of the environment. One way in which this subchapter fulfills that mandate is through provisions that generally do not permit regulated entities to invest, in response to an application for an extension, in new infrastructure in areas that are not designated for growth.]

~~[(h)]~~ (e) Nothing in this subchapter shall require a regulated entity to construct an extension or portion thereof if the extension would not be required under N.J.S.A. 48:2-27 or other applicable law.

(f) In addition to this subchapter, extensions of service are also subject to other local, State, and Federal laws, including standards relating to water quality, promulgated by the New Jersey Department of Environmental Protection.

14:3-8.2 Definitions

In addition to the definitions at N.J.A.C. 14:3-1.1 and 14:4-1.2, the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Applicable tariff" means the tariff, filed with and approved by the Board, that covers the geographic area in which a particular development or extension is located.

"Applicant for an extension" means a person that has applied to the appropriate regulated entity, as defined at N.J.A.C. 14:3-1, for the construction of an extension as defined at N.J.A.C. 14:3-8.2.

~~["Area not designated for growth" means an area that is not a designated growth area as defined herein.]~~

"Cost" means, with respect to the cost of construction of an extension, actual and/or site-specific unitized expenses incurred for materials and labor (including both internal and external labor) employed in the actual design ~~[purchase,]~~ construction, and/or installation of the extension, including overhead directly attributable to the work, as well as overrides or loading factors such as those for ~~[back-up personnel for]~~ mapping~~[, re-~~

ords,] and design. This term does not include expenses for clerical, dispatching, supervision or general office functions.

~~["Center designation" or "designated center" means a center that has been officially recognized as such by the State Planning Commission in accordance with its rules at N.J.A.C. 5:85 or in the Pinelands Area, a center recognized as such pursuant to a valid Memorandum of Agreement between the New Jersey Pinelands Commission and the New Jersey State Planning Commission.~~

~~"Designated growth area" means an area depicted on the New Jersey State Planning Commission State Plan Policy Map as:~~

- ~~1. Planning Area 1 (Metropolitan Planning Area, or PA-1);~~
- ~~2. Planning Area 2 (Suburban Planning Area, or PA-2);~~
- ~~3. A designated center;~~
- ~~4. An area identified for growth as a result of a petition for municipal plan endorsement that has been approved by the State Planning Commission pursuant to N.J.A.C. 5:85-7;~~
- ~~5. A smart growth area and planning area designated in a master plan adopted by the New Jersey Meadowlands Commission pursuant to subsection (A) of section 6 of N.J.S.A. 13:17-6; or~~
- ~~6. A Pinelands Regional Growth Area, Pinelands Village or Pinelands Town, as designated in the Comprehensive Management Plan prepared and adopted by the Pinelands Commission pursuant to section 7 of the Pinelands Protection Act, N.J.S.A. 13:18A-8.~~

~~Assistance in determining whether a particular parcel of land in a designated growth area can be obtained through the Smart Growth Locator web site at <http://sgl.state.nj.us>, and from the Department of Community Affairs Office of Smart Growth website at <http://www.nj.gov/dca/osg/>.~~

~~"Distribution revenue" means the total revenue, plus related sales and use tax, collected by a regulated entity from a customer, minus the following, as applicable:~~

- ~~1. For a gas public utility as defined at N.J.A.C. 14:4-2.2, basic gas supply service charges, plus related sales and use tax on the basic gas supply service charges, assessed in accordance with the gas public utility's tariff; and~~
- ~~2. For an electric public utility as defined at N.J.A.C. 14:4-1.2, basic generation service charges, plus sales and use tax on the basic generation service charges, and, unless included with basic generation service charges, transmission charges derived from Federal Energy Regulatory Commission (FERC) approved Transmission Charges, plus Sales and Use Tax on the transmission charges, assessed in accordance with the electric public utility's tariff.~~

~~"Extension" means the construction or installation of plant and/or facilities to convey new service from existing or new plant and/or facilities to [one or more applicants for an extension, to a structure that was built, or rebuilt after an existing structure was demolished, and occupied after March 20, 2005] a structure or property for which the applicant has requested service. This term also means the plant and/or facilities themselves.~~

~~[The provision of water and wastewater treatment service by a regulated entity shall be considered an extension regardless of the date of construction and occupancy of the structure to be served.] This term includes all plant and/or facilities for transmission and/or distribution, whether located overhead or underground, on a public street or right of way, or on private property or a private right of way, including the wire, poles or supports, cable, pipe, conduit or other means of conveying service from existing plant and/or facilities to each unit or structure to be served, except as excluded at 1 through [6] 5 below. An extension begins at the existing infrastructure and ends as follows:~~

- ~~1. For water service and for wastewater treatment service, the extension ends at the curb of the property or properties on which the customers to be served are located, but also includes the meter, if any, as well as any of the following that are located on the property's roadside utility right-of-way:
 - ~~i. Fire hydrants;~~
 - ~~ii. Branches; or~~
 - ~~iii. Other water infrastructure serving others besides the applicant;~~~~
- ~~2. For gas service, the extension ends at the meter and includes the meter;~~
- ~~3. For an overhead extension of electric service, the extension ends at the point where the service connects to the building, but also includes the meter , not including the meter socket;~~
- ~~4. For an underground extension of electric service, the extension ends at, and includes, the meter, but not the meter socket; and~~
- ~~5. For telecommunications service, the extension ends at the point of demarcation as defined in the regulated entity's tariff.~~

~~["Generation" means the manufacture, production, extraction or creation of a substance (such as water or petroleum products), a form of energy (such as electricity), or a signal (such as a telecommunications signal).]~~

~~"New Jersey State Planning Commission" means the commission established by the State Planning Act, N.J.S.A. 52:18A-196 et seq.~~

~~"Office of Smart Growth" means the Office in the Department of Community Affairs that staffs the State Planning Commission and provides planning and technical assistance as requested. The Office of Smart Growth serves the same functions as the Office of State Planning, described at N.J.S.A. 52:18A-201.~~

~~"Planning area" has the meaning assigned to the term in the rules of the State Planning Commission at N.J.A.C. 5:85-1.4. As of December 20, 2004, this term is defined in those rules to mean an area of greater than one square mile that shares a common set of conditions, such as population density, infrastructure systems, level of development, or environmental sensitivity. The State Development and Redevelopment Plan sets forth planning policies that serve as the framework to guide growth in the context of those conditions.]~~

~~"Plant and/or facilities" means any machinery, apparatus, or equipment, including but not limited to mains, pipes, aqueducts, canals, wires, cables, fibers, substations, poles~~

or other supports, generators, engines, transformers, burners, pumps, and switches, used for generation, transmission, or distribution of water, energy, telecommunications, cable television or other service that a regulated entity provides. This term includes service lines and meters, but does not include equipment used solely for administrative purposes, such as office equipment used for administering a billing system.

14:3-8.3 General requirement to provide extensions

No change in this section.

14:3-8.4 Requirement to put certain extensions underground

(a) This section governs whether an extension, as defined at N.J.A.C. 14:3-8.2, shall be made underground or overhead.

(b) An extension for water, wastewater treatment, or gas service shall be underground in all cases.

(c) An extension of high-capacity main line electric distribution facilities with a capacity of four megavolt amps (MVA) or more may be made overhead.

(d) An extension of electric or telecommunications service to residential development shall be made underground if both of the criteria below are met. Portions of the extension that do not meet these criteria may be made overhead:

1. The extension is located within, and will serve, a development of three or more residential units in the same geographic area that do not have electric or telecommunications service as of August 15, 2005; and
2. Either of the following criteria are met:
 - i. The extension will be placed along streets that were constructed after August 15, 2005; or
 - ii. The extension will be placed along streets constructed prior to August 15, 2005, which are not already served by overhead facilities.

(e) If a building that would require underground service under (d) above is located on a lot that abuts an existing street on which overhead facilities are already installed, the building may be served overhead, at the discretion of the regulated entity.

(f) Underground service shall be reasonably equivalent to comparable overhead service, and shall ensure that the customer will receive safe, adequate and proper service while minimizing the difference in cost between overhead and underground service.

(g) If underground electric or telecommunications service is required by this section, or an applicant desires underground electric or telecommunications service where it is not required under (d) or (e) above, the construction costs shall be distributed ~~[as follows]~~ in accordance with this subsection, regardless of who actually performs the construction[:

1. ~~In a designated growth area, the] .~~ The additional cost for underground extensions of service, over and above the amount it would cost to serve those customers overhead, shall be a nonrefundable contribution in aid of construction, paid by the applicant according to N.J.A.C. 14:3-8.9(h). The remainder of the cost of the service, that is the amount[;] which overhead service would have cost, shall be shared between the applicant and the regulated entity in accordance with N.J.A.C. 14:3-8.5 [; and
2. ~~In an area not designated for growth, a regulated entity's ability to pay for or contribute financially to extensions is governed by N.J.A.C. 14:3-8.5 and 8.6].~~

(h) If unusual circumstances would unreasonably delay a regulated entity's ability to provide underground service, the regulated entity may install temporary facilities in whatever manner is most practical under the circumstances. However, the regulated entity shall replace such temporary facilities as soon as practical with permanent underground service in accordance with this subchapter. The cost of the installation and removal of the temporary facilities is governed by N.J.A.C. 14:3-8.9(h).

(i) All street lighting in a development with underground electric service shall also be served underground.

(j) When the requirement that an extension be located underground will result in hardship, inequity, or will be discriminatory to other affected parties, the regulated entity or applicant may request from the Board a special exemption, or approval of special conditions. The Board may require that the requesting party submit, as part of such a request, documentation that the requesting party has deposited in an escrow account an amount up to the estimated difference in cost between underground and overhead service.

(k) Where affected regulated entities determine that it is practical, electric cables, communication cables, and cable television cables shall be installed in the same trench, if this can be done consistent with all applicable codes and regulations, and in particular those pertaining to safety.

(l) When an extension is installed underground, certain components may be installed above ground if necessary for safety or to provide reasonable access for maintenance. Examples are interconnecting points and pedestals, and electric transformers.

14:3-8.5 General provisions regarding costs of extensions

~~[(a) A regulated entity shall not pay for or financially contribute to the cost of an extension, as defined at N.J.A.C. 14:3-8.2, except in accordance with this subchapter or N.J.A.C. 14:3-10. This section applies in addition to the requirements of N.J.A.C. 14:3-8.6 or 8.7, whichever is applicable.]~~

(a) The cost that an applicant pays a regulated entity for an extension shall be determined by mutual agreement between the regulated entity and the applicant. If a regu-

lated entity and an applicant cannot agree on the applicant's cost of an extension, a deposit, or a non-refundable contribution, either party may petition the Board to apply the suggested formula set forth at N.J.A.C. 14:3-8.9 through or 8.11, as applicable.

(b) Except for certain underground extensions covered by N.J.A.C. 14:3-2.1(f), an extension shall become the property of the regulated entity upon its completion. If an extension is paid for by an applicant in accordance with this chapter, a regulated entity shall include the extension in its contribution in aid of construction (CIAC) accounts, for accounting purposes only. The regulated entity shall record such a contribution in a manner consistent with the Uniform System of Accounts, 18 CFR Part 101, which is incorporated by reference in ~~[the rules]~~ this subchapter. Amounts that a regulated entity receives in accordance with this subchapter ~~[and]~~ , which are not refunded to an applicant, shall be credited to the appropriate plant account or accounts.

(c) The cost of an extension for which a regulated entity receives a deposit, or receives a non-refundable contribution, shall include the tax consequences incurred by the regulated entity as a result of receiving deposits under the Tax Reform Act of 1986, in accordance with N.J.A.C. 14:3-8.6.

(d) Regulated entities, customers, applicants, developers, builders, municipal bodies and other persons shall cooperate fully in order to facilitate construction of an extension at the lowest reasonable cost consistent with system reliability and safety. This includes sharing trenches where practicable, allowing the applicant, where practicable, to dig the portion of the trench located on the property to be served, and coordinating scheduling and other aspects of construction to minimize delays and to avoid difficult conditions such as frozen or unstable soils. A municipality shall not impose an ordinance or other requirement that conflicts with this subchapter, or which would prevent or interfere with another person's compliance with this subchapter.

(e) Each regulated entity shall submit for Board approval a proposed tariff containing charges for services, including installation of underground service. The regulated entity shall periodically submit updated tariffs on its own initiative or as requested by the Board. A tariff shall not require an applicant for an extension to pay a deposit or non-refundable contribution that is greater than would be required under the suggested formula at N.J.A.C. 14:3-8.9 through 8.11, as applicable. A tariff shall not provide for a deposit refund that is less than would be required under the suggested formula at N.J.A.C. 14:3-8.9 through 8.11, as applicable.

~~[(f) If an applicant requests an extension to serve both a designated growth area and an area not designated for growth, the regulated entity shall pay for the portion of the extension that is necessary for and will be used to serve a designated growth area in accordance with N.J.A.C. 14:3-8.7. The regulated entity shall pay for or contribute financially to the portion of the extension that will serve the area not designated for growth only in accordance with (i) below.]~~

(f) If a regulated entity requires that the applicant pay a deposit or non-refundable contribution, the regulated entity shall first provide the applicant with all of the following information, in writing:

1. A detailed estimate of the total cost of the extension, including:
 - i. An itemization of the number of units of each item required to build the extension; for example, the number of feet of wire, feet of pipe, feet of conduit, feet of trench, number of transformers, number of valves and number of labor hours;
 - ii. The cost per unit for each item listed under (f)1i above, multiplied by the number of units of that item; and
 - iii. The sum of all items in (f)1ii. This sum shall equal the total estimated cost of the extension; and
2. The estimated annual distribution revenue offset, if any;
3. The total amount of the deposit or non-refundable contribution required; and
4. If any portion of a deposit or non-refundable contribution is taxable under TRA-86, and the regulated entity has decided to include the TRA-86 tax consequences in the deposit or non-refundable contribution:
 - i. The total deposit before taxes;
 - ii. The taxable portion of the deposit;
 - iii. The gross-up factor from N.J.A.C. 14:3-8.6(c); and
 - iv. The dollar amount of the tax consequences incurred on the deposit, from N.J.A.C. 14:3-8.6(d)5.

(g) A regulated entity shall construct each extension with sufficient capacity to provide safe, adequate, and proper service to customers, in accordance with N.J.A.C. 14:3-8.3(e). For example, if an applicant requests a four kilovolt extension of electric service but the regulated entity's minimum system design standard is thirteen kilovolts, the regulated entity shall construct a thirteen kilovolt extension. In such a case, the cost of the extension for purposes of this subchapter and the suggested formula shall be the full cost of the thirteen kilovolt extension, and not merely the cost of a four kilovolt extension.

~~(h) If [in a designated growth area,] a regulated entity chooses to construct an extension or portion of an extension with additional capacity, over that which is needed to comply with N.J.A.C. 14:3-8.3[(e)] (f), the regulated entity [may pay for or contribute financially to the incremental cost of the additional capacity, but] may not require the applicant to pay for such additional capacity.~~

~~[(i) If, in an area not designated for growth, a regulated entity chooses to construct an extension or portion of an extension with additional capacity, over that which is needed to comply with N.J.A.C. 14:3-8.3(e), the regulated entity may require an applicant to pay for the additional capacity, or the regulated entity may pay for the additional capacity itself, subject to (j) below.~~

~~(j) If any of the additional capacity constructed under (h) or (i) above is added to serve anticipated customers in an area not designated for growth, the Board will consider this fact when considering whether the investment in additional capacity was reasonable and prudent, in determining whether to allow the regulated entity to include the cost of the additional capacity in its rate base or recoverable costs.~~

~~(k) This subchapter does not prohibit a regulated entity from constructing an extension or performing related services in exchange for compensation. A regulated entity may contract with an applicant for an extension to design, purchase, construct or maintain an extension on behalf of the applicant. However, the regulated entity shall be paid for the cost of constructing or installing the extension, in accordance with this subchapter.~~

~~(l) A regulated entity shall charge customers in a designated growth area only for costs related to the portion of an extension that is necessary for and will be used to serve the designated growth area.]~~

~~[(m)] (i) The costs of any installation or construction of infrastructure, which is not governed by this subchapter, shall be governed by other applicable law.~~

~~[(n)] (i) A regulated entity may base the cost of an extension, for the purpose of determining the amount of the required deposit or non-refundable contribution, on site-specific unitized costs. The [regulatory] regulated entity shall determine the site-specific unitized cost by:~~

- ~~1. Sending a qualified representative to the site;~~
- ~~2. Developing a work plan that includes a list of materials needed based upon the actual extension to be constructed;~~
- ~~3. Multiplying the quantity of each type of item on the list of materials by the cost per unit for that type of item. The cost per unit for each item listed shall reflect the material cost of that item as well as the associated labor as set forth in the definition of cost at N.J.A.C. 14:3-8.2; and~~
- ~~4. Adding up the results obtained under [(n)] (i)3 above.~~

~~**[14:3-8.6 Costs for extension serving an area not designated for growth**~~

~~(a) This section governs a regulated entity's authority to pay for or contribute financially to an extension or portion thereof, which has been requested solely to serve development in an area not designated for growth, as defined at N.J.A.C. 14:3-8.2. The section phases out a regulated entity's authority to pay for such an extension or portion thereof. The requirements in this section apply in addition to those of N.J.A.C. 14:3-8.5.~~

~~(b) If a regulated entity chooses to construct additional capacity, not requested by the applicant and greater than the capacity required under N.J.A.C. 14:3-8.3(e), the cost of that additional capacity shall not be governed by this section but shall be governed by N.J.A.C. 14:3-8.5(i).~~

~~(c) After January 1, 2007, both of the following shall apply:~~

- ~~1. A regulated entity shall not pay for or financially support an extension or portion thereof described at (a) above except pursuant to an exemption under N.J.A.C. 14:3-8.8; and~~
- ~~2. The Board shall not consider the cost of the extension when determining the regulated entity's rates under N.J.S.A. 48:2-21.]~~

14:3-8.6 Deposits, contributions, and refunds – Tax Reform Act of 1986

(a) This section applies to a regulated entity that:

1. Collects a deposit or non-refundable contribution that is taxable in whole or in part under the Tax Reform Act of 1986 (TRA-86); and
2. Includes in the deposit or non-refundable contribution the associated tax consequences incurred by the regulated entity under TRA-86.

(b) If a regulated entity includes in a deposit or non-refundable contribution the tax consequences incurred under TRA-86, all deposit refunds shall also include the associated tax consequences incurred under TRA-86. Effective {30 calendar days after this rule takes effect}, these tax consequences shall be determined in accordance with this section.

(c) The TRA-86 gross-up factor shall be:

1. Designed to incorporate the impact on the regulated entity of the initial tax payment on the deposit or non-refundable contribution;
2. Designed to incorporate the impact on the regulated entity of the future tax depreciation deductions that are associated with the extension; and
3. For a gas or electric regulated entity, calculated using the TRA-86 Gross-up Factor Template posted on the Board's website.

(d) To determine the amount of a deposit or non-refundable contribution that includes the associated tax consequences incurred under TRA-86, the regulated entity shall:

1. Determine the base amount of the deposit or non-refundable contribution, before including the tax consequences of TRA-86;
2. Determine the portion of the base deposit or non-refundable contribution that is taxable under TRA-86. This is the "taxable amount";
3. Multiply the taxable amount determined under (d)2 above by the regulated entity's TRA-86 gross-up factor determined under (c) above. The result is the "grossed up" portion of the deposit or non-refundable contribution;
4. Add the grossed up amount determined under (d)3 above to any non-taxable portion of the base deposit or non-refundable contribution. The result is the total deposit or non-refundable contribution that the applicant will pay, inclusive of the regulated entity's associated tax consequences incurred under TRA-86; and
5. To determine the dollar amount of the regulated entity's associated tax consequences incurred under TRA-86, subtract the base amount of the deposit or non-refundable contribution, determined under (d)1 above, from the total deposit or non-refundable contribution that the applicant will pay, determined under (d)4 above.

(e) In determining the amount of a refund associated with a deposit that includes the associated tax consequences incurred under TRA-86, the regulated entity shall ensure that the percentage of the refund that is grossed up for taxes shall be equal to the percentage of the deposit that was grossed up for taxes. To do this, the regulated entity shall:

1. Determine the base amount of the refund (before considering the tax consequences of TRA-86), using the suggested formula at N.J.A.C. 14:3-8.10 or 8.11, as applicable;
2. Determine what percentage of the base deposit (from (d)1 above) is represented by the taxable amount of the deposit (from (d)2 above);
3. Multiply the percentage from (e)2 above by the base amount of the refund from (e)1 above. The result is the dollar amount of the refund that must be grossed up to include the tax consequences that the regulated entity incurred under TRA-86;
4. Multiply the dollar amount determined under (e)3 above by the same gross-up factor that was applied to the original deposit when it was collected, regardless of whether the deposit was collected before {30 calendar days after this rule takes effect}. The result is the grossed up portion of the refund; and
5. Add the grossed up amount determined under (e)4 above to the remainder of the base refund amount, that is, the amount that was not grossed up for the tax consequences of TRA-86. The sum is the refund amount.

(f) Each regulated entity that collects deposits and non-refundable contributions that are taxable under TRA-86 shall comply with all of the following:

1. No later than {20 calendar days after this rule takes effect}, each regulated entity that utilizes electric and/or gas depreciation rates shall calculate its TRA-86 gross-up factor pursuant to (c) above and file this factor, along with the completed TRA-86 Gross-up Factor Template, with the Board Secretary and the Director of the Board's Division of Energy. A regulated entity that utilizes both electric and gas depreciation rates shall file both of its gross-up factors and accompanying completed templates;
2. No later than {20 calendar days after this rule takes effect}, each regulated entity that utilizes water and/or wastewater depreciation rates shall calculate its TRA-86 gross-up factor pursuant to (c) above and file this factor, along with a detailed calculation of this factor with the Board Secretary and Director of the Board's Division of Water;
3. No later than {20 calendar days after this rule takes effect}, each regulated entity that utilizes telecommunication depreciation rates shall calculate its TRA-86 gross-up factor pursuant to (c) above and file this factor along with a detailed calculation of this factor with the Board Secretary and Director of the Board's Division of Telecommunications; and
4. If a regulated entity's TRA-86 gross-up factor changes, for example if the capital structure, tax rates, or depreciation rates change, the regulated entity shall calculate its new TRA-86 gross-up factor pursuant to (c) above and file this factor

along with the template or detailed calculation as applicable, within fourteen calendar days of the change.

14:3-8.7 [~~Costs for extension serving a designated growth area~~] Reserved.

~~[(a) This section governs the regulated entity's authority to pay for or contribute financially to an extension or portion thereof that has been requested in order to serve development in a designated growth area, as described at (b) below. The requirements in this section apply in addition to the requirements of N.J.A.C. 14:3-8.5.~~

~~(b) If an extension is part of a project that the Board has approved for inclusion in a Targeted Revitalization Incentive Program (TRIP) under N.J.A.C. 14:3-10, the cost of the extension shall not be governed by this section but shall be governed by N.J.A.C. 14:3-10, as applicable. The cost of an extension that will serve development in an area not designated for growth is governed by N.J.A.C. 14:3-8.6. If a regulated entity chooses to construct additional capacity, not requested by the applicant and greater than the capacity required under N.J.A.C. 14:3-8.3(e), the cost of that additional capacity shall not be governed by this section but shall be governed by N.J.A.C. 14:3-8.5(h).~~

~~(c) The cost of an extension described at (a) above shall be determined by mutual agreement between the regulated entity and the applicant. If a regulated entity and an applicant cannot agree upon a financial arrangement regarding the cost of an extension, either party may petition the Board to apply the suggested formula set forth at N.J.A.C. 14:3-8.10 or 8.11, as applicable.~~

~~(d) For an extension described at (a) above, a regulated entity may require a deposit from an applicant in accordance with N.J.A.C. 14:3-8.10(b) or 8.11(b), as applicable. The regulated entity shall refund the deposit to the applicant in accordance with the suggested formula set forth at N.J.A.C. 14:3-8.10 or 8.11, as applicable.]~~

14:3-8.8 [~~Exemptions from cost limits on areas not designated for growth~~] Reserved.

~~[(a) The following shall be exempt from the requirements for costs of extensions to serve development in an area not designated for growth at N.J.A.C. 14:3-8.6:~~

- ~~1. Natural gas conversions, as described in (j) below;~~
 - ~~2. An extension serving certain agricultural buildings, as described in (d) below;~~
 - ~~3. A prior agreement or Board order requiring a regulated entity to provide certain extensions without charge, as described at (e) below;~~
 - ~~4. An extension already in progress as of March 20, 2005, as described in (g) below;~~
- ~~and~~
- ~~5. When it is necessary to reestablish an equivalent level of service to an existing customer after the structure receiving that service was damaged or destroyed by a force outside the control of the customer or regulated entity such as a fire, flood or hurricane.~~

~~(b) The following may be exempt from the requirements for costs of extensions to serve development in an area not designated for growth at N.J.A.C. 14:3-8.6, if the Board determines that they meet all applicable requirements of this section:~~

1. A project that will provide a significant public good, as described in (h) below; and
2. A project for which compliance would cause extraordinary hardship, as described in (i) below.

~~(c) An exemption described at (a)1 through 5 above shall not require prior written approval from the Board. An exemption described at (b)1 or 2 above shall require prior written approval from the Board. The Board and/or Board staff may require those seeking exemptions to submit additional information as necessary to assist in the analysis of the exemption request.~~

~~(d) An extension to serve an agricultural use, building, or structure that is used in or supportive of the production, storage, packing, processing or on-farm sale of agricultural or horticultural products on a New Jersey commercial farm, as defined in N.J.S.A. 4:1C-3, shall be exempt from the limits at N.J.A.C. 14:3-8.6. Such uses, buildings and structures shall include, but not be limited to, wells and pumps, packing and processing equipment and buildings, structures for product and machine storage, maintenance shops for farm related equipment, farm market structures, housing for members of the farm family, and on-farm housing for agricultural laborers. The costs for an extension covered by this subsection shall be governed by the requirements for extensions to serve a designated growth area at N.J.A.C. 14:3-8.7.~~

~~(e) If a regulated entity has entered into a prior written agreement with the Board that requires the regulated entity to provide certain extensions without charge, or has been ordered by the Board to provide certain extensions without charge, those extensions shall be exempt from the limits at N.J.A.C. 14:3-8.6. For an agreement or Board order to qualify for this exemption, the agreement shall have been executed March 20, 2005.~~

~~(f) If the Board has, prior to March 20, 2005, executed a binding agreement providing for a regulated entity to contribute financially to an extension, the regulated entity may contribute financially to the extension, to the extent required for compliance with the prior agreement. However, this exemption does not cover a telecommunications infrastructure upgrade project serving areas not designated for growth under the Plan of Alternative Regulation, approved by Board Order issued under Docket No. TO92030358.~~

~~(g) If construction of an extension, or the installation of any temporary service, has begun prior to March 20, 2005, or if a regulated entity has committed in writing to pay a specific dollar amount for an extension, prior to March 20, 2005, the extension shall be exempt. A subdivision approval, building permit, zoning variance, or verbal or nonbinding communication with a regulated entity shall not, by itself, provide sufficient grounds to exempt an extension under this subsection.~~

~~(h) To obtain an exemption based on a significant public good, a person shall demonstrate to the Board that all of the following criteria are met:~~

~~1. The project or activity served by the extension would provide a significant benefit to the public or to the environment;~~

~~2. That the project described in (h)1 above is consistent with smart growth, or that the benefit of the project outweighs the benefits of smart growth. In making this determination, the Board will consult with the Office of Smart Growth and, if applicable, other State agencies; and~~

~~3. There is no practicable alternative means of providing the benefit while still complying with this subchapter. This shall include a showing of why it is not possible or practicable to build the project in an area designated for growth.~~

(i) To obtain an exemption based on extraordinary hardship, a person shall demonstrate to the Board that all of the following criteria are met:

1. Compliance with this subchapter would cause an extraordinary hardship. Factors the Board will consider when deciding whether an extraordinary hardship exists include, but are not limited to, the cost of the extension, the degree of financial hardship created by the cost of the extension, and the impact of the development served by the extension on land use patterns. However, financial hardship alone shall not constitute a basis for this exemption;

2. The extraordinary hardship results from unique circumstances that do not apply to or affect other projects in the region;

3. The unique circumstances arise from the project itself or the activity served by the extension, and not from the circumstances or situation of the regulated entity or its customers; and

4. Neither the extraordinary hardship nor the unique circumstances are the result of any action or inaction by the regulated entity, its shareholders, or its customers.

(j) An extension of natural gas service shall be exempt from the requirements for costs of extensions to serve development in an area not designated for growth at N.J.A.C. 14:3-8.6, provided that the sole purpose of the extension is to allow for replacement of existing appliances powered by energy sources other than natural gas with natural gas appliances, in one or more structures that were built and occupied prior to August 15, 2005, or were built and occupied at least 15 years prior to the date of the application for the extension.

(k) The cost of an extension that is exempt under this section shall be distributed as follows:

1. If an extension is eligible for an exemption based on a prior agreement or Board order under (e) above, the regulated entity shall pay for or financially contribute to the extension only to the extent required by the prior agreement or Board order. To the extent that the prior agreement does not specify the distribution of costs for the extension, the requirements for extensions that serve an area not designated for growth at N.J.A.C. 14:3-8.6 shall govern;

2. If an extension is eligible for an exemption based on an extension in progress under (f) above, the regulated entity shall pay for or financially contribute to the extension only to the extent that it previously committed to do so in a written agreement. To the extent that the regulated entity has not committed to pay for the extension, the requirements for extensions shall serve an area not designated for growth at N.J.A.C. 14:3-8.6 shall govern;

3. For an exemption based on significant public good or extraordinary hardship, the Board shall determine the distribution of costs for the extension at the time of approval of the exemption; and

4. For any exemption not covered at (k)1, 2, or 3 above, the regulated entity shall pay for or financially contribute to an extension in accordance with the requirements at N.J.A.C. 14:3-8.7 governing extensions in a designated growth area.}]

14:3-8.9 [Designated growth area suggested] Suggested formulae for allocating extension costs--general provisions

(a) ~~[The Board will direct the regulated entities to apply the suggested formula only if all of the following criteria are met:~~

- ~~1. The extension is subject to N.J.A.C. 14:3-8.7;~~
- ~~2. The extension is not included in a Board-approved TRIP Program;~~
- ~~3. The extension is not exempt on the basis of a significant public good or an extraordinary hardship under N.J.A.C. 14:3-8.8(h) or (i), respectively. If an extension is exempt under N.J.A.C. 14:3-8.8(h) or (i), its costs shall be distributed in accordance with N.J.A.C. 14:3-8.8(k); and~~
- ~~4. Either the regulated entity or the applicant for an extension submits a request to the Board to apply the suggested formula, based on the parties' inability to reach agreement upon the amount of the regulated entity's financial contribution to the extension.] Reserved.~~

(b) If a regulated entity or applicant ~~[requests application of]~~ petitions the Board to apply the suggested formula in accordance with N.J.A.C. 14:3-8.5(a), to an extension to serve any type of development other than a single residential customer, Board staff shall apply the formula at N.J.A.C. 14:3-8.10. If a regulated entity or applicant requests that Board staff apply the suggested formula to an extension to serve only a single residential customer, Board staff shall apply the formula in N.J.A.C. 14:3-8.11.

(c) For both types of formulae (single residential customer and other), the regulated entity may require the applicant [shall] to provide [the regulated entity with] a deposit. The amount of the deposit shall be determined according to the provisions for multi-unit developments at N.J.A.C. 14:3-8.10 or for single residential customers at N.J.A.C. 14:3-8.11, as applicable. The regulated entity shall then construct the extension, and shall refund the portions of the deposit that are refundable under (g) below according to the formula set forth at N.J.A.C. 14:3-8.10 or 8.11, as applicable.

(d) For purposes of determining the amount of the deposit and applying the suggested formula, the following shall apply:

1. The regulated entity shall estimate the cost of the extension in accordance with the applicable tariff, and shall ~~[include]~~ add the tax consequences incurred by the regulated entity under the Tax Reform Act of 1986 as a result of receiving the deposit, as detailed in N.J.A.C. 14:3-8.6;
2. The regulated entity shall assume that the electric service connection to each building will be at the nearest corner of the building to the point at which the service enters the property;
3. If an applicant requests service that costs more than that which is standard under the regulated entity's and/or the industry's system design standards, or if an extension presents an unusual situation in which providing standard service is substantially more expensive than usual, the regulated entity may charge the applicant or the customer for the extra expense. In accordance with (h) below, this charge is not refundable. For example, for an underground extension, costs of pavement cutting and restoration, rock removal, blasting, or unusual or difficult

digging conditions requiring equipment and methods not generally used may be charged to the applicant. In such a case, the regulated entity shall not charge the applicant more than the actual cost for the extra work required; and

4. If the extension requires a regulated entity to pay an attachment charge for the use of utility poles located on private property and not owned by the regulated entity, the regulated entity may include the cost of the attachment charge when calculating the cost of the extension.

(e) The regulated entity shall notify the applicant in writing of the actual cost of the extension within 30 days after the actual costs are known, and as soon as reasonably practical after construction is completed. As the application process and the construction proceeds, the amount of the deposit shall be adjusted as needed to reflect the actual cost. If the amount of the deposit exceeds actual costs at the completion of construction, the regulated entity shall return any excess. If the deposit is less than actual costs, the applicant shall provide the necessary additional funds to the regulated entity.

(f) Any amount not refunded within 10 years after the date upon which the regulated entity is first ready to render service from the extension shall remain with the regulated entity. In no event shall a regulated entity refund more than the total deposit amount to the applicant.

(g) The following portions of a deposit shall be refundable under the suggested formula:

1. For any extension, the cost of the portion of the extension that runs from existing infrastructure to the boundary of the property on which the new customers to be served are located (that is, to the subdivision gate; or for an individual lot, to the curb of the lot);
2. For an extension of gas infrastructure, the cost of the portion of the extension that is within the boundary of the property or properties on which the new customers to be served are located; ~~[and]~~
3. For an underground or overhead extension of electricity or telecommunications service, the amount it would cost to serve the customers overhead[.] ; and
4. Any tax consequences that are included in a deposit pursuant to N.J.A.C. 14:3-8.6.

(h) The following portions of the deposit are nonrefundable and shall constitute a contribution in aid of construction (CIAC):

1. For all extensions, the cost of extra service, or of extra work required to provide ~~[standards]~~ standard service, in accordance with N.J.A.C. 14:3-8.9(d)3; and
2. For an underground extension of electricity or telecommunications service, the additional cost for underground service over and above the amount it would cost to serve those customers overhead. This shall include the cost of any temporary overhead installation and/or removal under N.J.A.C. 14:3-8.4~~(g)~~ (h).

14:3-8.10 [~~Designated growth area suggested~~] Suggested formula for allocating extension costs--multi-unit or nonresidential development

(a) This section governs how Board staff will apply the suggested formula to the cost of an extension that is [~~subject to N.J.A.C. 14:3-8.7, except for an extension for a single residential customer, which is covered under N.J.A.C. 14:3-8.11, an extension covered by a SGIIP under N.J.A.C. 14:3-8.12, or an extension included in a Board-approved TRIP under N.J.A.C. 14:3-10]~~ not covered by the provisions for extensions to a single residential customer at N.J.A.C. 14:3-8.11. The requirements in this section apply in addition to the [~~requirements of]~~ general provisions for the suggested formulae at N.J.A.C. 14:3-8.9. This section does not address how deposits, non-refundable contributions, and refunds will be grossed up to reflect the tax consequences incurred by the regulated entity under the Tax Reform Act of 1986, which is addressed in N.J.A.C. 14:3-8.6. This section does not determine the cost of an extension, but merely governs the allocation of those costs between the utility and the applicant for the extension.

(b) The deposit required for an extension subject to this section shall be the cost of the extension required to serve the development. Prior to construction of the extension, the regulated entity shall notify the applicant in writing of its estimated cost to construct an extension to serve the development for which service is requested.

(c) For purposes of calculating the amount of the deposit, the development for which service is requested shall be determined by reference to the subdivision map approved by the applicable local authorities. If a development is to be approved and constructed in phases, the applicant shall indicate which phases are to be treated as separate developments for purposes of determining the deposit and applying the suggested formula.

(d) As each customer begins receiving services, the regulated entity shall issue to the applicant an initial "startup" refund of a portion of the deposit [~~to the applicant~~]. For each customer, this customer "startup" refund shall be the estimated annual distribution revenue that will result from the customer, multiplied by 10. If additional customers who were not originally anticipated are supplied from this extension, the regulated entity shall:

1. Estimate the actual cost of the extension required to bring service to the customer from the nearest existing infrastructure;
2. Estimate the annual distribution revenue that will be derived from the customer, and multiply it by 10 to obtain the estimated distribution revenue over a 10-year period;
3. Subtract the estimated cost of the extension determined under 1 above from the 10 year distribution revenue determined under 2 above.
4. Refund the amount determined in 3 above to the original applicant when the customer begins receiving service if the amount determined in 3 above is a positive number. This "startup" refund shall be in addition to the annual refunds described in this section.
5. Provide additional refunds to the original applicant if the actual annual distribution revenue from these additional customers exceeds the estimated annual distribu-

tion revenue from these customers. These additional refunds shall be made by including these customers in the refund calculations made pursuant to 14:3-8.10 (f) and (g).

(e) One year after the regulated entity received the deposit, and each subsequent year thereafter, the regulated entity shall provide an annual refund to the applicant. The first annual refund shall be calculated in accordance with (f) below. Subsequent annual refunds shall be calculated under (g) below.

(f) The first annual refund shall be calculated by multiplying by 10 the difference between:

1. The distribution revenue from all customers that were served by the extension for the entire previous year; and
2. The estimated annual distribution revenue, upon which the original customer startup refund was based, for all customers that were served by the extension for the entire previous year. If the distribution revenue for the first year, determined under (f)1 above, was less than the estimated annual distribution revenue (upon which the original customer startup refund amount was based), the regulated entity is not required to provide an annual refund.

(g) For each subsequent year, the annual refund shall be calculated as follows:

1. Sum the distribution revenue from all customers that were served by the extension for the entire previous year;
2. Determine the sum of:
 - i. The distribution revenue that was used in calculating the most recent annual refund provided to the applicant. This is the amount determined under (g)1 above when this subsection was applied to determine the most recent annual refund; and
 - ii. The original estimated annual distribution revenue for all customers that were served by the extension for the entire previous year, but whose revenues were not included in the calculation of the most recent annual refund that the regulated entity provided to the applicant;
3. Subtract (g)2 above from (g)1 above. If the (g)2 above is greater than (g)1 above, the regulated entity is not required to provide a refund; and
4. If (g)2 above is less than (g)1 above, multiply the difference derived under (g)3 above by 10 to determine the annual refund.

(h) In determining the revenue from a customer or set of customers for purposes of the suggested formula, the regulated entity may in its discretion use estimated or actual revenues, unless otherwise specified in this subchapter.

(i) See examples A1 and A2 below for an illustration of the use of the suggested formula for some sample multi-unit developments.

Click here to view image.

14:3-8.11 [~~Designated growth area suggested~~] Suggested formula for allocating

extension costs--single residential customer

(a) The requirements in this section apply in addition to the requirements of N.J.A.C. 14:3-8.9. This section addresses how Board staff will apply the suggested formula to the costs of an extension that [~~meets the following criteria:~~

1. ~~The extension]~~ will serve only a single residential customer. This section does not address how deposits, non-refundable contributions, or refunds will be grossed up to reflect the tax consequences incurred by the regulated entity under the Tax Reform Act of 1986, which is addressed in N.J.A.C. 14:3-8.6.];
2. ~~The extension meets the criteria for serving a designated growth area at N.J.A.C. 14:3-8.7; and~~
3. ~~The extension is not covered by a TRIP under N.J.A.C. 14:3-10.]~~

(b) To determine the deposit required for an extension [~~to serve a single residential customer]~~ subject to this section, the regulated entity shall:

1. Estimate the actual cost of the extension required to bring service to the customer from the nearest existing infrastructure;
2. Estimate the annual distribution revenue that will be derived from the customer, and multiply it by 10, to obtain estimated distribution revenue over a 10-year period; and
3. Subtract the estimated 10 year distribution revenue determined under (b)2 above from the estimated cost of the extension determined under (b)1 above. This is the amount of the deposit.

(c) One year after the customer begins receiving service, the regulated entity shall calculate the distribution revenue derived from the customer's first year of service. If the year one distribution revenue is less than the estimated annual distribution revenue that was used in (b)2 above to determine the deposit, the regulated entity is not required to provide a refund. If the year one distribution revenue exceeds the estimated annual distribution revenue, the regulated entity shall provide a refund to the applicant. The amount of the refund shall be the difference between the estimated and annual year one distribution revenues, multiplied by 10.

(d) Two years after the customer begins receiving service, the regulated entity shall calculate the distribution revenue derived from the customer's second year of service. The regulated entity shall provide a refund to the applicant if the actual distribution revenue from the customer's most recent year of service exceeds the greater of the amounts in (d)1 and 2 below. The amount of the refund shall be 10 multiplied by the difference between the distribution revenue from the most recent year of service and the higher of the following:

1. The estimated annual distribution revenue, which was used as the basis for the initial deposit; or
2. The highest actual distribution revenue from any prior year.

(e) The process in (d) above shall be repeated annually until the earlier of the following:

1. The regulated entity has refunded the entire deposit to the applicant; or
2. Ten years have passed since the customer began receiving service.

(f) If, during the 10-year period after a single residential customer begins receiving service, additional customers connect to the extension and the regulated entity still holds a portion of the deposit from the original applicant, the regulated entity shall increase the refunds to the original applicant [~~initial customer's annual refund~~] to reflect the distribution [~~additional~~] revenue from the additional customers. [~~In such a case, the regulated entity shall add to the initial customer's refund an amount 10 times the distribution revenue derived from the additional customers for that year. This additional distribution revenue shall include the following: 1.] For a water main extension, this additional distribution revenue shall include amounts paid by a municipality for fire protection during the year [; and 2. For a telecommunications extension, amounts earned or saved during the year through use of the extension to carry the regulated entity's toll circuits]. For each of these additional customers, the regulated entity shall:~~

1. Estimate the actual cost of the extension required to bring service to the customer from the nearest existing infrastructure;
2. Estimate the annual distribution revenue that will be derived from the customer, and multiply it by 10 to obtain the estimated distribution revenue over a 10-year period;
3. Subtract the estimated cost of the extension determined under 1 above from the 10 year distribution revenue determined under 2 above.
4. Refund the amount determined in 3 above to the original applicant when the customer begins receiving service if the amount determined in 3 above is a positive number. This "startup" refund shall be in addition to the annual refunds described in this section.
5. Provide additional refunds to the original applicant if the actual annual distribution revenue from these additional customers exceeds the estimated annual distribution revenue from these customers. These additional refunds shall be made using the methodology described in N.J.A.C 14:3-8.11 (c).

(g) See Example B below for an illustration of the use of the suggested formula for a single residential customer:

EXAMPLE B

Suggested formula applied to a single residential customer

When?	Action	Amount
Before construction	Applicant gives deposit, determined as follows, to regulated entity: 1. Estimate total cost of extension (\$ 7,500.00); 2. Estimate annual distribution revenue (\$ 500.00); 3. Multiply annual distribution revenue by 10 (\$ 5,000.00); and	\$ 2,500.00

EXAMPLE B
Suggested formula applied to a single residential customer

When?	Action	Amount
	4. Subtract item 3 from item 1 to determine deposit.	
One year after Customer comes on line	<p>If first year distribution revenue is less than estimated annual distribution revenue (\$ 500.00), no refund.</p> <p>If first year distribution revenue (\$ 525.00) is more than estimated annual distribution revenue (\$ 500.00), regulated entity gives first refund to applicant. Refund is determined as follows:</p> <ol style="list-style-type: none"> 1. Subtract estimated annual distribution revenue (\$ 500.00) from first year distribution revenue (\$ 525.00); and 2. Multiply item 1 (\$ 25.00) by 10 (\$ 250.00). 	\$ 250.00
Amount of deposit remaining with regulated entity after first refund		\$ 2,250.00
Two years after customer comes online	<p>If second year distribution revenue is less than first year revenue (\$ 525.00), no refund.</p> <p>If second year distribution revenue (\$ 575.00) is more than the greater of either the first year distribution revenue (\$ 525.00), or the estimated annual distribution revenue used as the basis for the initial deposit computation (\$ 500.00) regulated entity gives second refund to applicant. Refund is determined as follows:</p> <ol style="list-style-type: none"> 1. Subtract the greater of either the first year distribution revenue (\$ 525.00) or the estimated annual distribution revenue used as the basis for the initial deposit computation (\$ 500.00) from second year distribution revenue (\$ 575.00); and 2. Multiply item 1 (\$ 50.00) by 10 	\$ 500.00

EXAMPLE B
Suggested formula applied to a single residential customer

When?	Action	Amount
	(\$ 500.00).	
Amount of deposit remaining with regulated entity after second refund		\$ 1,750.00

Continue with this process each year, until 10 years has passed or deposit is completely refunded, whichever comes first.

14:3-8.12 [~~Smart growth infrastructure investment program (SGIIP)~~] Reserved.

~~[(a) This section sets forth the process to cover certain infrastructure investments under a smart growth infrastructure investment program (SGIIP). Under a SGIIP, the costs of infrastructure shall be governed by the same rules that apply to extensions serving designated growth areas at N.J.A.C. 14:3-8.7, except that the following shall apply:~~

- ~~1. The regulated entity may include the cost of necessary relocations, upgrades, and expansions of infrastructure, which are necessary to serve new customers, in the costs covered by the SGIIP; and~~
- ~~2. If the suggested formula is used, the regulated entity shall apply the expedited refund formula described at (c) below to the costs of an extension, as defined at N.J.A.C. 14:3-8.2, or a relocation, upgrade, or expansion of infrastructure, that meets the requirements at (c) below.~~

~~(b) A SGIIP area is any area in a municipality that is located in planning area 1, and for which the municipality has obtained appropriate formal endorsement from the State Planning Commission.~~

~~(c) In a SGIIP area, an extension serving development in the SGIIP area shall be covered in the same manner as an extension serving a designated growth area under N.J.A.C. 14:3-8.1 through 8.11, except that if the suggested formula is applied, the following differences shall apply:~~

~~1. The rate at which deposits are refunded to the applicant shall be 20 times annual distribution revenue, rather than 10 times; and~~

~~2. In determining the amount of a deposit under N.J.A.C. 14:3-8.11 for a single residential customer, the calculation at N.J.A.C. 14:3-8.11(b) shall multiply annual distribution revenue by 20 times rather than by 10 times; and~~

~~3. Any costs that a regulated entity charges to an applicant for the relocation, upgrade, or expansion of infrastructure to serve a development for which the regulated entity is also providing an extension shall be considered part of the deposit. The regulated entity shall refund such costs at a rate of 20 times annual distribution revenue as described in the suggested formulae at N.J.A.C. 14:3-8.10 and 8.11.]~~

14:3-8.13 Enforcement

No change in this section.

14:3-10 [~~Targeted Revitalization Incentive Program (TRIP)~~] Reserved.

Full text of the subchapter being repealed can be found in the New Jersey Administrative Code at N.J.A.C. 14:3-10.

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