

State of New Jersey
Governor Philip D. Murphy
Lt. Governor Sheila Y. Oliver



Joseph L. Fiordaliso
President

Mary-Anna Holden
Dianne Solomon
Upendra Chivukula
Bob Gordon
Commissioners

Board of Public Utilities



www.nj.gov/bpu/

NOTICE¹

IN THE MATTER OF THE PROPOSED READOPTION WITH SUBSTANTIAL AMENDMENTS TO N.J.A.C. 14:3, ET SEQ., ALL UTILITIES

Docket No. [AX21070998](#)

Pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., the New Jersey Board of Public Utilities (NJBP or Board) hereby gives notice of a virtual stakeholder meeting to solicit input from the public and interested parties on the proposed readoption with amendments of rules at N.J.A.C. 14:3 et seq. which governs all utilities. The Board is considering potential rule amendments to N.J.A.C. 14:3, a summary of which can be found attached to this Notice.

STAKEHOLDER MEETING

DATE: Thursday, September 23, 2021
TIME: 10:00 a.m. – 1:00 p.m.
LOCATION: Zoom Virtual Webinar
https://us06web.zoom.us/webinar/register/WN_q3F7OveyRhyhczsPZzStXA

The deadline for comments on this matter is 5:00 p.m. ET on October 21, 2021. Please submit comments directly to the specific docket listed above using the “Post Comments” button on the Board’s [Public Document Search](#) tool. Comments are considered “public documents” for purposes of the State’s Open Public Records Act and any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. Written comments may also be submitted to:

Aida Camacho-Welch
Secretary of the Board
44 South Clinton Ave., 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350
Phone: 609-292-1599
Email: board.secretary@bpu.nj.gov

Please note that these comments are considered “public documents” for purposes of the State’s Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

Aida Camacho-Welch
Secretary of the Board

Date: September 10, 2021

¹ Not a paid legal advertisement.

PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES

Proposed Readoption with Amendments: N.J.A.C. 14:3

Proposed Amendments: N.J.A.C. 14:3-1.1, 14:3-2.1, 14:3-2.2, 14:3-2.3, 14:3-2.5, 14:3-3.2, 14:3-3.3, 14:3-3.4, 14:3-3.6, 14:3-3.7, 14:3-3A.1, 14:3-3A.2, 14:3-3A.3, 14:3-3A.4, 14:3-3A.5, 14:3-3A.6, 14:3-3A.7, 14:3-3A.9, 14:3-4.4, 14:3-4.5, 14:3-4.6, 14:3-5.1, 14:3-6.1, 14:3-6.2, 14:3-6.3, 14:3-6.4, 14:3-6.5, 14:3-6.6, 14:3-6.7, 14:3-6.8, 14:3-7.2, 14:3-7.4, 14:3-7.5, 14:3-7.8, 14:3-8.2, 14:3-8.5, 14:3-8.6, 14:3-8.9, 14:3-8.10, 14:3-8.11, and 14:3-8.14

Authorized By: New Jersey Board of Public Utilities, Joseph L. Fiordaliso, President, Mary-Anna Holden, Dianne Solomon, Upendra Chivukula, and Robert M. Gordon, Commissioners.

Authority: N.J.S.A. 48:2-13; 48:2-16, 16.1 through 16.4, 17, 20, 23, 24, 25, and 27; 48:3-2.3, 3, 4, and 7.8; and 48:19-17

Calendar Reference:

BPU Docket Number: AX21070998

Summary

Take notice that pursuant to N.J.S.A. 52:14B-5.1(b), the rules at N.J.A.C. 14:3 will expire on February 11, 2022. The rules provide basic requirements for all utilities regulated by the Board which include water, wastewater, electric, gas, and telephone utilities.

N.J.A.C. 14:3 is necessary and appropriate in that the rules will ensure that the New Jersey utility customers will receive safe, adequate, and proper service at reasonable rates.

The Board is proposing to readopt N.J.A.C. 14:3 with substantial and technical amendments to update the rules to reflect changes in technology and utility practices. It should be noted that throughout the chapter minor clarifying and/or technical amendments are proposed that do not change the meaning of the text.

A summary of the subchapters of N.J.A.C. 14:3 follows:

Subchapter 1. Definitions and General Provisions

N.J.A.C. 14:3-1.1 contains definitions of general applicability. Definitions for “Cyber Attack,” “Cyber Breach,” and “Cyber Intrusion” have been added. Additionally, the website link for “Regulations to Govern the Preservation of Records of Electric, Gas, and Water Utilities” has been updated.

N.J.A.C. 14:3-1.2 sets forth the scope and purpose of the subchapter. No changes are proposed.

N.J.A.C. 14:3-1.3 addresses requirements for tariffs. No changes are proposed.

Subchapter 2. Plant

N.J.A.C. 14:3-2.1 addresses the construction of utility plant and facilities including construction of extensions. Proposed N.J.A.C. 14:3-2.1(d)(2) sets requirements for extensions of water service and wastewater service. These provisions remain unchanged. For wastewater services under proposed new subsection (d)(3), a requirement for utilities to furnish and install a water meter on which to base the amount of usage has been added. In addition, for water and wastewater services under proposed new subsection (f)(2)(iii)(D) a requirement for utilities to own and maintain corporation stops and curb

stops, if feasible, on the roadside utility right-of-way of the property has been added. N.J.A.C. 14:3-2.2 requires utilities to inspect any work performed by the utility's contractors to ensure compliance with safe practices. The word "assure" has been replaced with "ensure."

N.J.A.C. 14:3-2.3 sets forth requirements for equipment mounted on utility poles. The word "trolley" in subsection (a) has been removed.

N.J.A.C. 14:3-2.4 requires utilities to display their names on their structures. No changes are proposed.

N.J.A.C. 14:3-2.5 requires that utilities place identifying marks on their equipment. The word "trolley" in subsection (h) has been removed.

N.J.A.C. 14:3-2.6 requires utilities to maintain their facilities. No changes are proposed.

N.J.A.C. 14:3-2.7 requires utilities to inspect their facilities and take corrective action where necessary. No changes are proposed.

N.J.A.C. 14:3-2.8 addresses work by non-utility personnel on or around utility facilities and requires that only utility employees or other qualified persons work on utility equipment when the equipment is in use serving customers. No changes are proposed.

Subchapter 2A. Infrastructure Investment and Recovery

N.J.A.C. 14:3-2A.1 sets forth the purpose, scope and general provisions of the Infrastructure Investment Program ("Program"). No changes are proposed.

N.J.A.C. 14:3-2A.2 sets forth project eligibility. No changes are proposed.

N.J.A.C. 14:3-2A.3 addresses annual baseline spending levels. No changes are proposed.

N.J.A.C. 14:3-2A.4 addresses Program length and limitations. No changes are proposed.

N.J.A.C. 14:3-2A.5 governs Program minimum filing and reporting requirements. No changes are proposed.

N.J.A.C. 14:3-2A.6 governs Program expenditure recovery. No changes are proposed.

Subchapter 3. Service

N.J.A.C. 14:3-3.1 sets forth a utility's basic duty to provide safe, adequate and proper service and conserve resources. No changes are proposed.

N.J.A.C. 14:3-3.2 pertains to customer applications for utility service. Subsection (a) as modified enables customers to submit applications for the establishment of service via the utility's website.

N.J.A.C. 14:3-3.3 sets forth information that the utility is required to provide to customers and describes means of providing that information. N.J.A.C. 14:3-3.3(d)(4)(i) would require utilities to inform customers that the information on the furnishing and performance of service shall be distributed to the public via social media.

N.J.A.C. 14:3-3.4 sets forth provisions concerning deposits the utility may require from applicants for service. Language concerning the calculation of deposits has been simplified. In addition, in 14:3-3.4.(2) a utility may require an existing customer to furnish a deposit or increase their deposit if the customer fails to pay a bill within 15 days

of the printed due date. This reference to 15 days in subsection (d) has been increased to 30 days.

N.J.A.C. 14:3-3.5 sets forth provisions concerning interest on deposits and the return of deposits to customers. No changes are proposed.

N.J.A.C. 14:3-3.6 sets forth provisions concerning the utility's right to access to a customer's premises. Language granting utilities the right of reasonable access for the purpose of conducting utility markouts in accordance with the Underground Facility Protection Act and the One-Call rules has been added.

N.J.A.C. 14:3-3.7 addresses utility responsibilities regarding interruptions of service.

The citations to the Board's telephone rules and the website link to the BPU's Division of Reliability and Security have been updated. Proposed subsection (e)(4) has been added, which would require utilities to timely report to the BPU gas service incidents that could cause concern due to news media coverage. Language has been added under subsection (g) requiring utilities to indicate in their detailed follow-up report the number of critical customers affected and the number of life sustaining and supporting customers affected.

N.J.A.C. 14:3-3.8 addresses utility responsibilities regarding the scheduling of service calls. No changes are proposed.

Subchapter 3A. Discontinuance and Restoration of Service

N.J.A.C. 14:3-3A.1 governs the basis for a utility to discontinue a customer's service.

Subsection (d) as modified clarifies the reasonable notice that is to be provided to the customer when a utility suspends, curtails, or discontinues service for any reason other than nonpayment.

N.J.A.C. 14:3-3A.2 governs discontinuance of a customer's service specifically because of nonpayment of charges. One of the criteria set forth in subsection (a)1. that is used to determine if a utility may discontinue service to a residential customer is that the customer's arrearage amount must be more than \$100.00. Subsection (a)(1), as modified increases the \$100.00 criteria to \$200.00. Subsection (e) presently sets forth when an electric or gas company shall not discontinue service to a customer for nonpayment. It presently includes provisions that prohibit gas and electric utilities from discontinuing service to customers under specific circumstances when temperatures reach extreme highs, extreme lows, and then from November 15 through March 15. Multiple references to "electric and gas utilities" in subsection (e) have been changed so that these prohibitions now apply to all utilities. N.J.A.C. 14:3-3A.3 governs utility notice of discontinuance of a customer's service for nonpayment. The proposed language in subsection (b) would require utilities to allow customers an initial period of at least 20 days to pay the utility bill after the original postmark date of the outstanding bill before the utility would be permitted to send a notice of discontinuance. Subsection (f) provides that an electric or gas utility must include a Winter Termination Program fact sheet with all notices of discontinuance. References to "electric or gas" services in modified subsection (f) have been changed to "utility" services so that this provision now applies to all utilities.

N.J.A.C. 14:3-3A.4 provides additional notice requirements for discontinuance of residential and special customers. The telephone number for the Board in subsection (h)(1) has been updated

N.J.A.C. 14:3-3A.5 sets forth the conditions of the Winter Termination program applicable to residential gas and electric service. References to “electric or gas” utilities or “residential electric or gas” customers throughout have been changed so as to include all applicable utilities or customers. This change extends the Winter Termination Program which under certain circumstances prohibits the discontinuance of service for residential customers from November 15 through March 15 to all utilities. Citations to the Board’s rules in subsection (i)(3) and (4) regarding relief requested for medical emergencies has been have been corrected.

N.J.A.C. 14:3-3A.6 governs the discontinuance of electric, gas, water, and wastewater service to tenants. Language concerning electric and/or gas utilities has been changed to “electric, gas, water and wastewater public utility.” This change extends to water and wastewater utilities requirements regarding notices to landlords and placing service in the landlord’s name when a tenant’s service is discontinued. N.J.A.C. 14:3-3A.7 governs notice to municipalities of discontinuance of residential gas and electric service. The citation to the Uniform Fire Code in subsection (a) has been corrected.

N.J.A.C. 14:3-3A.8, governs discontinuance of basic residential telephone service. No changes are proposed.

N.J.A.C. 14:3-3A.9 provides conditions for restoration of service after discontinuance. The proposed language in subsection (c) would require the utility to allow the customer at least 20 days after the billing for payment of the deposit. The citation to the rules regarding the amount of a deposit required for the restoration of service has been corrected.

Subchapter 4. Meters

N.J.A.C. 14:3-4.1 addresses ownership of meters and other utility equipment. No changes are proposed.

N.J.A.C. 14:3-4.2 addresses the location of meters. No substantive changes are proposed.

N.J.A.C. 14:3-4.3 includes definitions of terms used in the subchapter. No changes are proposed.

N.J.A.C. 14:3-4.4 sets forth the requirements for the testing of equipment that a utility uses to test customer meters, including equipment used to calibrate the meter testing equipment. Language requiring a utility's meter testing equipment to be located within a reasonable distance from the utility's NJ service area has been added. New subsection (e) would also require utilities to maintain a meter testing shop in its NJ service area where meter testing will occur.

N.J.A.C. 14:3-4.5 provides for a utility or a Board inspector to test a meter at the customer's request. The citation to the Board's rules in subsection (b) has been corrected. Subsection (f), which requires the Board to charge customers \$5.00 for a meter test, is proposed to be omitted.

N.J.A.C. 14:3-4.6 addresses the adjustment of charges for meter error. Modified subsection (f) would clarify the adjustment of charges for meter error and the customer's amortization of payments in cases of debit adjustment to a customer's account.

N.J.A.C. 14:3-4.7 requires meter test reports and recordkeeping. No changes are proposed.

N.J.A.C. 14:3-4.8 governs the assessment of charges for meter replacement. No changes are proposed.

Subchapter 5. Contacting the Utility

N.J.A.C. 14:3-5.1 governs the location of utility offices. The phone number for the Board's Division of Customer Assistance has been updated and a word change in (c) from "the" to "each" has been made.

N.J.A.C. 14:3-5.2 governs how a utility must make itself accessible to customers. No changes are proposed.

Subchapter 6. Records and Reporting

N.J.A.C. 14:3-6.1 addresses the location of records and types of reporting required under this chapter. The citation to the rules regarding reporting requirements have been corrected. Various citations to the Board rules have been corrected. Subsection (c)(10), which concerns reporting to the Board regarding expenditures under a Targeted Revitalization Incentive Program, is proposed to be omitted as this program was eliminated several years ago.

N.J.A.C. 14:3-6.2 pertains to recordkeeping regarding utility infrastructure and its operation. References to designated growth areas and areas not designated for growth are proposed to be omitted from subsections (g) and (h).

N.J.A.C. 14:3-6.3 pertains to financial and operations reports. Contact information in subsection (a) has been updated. Proposed subsection (b) would set a \$5.00 penalty per

day for a utility's failure to file a report referenced in subsection (a) by March 31 of each year, unless an extension has been granted.

N.J.A.C. 14:3-6.4 details the requirement for utilities to notify the Board's Division of Reliability and Security of certain accidents immediately and in no event later than two hours after the utility learns of the accident. The proposed language in subsection (a) would require utilities to notify the Division of Reliability and Security of any reportable accident in no event later than one hour after the utility learns of the accident. The criteria for reportable events includes damage to the property of others amounting to \$5,000.00 in subsection (b)(4). Proposed language reflects the correct criteria of \$50,000.

N.J.A.C. 14:3-6.5 pertains to written follow-up utility reporting on certain accidents. The language in subsection (b), which concerns the contents of a follow-up accident report, has been simplified.

N.J.A.C. 14:3-6.6 sets forth requirements that natural gas utilities report significant natural gas events to the Board's Division of Reliability and Security. The proposed language in subsection (a) would require each gas utility to notify the Division of Reliability and Security of a significant natural gas event in no event later than one hour after the utility learns of the event rather than two hours.

N.J.A.C. 14:3-6.7 sets forth requirements that utilities record and report suspicious acts to the Board. The proposed language would require each public utility to first contact the appropriate law enforcement authorities before reporting suspicious acts to the Board.

Proposed section (a)(6) adds cyber attacks, breaches, or intrusions to the list of reportable suspicious acts.

N.J.A.C. 14:3-6.8 sets forth the requirements for utility customer service telephone system reports. Proposed subsection (a)(22) would require utilities to timely submit to the Board a brief description of the surge capacity available for the utility's telephone system during large-scale service interruptions.

Subchapter 7. Bills and Payments for Service

N.J.A.C. 14:3-7.1 details general billing provisions. No changes are proposed

N.J.A.C. 14:3-7.2 sets forth the form and contents of bills for metered service. The section's reference to the Transitional Energy Facility Assessment has been removed.

Proposed subsection (e)(3)(i), which concerns estimated billing, would bar utilities from billing a customer in excess of 24 months since the last actual reading of the meter, unless the utilities took all necessary actions to read the meter.

N.J.A.C. 14:3-7.3 details the form and contents of bills for unmetered service. No changes are proposed.

N.J.A.C. 14:3-7.4 sets forth methods of billing. A citation to the Board's rules has been corrected.

N.J.A.C. 14:3-7.5 provides for budget billing plans for electric, gas, water, and wastewater residential customers. "Basic generation service or basic gas supply service" has replaced outdated references to "levelized energy or levelized gas adjustment" throughout. The requirement that the budget plan year for all residential electric or gas

customers who seek the protection of the Winter Termination Program has been changed to apply to residential customers of all utilities in subsection (e).

N.J.A.C. 14:3-7.6 addresses methods for resolving disputes regarding bills. No changes are proposed.

N.J.A.C. 14:3-7.7 addresses deferred payment agreements for residential customers. No changes are proposed.

N.J.A.C. 14:3-7.8 pertains to diversion of residential service. A citation to the Board's rules has been corrected.

Subchapter 8. Extensions to Provide Regulated Services

N.J.A.C. 14:3-8.1 describes the scope and applicability of the subchapter. No changes are proposed.

N.J.A.C. 14:3-8.2 sets forth definitions of terms used in this subchapter. The following terms and definitions are proposed to be omitted: "area not designated for growth," "center designation," "designated center," "designated growth area," "New Jersey State Planning Commission," "Office of Smart Growth," and "planning area."

N.J.A.C. 14:3-8.3 addresses how an applicant applies for an extension and the utilities' obligations regarding extensions. No changes are proposed.

N.J.A.C. 14:3-8.4 describes when an extension may be overhead and when it must be placed underground. No changes are proposed.

N.J.A.C. 14:3-8.5 sets forth general provisions that apply to the costs of extensions. References to “Tax Reform Act of 1986” have been replaced with “Internal Revenue Code.”

N.J.A.C. 14:3-8.6 addresses deposits or non-refundable contributions that are taxable. References to “Tax Reform Act of 1986” have been replaced with “Internal Revenue Code.”

N.J.A.C. 14:3-8.7 is reserved.

N.J.A.C. 14:3-8.8 is reserved.

N.J.A.C. 14:3-8.9 sets forth the general requirements for applying the suggested formula for allocating the costs of an extension. References to “Tax Reform Act of 1986” have been replaced with “Internal Revenue Code.”

N.J.A.C. 14:3-8.10 addresses how Board staff will apply the suggested formula to extensions (except for those serving only a single residential customer). References to “Tax Reform Act of 1986” have been replaced with “Internal Revenue Code.”

N.J.A.C. 14:3-8.11 addresses how Board staff will apply the suggested formula to extensions that will serve a single residential customer. References to “Tax Reform Act of 1986” have been replaced with “Internal Revenue Code.”

N.J.A.C. 14:3-8.12 is reserved.

N.J.A.C. 14:3-8.13 provides for penalties and other enforcement action for non-compliance with the subchapter. No changes are proposed.

N.J.A.C. 14:3-8.14 governs refunds of contributions paid for extensions built from March 20, 2005 through December 30, 2009, to serve areas not designated for growth. The section is proposed to be omitted as the deadlines for all requirements under this section passed several years ago.

Subchapter 9 is reserved.

Subchapter 10 is reserved.

Subchapter 11 is reserved.

Subchapter 12. Utility Management Audits

N.J.A.C. 14:3-12.1 sets forth the applicability of the subchapter. No changes are proposed.

N.J.A.C. 14:3-12.2 provides for the Board to order an audit. No changes are proposed.

N.J.A.C. 14:3-12.3 allows for utility review of and comment on audit findings. No changes are proposed.

N.J.A.C. 14:3-12.4 addresses the implementation of audit results. No changes are proposed.

Subchapter 13. Interest on Over or Under Recovered Cost Balances Under Adjustment Clauses

N.J.A.C. 14:3-13.1 sets forth the scope of the subchapter. No changes are proposed.

N.J.A.C. 14:3-13.2 includes definitions for the subchapter. No changes are proposed.

N.J.A.C. 14:3-13.3 describes the method for calculating the interest on over recoveries under certain adjustment clauses. No changes are proposed.

Social Impact

The rules proposed for readoption with amendments, repeals and new rules at N.J.A.C. 14:3, will have a beneficial social impact because they will continue and improve basic requirements that ensure that New Jersey utility consumers receive safe, adequate, and proper service at reasonable rates. Many of the changes proposed reorganize and clarify the rules' requirements, enabling utilities to understand and comply with the rules more easily, and enabling the public to more easily monitor utility compliance with the rules. Examples of such changes are the addition of a section addressing applicability and scope of the chapter, the relocation of provisions governing tariffs from Chapter 1 to Chapter 3, and the consolidation of all provisions addressing discontinuance of service in one subchapter. The primary thrust of most of the proposed amendments is to ensure adequate customer service and consumer protection. Examples of these are proposed amendments to provisions addressing service call scheduling, amendments to the temperature thresholds for the Winter Termination program to provide additional protection from utility shutoffs during hot and cold weather, the expansion of provisions for testing and certification of customer meters and the clarification of provisions for bill adjustments based on meter errors in order to encourage utilities to provide accurate bills. Amendments to Subchapter 2 clarify the responsibility for construction and maintenance of extensions, so as to reduce confusion and conflict between utilities and applicants for extensions. Other amendments will protect public safety. Examples are proposed amendments that increase or shorten deadlines for utility reporting of accidents, new provisions requiring reporting of suspicious acts, and provisions requiring that only qualified personnel work on utility facilities. Proposed deletion of

provisions regarding extensions of cable television service will ensure that the rules are consistent with recent statutory amendments. The amendments will result in clearer rules that will be more accessible to the public, improve consumer protection and increase public safety.

Economic Impact

The rules proposed for readoption with amendments, repeals and new rules are not likely to have a significant economic impact, in that they continue existing requirements that ensure that public utilities provide safe, adequate and proper service at a reasonable rate. Utilities have, of necessity, been incurring expenses in complying with these rules and will do so in the future. These expenses include, but are not limited to, costs for repair, maintenance, replacement, testing, and inspection of plants; hiring and training of employees; leasing and purchasing of offices and facilities; providing customer service; composing, maintaining and submitting records; and administrative costs. Proposed provisions tightening reporting requirements and increasing consumer protections and public safety will likely result in limited increases in utilities' costs. Any utility costs incurred in complying with this chapter, if determined to be reasonable, are recognized by the Board for ratemaking treatment and the utility will therefore recoup these costs through customer charges. The Board believes that the obligations imposed by the rules are reasonable and necessary to ensure that utilities continue to provide safe, adequate and proper service, both on near-term and long-term bases. While the Board may incur some costs in monitoring compliance with the rules, the rules will have no adverse economic impact on the Board. Finally, the reorganization and clarification of the rules will provide a minor economic benefit to utilities and customers by increasing predictability, reducing confusion, and minimizing time spent interpreting the rules.

Federal Standards Analysis

N.J.S.A. 52:14B-1 et seq. requires State agencies that adopt, readopt or amend State rules that exceed any Federal standards or requirements to include in the rulemaking document a Federal standards analysis. The rules proposed for readoption with amendments, new rules and repeals are not promulgated under the authority of, or in order to implement, comply with or participate in any program established under Federal law or under a State statute that incorporate or refers to Federal law, Federal standards, or Federal requirements. Accordingly, the proposed rules do not exceed the standards or requirements imposed by Federal law and are not promulgated to comply with a Federal requirement.

Jobs Impact

The Board anticipates that the rules proposed for readoption with amendments and proposed new rules will not result directly in the creation of new jobs or the loss of existing jobs; however, the continued effective and efficient operation of utilities in New Jersey supports thousands of direct, local, in-state jobs. The income that individuals and families earn from these in-state New Jersey jobs contributes significantly to the New Jersey economy. The proposed rule changes are not expected to have any impact on the number of jobs currently supported by New Jersey utilities. The rules proposed for readoption with amendments and proposed new rules will not have an impact on any other sector of the economy of the State of New Jersey.

Agriculture Industry Impact

The rules proposed for readoption with amendments and proposed new rules will have no impact on the agricultural industry.

Regulatory Flexibility Statement

There are no small businesses, as defined in the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., to which the rules proposed for readoption with amendments and proposed new rules would apply. Additionally, none of the proposed amendments impose any additional reporting, recordkeeping, or other compliance requirements on small businesses. The businesses affected all have more than 100 full-time employees and/or are based outside New Jersey.

Housing Affordability Impact Analysis

The proposed readoption with amendments and proposed new rules will not have an impact on affordable housing in New Jersey. The rules will not evoke a change in the average costs associated with housing since the scope of the rules is limited to the regulation of the utility industry.

Smart Growth Development Impact Analysis

The proposed readoption with amendments and proposed new rules will not function to achieve the goal of smart growth and the implementation of the State Development and Redevelopment Plan. L. 2006, c. 83, N.J.S.A. 48:5A-28h(2), specifically provides that as of November 2, 2006, the Board's smart growth rules no longer apply to the utility industry.

Racial and Ethnic Community Criminal Justice and Public Safety Impact Statement

The proposed readoption with amendments and proposed new rules will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in New Jersey. Accordingly, no further analysis is required.

Full text of the proposed amendments and new rules follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

DRAFT

Chapter 3 - ALL UTILITIES

Subchapter 1 - GENERAL PROVISIONS

14:3-1.1 – Definitions

The following words and terms, when used in N.J.A.C. 14:3 through 14:10 and 14:29, shall have the following meanings, unless the context clearly indicates otherwise:

...

“Cyber Attack” means an attempt to gain unauthorized access with intent to damage, destroy, modify or otherwise harm a computer, network or system.

“Cyber Breach” means a data breach or cyber attack in which sensitive, confidential or otherwise protected information is accessed, disclosed or modified in an unauthorized manner.

“Cyber Intrusion” is a compromise to a computer, network or system, causing it to enter into an insecure state.

...

"Normal business hours" means 9:00 A.M. to 5:00 P.M. weekdays, except for days upon which the Board of Public Utilities is closed for business, including, but not limited to, New Jersey State holidays. A list of New Jersey State holidays can be obtained at [<http://www.state.nj.us/nj/about/facts/holidays.html>] [<https://www.state.nj.us/nj/about/facts/holidays/>].

...

14:3-1.2 - Applicability and scope

(No change)

14:3-1.3 - Tariffs

(No change)

Subchapter 2 – PLANT

14:3-2.1 - Plant construction

(a)-(d) (No change)

1.-2. (No change)

3. For an extension of wastewater service, the utility shall furnish and install a water meter on which to base the amount of usage for wastewater service;

[3]4. For an extension of telecommunications service, either the applicant or the utility shall construct the extension, at the applicant's discretion; and

[4]5. For an extension of electric service, either the applicant or the utility shall construct the extension, at the applicant's discretion.

(e) (No change)

(f) (No change)

1.-2. (No change)

i.-ii. (No change)

iii.(No change)

(A) (No change)

(B) A fire hydrant, if the municipality agrees to add the hydrant to its inventory of public fire hydrants. If the municipality does not agree, the applicant remains the owner of the hydrant, responsible for paying the Board-approved tariff rates for private fire protection service to the utility; [and/or]

(C) Any piping, branches or other infrastructure that will serve structures or properties other than those of the applicant for an extension, either at the time of application or in the foreseeable future; **and/or**

(D) Corporation stop and curb stop, if feasible.

3.-4. (No change)

14:3-2.2 - Inspection of work performed by contractors

To the extent necessary to [assure] **ensure** compliance with safe practices, any construction work performed for a utility by contractors shall be inspected by a qualified representative of the utility before being placed in active service.

14:3-2.3 - Equipment on utility poles

(a) Each utility owning poles shall ensure that any equipment or facilities placed on the poles, including any wire serving a fire alarm, electric distribution or transmission system, [trolley,] light rail, telecommunications, or cable television system; or any other facilities, private or otherwise, are located and attached in accordance with standard industry practice.

(b)–(c) (No change)

14:3-2.4 - Identification of buildings and structures

(No change)

14:3-2.5 - Identification of utility equipment

(a)-(g) (No change)

(h) In the case of structures carrying or supporting overhead [trolley] wires, where there is a double line of such structures, one on each side of the track, such mark need be affixed to but one line of such structures.

14:3-2.6 - Maintenance of plant, equipment and facilities

(No change).

14:3-2.7 - Inspection of property

(No change)

14:3-2.8 - Construction work near utility facilities

(No change)

Subchapter 2A – INFRASTRUCTURE INVESTMENT AND RECOVERY

(No change)

Subchapter 3 - SERVICE

14:3-3.1 - Duty to furnish service

(No change)

14:3-3.2 - Customer applications for service

(a) Applications by a customer for the establishment of service may be made at the utility's office either in person, by regular mail **or via the utility's website**, facsimile transmission, electronic mail, where available, or by telephone. If the utility requires a written application, the application may be subsequently submitted to the customer for signature.

(b) – (h) (No change)

14:3-3.3 - Providing information to customers

(a)-(c) (No change)

(d)1. – 3. (No change)

4. (No change)

i. Extensive advertising by public media, including newspapers, periodicals, television, [and] radio, **and social media**;

ii. – iii (No change)

5. (No change)

(e) (No change)

14:3-3.4 - Deposits for service

(a) (No change)

(b) (No change)

1. (No change)
2. The amount of a deposit shall be calculated [by adding:] **at 2 times the average monthly bill for the previous twelve months; and**
 - i. The average monthly charge for the service for a 12-month service period; and
 - ii. One month's average bill; and]
3. (No change)

(c) (No change)

(d) A utility may require an existing customer to furnish a deposit or increase their existing deposit if the customer fails to pay a bill within [15] **30** days after the due date printed on the bill. The deposit required shall be in an amount sufficient to secure the payment of future bills.

(e)-(j) (No change)

14:3-3.5 - Return of deposits, interest on deposits

(No change)

14:3-3.6 - Access to customer's premises

(a) The utility shall have the right of reasonable access to **the** customer's premises, and to all property on the customer's premises, which is furnished by the utility, at all reasonable times for the purpose of inspection of customer's premises incident to the rendering of service including reading meters; inspecting, testing, [or] repairing, **or conducting markouts, in compliance with the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq., and N.J.A.C. 14:2, also known as the "One-Call rules,"** of its facilities used in connection with supplying the service; or the removal of its property.

(b)-(c) (No change)

14:3-3.7 - Interruptions of service

(a)-(b) (No change)

(c) Telecommunications utilities shall not be subject to (d) through (f) below, but shall instead comply with the service interruption provisions in the Board's telephone rules at N.J.A.C. [14:10-1A.1 4] **14:10-1A.11**.

(d) (No change)

1. (No change)
2. A hospital, as defined at N.J.A.C. 8:43G-1.2;
3. - 4. (No change)

(e) 1.-2. (No change)

3. Gas service is interrupted for two hours or more to 100 customers or more; [and/or]

4. A gas service incident that could cause concern because of coverage by the news media; and/or

[4.] **5.** Service is interrupted for two hours or more to a sufficient number of non-gas customers to meet the applicable threshold in Table A below:

(No change)

(f) (No change)

(g) The utility shall promptly follow up the reporting required in (d) and/or (e) above with a detailed written report that includes all pertinent facts, including the cause of the interruption, the number and locations of customers affected, **the number of critical customers affected, the number of life sustaining/supporting customers affected**, the duration of the interruption, **and** utility actions to correct the interruption and to minimize and/or remedy its effects.

(h)-(i) (No change)

(j) A utility shall perform all reporting required under this section using the forms and procedures prescribed by Board staff, which shall be posted on the Board's website at [<http://www.state.nj.us/bpu/divisions/reliability>] **<https://www.nj.gov/bpu/about/divisions/reliability>**.

(k)-(l) (No change)

14:3-3.8 - Service call scheduling

(a)-(d) (No change)

14:3-3.9 – Reserved

14:3-3.10 – Reserved

Subchapter 3A - DISCONTINUANCE AND RESTORATION OF SERVICE

14:3-3A.1 - Basis of discontinuance of service

(a)-(c) (No change)

(d) When a utility suspends, curtails, or discontinues service for any reason other than nonpayment, the utility shall provide reasonable notice to the customer.[, to the extent reasonably possible.] **Such notice may include, but is not limited to, the use of two or more of the following: mailings, text messages, email, telephone calls, door hangers, and/or physical contact with the customer. The utility shall provide proof of such notice to Board staff upon request.**

(e) (No change)

14:3-3A.2 - Discontinuance for nonpayment

(a) (No change)

1. The customer's arrearage is more than \$ [100.00] **200.00**; and/or

2. (No change)

(b)-(d) (No change)

(e) (No change)

1. Whenever the high temperature is forecast to be 32 degrees Fahrenheit or below during the next 24 hours, [electric and gas] **all** utilities shall not, within any portion of their service territories, disconnect residential service for nonpayment, failure to pay a cash security deposit or guarantee, or failure to comply with the terms of a deferred payment plan. This limit applies to all residential customers, including those eligible for or enrolled in the Winter Termination Program at N.J.A.C. 14:3-3A.5;

2. If a customer is eligible for the Winter Termination Program under N.J.A.C. 14:3-3A.5, [an electric or gas public] **all** [utility] **utilities** shall not discontinue service to the customer from November 15 through March 15, except as provided under N.J.A.C. 14:3-3A.5;

3. If a customer is eligible for the Winter Termination Program and the high temperature is forecast to be [95] **90** degrees Fahrenheit or more at any time during the following 48 hours, [an electric utility] **all utilities** shall not discontinue residential service to a customer for reasons of nonpayment, failure to pay a cash security deposit or guarantee, or failure to comply with a deferred payment agreement;

4.-5. (No change)

(f)-(g) (No change).

(h) Nothing in this section shall relieve the customer of any financial obligation to the [electrical] utility providing the service.

(i) (No change)

(j) The Board may extend the 90-day period in (i) above for good cause. The customer shall request such an extension from Board staff in writing. The request shall be accompanied by an updated document from a licensed medical professional that meets the requirements of (i)2 above. Pending [the Board's consideration and decision]**Board Staff's review of the** [regarding the] request for extension, utility service shall not be discontinued.

(k)-(l) (No change)

14:3-3A.3 - Notice of discontinuance for nonpayment

(a) (No change)

(b) Before sending a notice of discontinuance to the customer for nonpayment of an outstanding past due bill, a utility shall have allowed the customer an initial period of at least **[15] 20** days to pay the bill after the original postmark date of the outstanding bill, except for a water utility customer with fire protection or multi-use service under N.J.A.C. 14:3-3A.4(j). Each notice of discontinuance shall meet all of the following criteria:

1.-2. (No change)

3. The notice shall be postmarked no earlier than **[15] 20** days after the original postmark date of the outstanding bill. In the absence of a postmark for the outstanding past due bill, the burden of proving the original mailing date of the bill shall be upon the utility.

(c)-(e) (No change)

(f) During the heating season, all notices of discontinuance of residential **utility** [electric or gas] services shall be accompanied by a Winter Termination Program fact sheet, printed in both English and Spanish, setting forth all terms and conditions of the Winter Termination Program. [Electric and gas] **The** utilities shall submit drafts of their proposed fact sheets to Board staff no later than October 1 of each year, for approval for use during the following heating season.

(g) (No change)

14:3-3A.4 - Additional notice requirements for discontinuance of residential and special customers

(a)-(g) (No change)

(h) (No change)

1. A statement that the utility is subject to the jurisdiction of the New Jersey Board of Public Utilities; which includes the address and the following telephone numbers for the Board: [(973) 648-2350] **(609) 341-9188** and 1-(800)-624-0241 (toll free);

2.-3. (No change)

(i)-(k) (No change)

14:3-3A.5 - Winter Termination Program [for residential electric and gas service]

(a) [An electric or gas utility] **All utilities** shall not discontinue service during the period from November 15 through March 15 (referred to in this section as the "heating season"), unless otherwise ordered by the Board, to those residential customers who demonstrate at the time of the intended termination that they are:

1.-8. (No change)

(b) [Those residential electric or gas c] **Customers** whose service has been discontinued for non-payment and not reconnected as of November 15, and who are otherwise eligible for protection under the Winter Termination Program, shall be required to make a down payment of up to 25 percent of the outstanding balance as a condition of receiving [electric and/or gas] service during

the current heating season. The customer shall be notified, at the time of enrollment in a budget billing plan as required by (c) below, that the down payment shall represent a maximum required amount and is not to be regarded as a minimum required payment. The utility shall consider the customer's ability to pay in determining the appropriate level of the required down payment, but in no instance shall such required payment exceed 25 percent of the outstanding balance. The utility shall refer to the Board for resolution, all disputes regarding the appropriate amount of down payments.

(c) All [residential electric or gas] customers who are eligible for and seek the protection of the Winter Termination Program shall enroll in a budget billing plan on an annual basis.

(d) All [residential electric or gas] customers who are eligible for and seek the protection of the Winter Termination Program shall make good-faith payments during the heating season, if they have the ability to do so. Said payments shall be equal to the amount that the customer would be required to pay under a budget billing plan, except that the utility shall accept a lesser amount from those customers who do not have the ability to pay.

(e)-(f) (No change)

(g) During the heating season, an [electric or gas] utility shall not request a security deposit or an addition to an existing security deposit from a customer who is eligible for and seeks the protection of the Winter Termination Program.

(h) A n electric or gas] utility may terminate service to a customer who is eligible for the Winter Termination Program in accordance with (i) and (j) below, if said customer connects, disconnects or otherwise tampers with the meters, pipes, wires or conduits of the utility for the purpose of obtaining [electric or gas] service without payment.

(i) No discontinuance shall occur under (h) above until the customer has been afforded all reasonable due process considerations, including an opportunity to be heard. Toward this end, the [electric and gas] utilities shall comply with the following requirements prior to discontinuing service to any customer who has allegedly tampered with the meter or other utility facilities:

1. (No change)

2. Board staff shall have seven days after receipt of said information to complete an impartial and informal investigation of the matter. In the event that a utility comes forward with sufficient credible evidence that shows that the meters, pipes, wires, conduits or attachments through which a customer is thus being furnished with [electric or gas] service have been tampered with, Board staff shall immediately notify the customer and the burden shall shift to the customer to come forward with sufficient evidence to rebut the charges of the utility. Failure to do so will result in a finding that tampering did occur for the purpose of obtaining the utility service without payment and that the customer is responsible for the tampering;

3. Upon a finding by Board staff that tampering did occur, the utility shall give written notification to the customer, by certified mail, return receipt requested; and to the local public

welfare agency and the local municipal health agency, by regular mail, as to the date upon which service to the customer shall be terminated. Said notification shall be made at least seven days prior to the date of the proposed service termination. The utility shall further advise the customer in the written notification that if he or she claims to be dependent on life sustaining equipment, the customer must comply with the procedures for medical emergencies at N.J.A.C. 14:3-3A.2(i) and (j) within the aforementioned seven-day period. Any customer that wishes to dispute a discontinuance based on a finding that tampering has occurred may file a petition with the Board in accordance with N.J.A.C. [1:1-1.5] **14:1-1.5**; and

4. Any relief requested under N.J.A.C. [14:3-3A.2(h)] **14:3-3A.2(i)** regarding medical emergencies shall be reviewed on a case-by-case basis.

(j) (No change)

14:3-3A.6 - Discontinuance of service to tenants

(a)-(b) (No change)

(c) When a landlord-tenant relationship is known to exist, [an electric and/or gas utility] **an electric, gas, water and wastewater public utility**, at the landlord's request, shall send written notice to the landlord that a tenant's [electric or gas] service is being voluntarily or involuntarily discontinued.

(d) When a landlord-tenant relationship is known to exist, [an electric and/or gas utility] **an electric, gas, water and wastewater public utility**, at the landlord's request, shall place the service in the landlord's name if the tenant's [electric and/or gas] **service** is being voluntarily or involuntarily discontinued.

(e) (No change)

14:3-3A.7 - Notification to municipalities of discontinuance of residential gas or electric service

(a) All electric and gas public utilities shall annually notify all municipalities located within their service area that, upon request, they, and/or any enforcing agency enforcing the Uniform Fire Code (N.J.A.C. 5:[18] **70**) within the municipality, will be sent a daily list of the residential customer of record and premises located within the municipality at which gas or electric service was discontinued involuntarily on the preceding day.

(b)-(e) (No change)

14:3-3A.8 - Discontinuance of a residential customer's telephone service

(No change)

14:3-3A.9 - Basis for restoration

(a)-(b) (No change)

(c) If a utility discontinues service to a customer for nonpayment, and the customer has met all requirements in this section for restoration of service, the utility may require a deposit, but shall not require the deposit prior to service restoration. Instead, the utility shall bill the customer for the deposit, and shall allow the customer at least [15] **20** days after the billing for payment of the deposit, or shall make other reasonable payment arrangements with the customer.

(d) The amount of a deposit required for restoration of service shall be determined in accordance with N.J.A.C. [14:3-4] **14:3-3.4**.

Subchapter 4 - METERS

14:3-4.1 - Ownership of meters and equipment

(a)-(c) (No change)

14:3-4.2 - Location of meters

(a) The installation of meters and connections shall be in accordance with N.J.A.C. 14:5, Electric Service; 14:6 Gas Service; [and] 14:9, Water and Wastewater; and standard practice.

(b)-(c) (No change)

14:3-4.3 - Definitions

(No change)

14:3-4.4 - Testing of utility meter testing equipment

(a)-(c) (No change)

(d) A utility shall make its meter testing equipment available at all reasonable times for inspection and/or use by Board staff or its designees. **The meter testing equipment will be located within a reasonable distance from the utility's NJ service area.**

(e) Each utility shall maintain a meter testing shop in its New Jersey service area, the current location of which shall be furnished to the Board's Division of Reliability and Security, where meter testing will occur.

14:3-4.5 - Meter tests at a customer's request

(a) (No change)

(b) A report giving results of such tests shall be made to the customer, and a complete record of such tests shall be kept on file at the office of the utility in accordance with N.J.A.C. 14:3-4.7 [9] [Meter records].

(c)-(e) (No change)

[(f) The Board shall charge a fee of \$ 5.00 for a meter test, payable at the time application is made for the test. This fee is to be retained by the Board if the meter is found to be slow or correct within the allowable limits. If the meter is found to be fast beyond the allowable limits, that is, more than two percent, or in the case of water meters, more than one and one half percent, the utility shall reimburse the customer for the test fee paid.]

14:3-4.6 Adjustment of charges for meter error

(a)-(e) (No change)

(f) In cases of a charge to a customer's account under (d)2 or 3 above, the customer shall be allowed to amortize the payments for a period of time equal to that period of time during which the customer was undercharged. **In cases of debit adjustment to a customer's account, except in cases of theft and tampering, the customer shall be allowed to amortize the payments for a period of time equal to that period of time in which the charges were adjusted. Debit adjustments shall be calculated for a period not to exceed six years for electric, gas and water meters subject to testing by a Board approved scientific sampling technique.**

Subchapter 5 - CONTACTING THE UTILITY

14:3-5.1 - Location of offices

(a)-(b) (No change)

(c) [The] **Each** utility shall file written notice with the Board of any proposed change in the functions of one or more of these offices at least 14 business days prior to the change being made.

(d)-(f) (No change)

(g) Each utility shall advise the Board's Division of Customer Assistance at [(973) 648-4436] **(609)-341-9189** not less than 60 days prior to the relocation of any of its customer call center(s) located in New Jersey. If the utility wishes to relocate a call center outside of New Jersey, the utility shall first demonstrate to Board staff that all customer service representatives at the new location have a thorough understanding of:

1.-2. (No change)

14:3-5.2 - Contacting the utility

(No change)

14:3-5.3 – Reserved

Subchapter 6 - RECORDS AND REPORTING

14:3-6.1 - General provisions for records and reporting

(a)-(b) (No change)

(c) (No change)

1.-3. (No change)

4. N.J.A.C. 14:3-4.[6] **7** requires reporting to the Board regarding meter testing and results;

5.-6. (No change)

7. N.J.A.C. 14:3-6.[6] **8** requires reporting to the Board regarding the telephone systems operated by the utility;

8.-9. (No change)

[10. N.J.A.C. 14:3-10.1 requires reporting to the Board regarding expenditures under a Targeted Revitalization Incentive Program (TRIP).]

(d) [In accordance with N.J.A.C. 14:3-1.4, a] **All** reports and records required under this subchapter shall be provided in the format provided by Board staff or posted on the Board's website at <http://nj.gov/bpu/>, unless otherwise specifically stated in this chapter, or unless format requirements are waived in accordance with [N.J.A.C. 14:3-1.4] **N.J.A.C. 14:1-1.2(b)**.

14:3-6.2 - Plant and operating records

(No change)

14:3-6.3 - Financial and operations reports

(a) Every utility shall file with the Board on or before March 31 of each year, or on or before the due date noted on the report form, a summary of its finances and operations for the preceding calendar year. The summary shall be submitted on forms available from the Board's Division of Audits [at (973) 648-4450] **website page found at <https://nj.gov/bpu/about/divisions/audits/> or by calling 609-292-0628** and shall include the emergency utility contact information required under N.J.A.C. 14:3-5.2(a)3.

(b) Pursuant to N.J.S.A. 48:2-16.3, any public utility that fails to file by March 31 of each year, unless an extension has been granted, is subject to a penalty of \$5 per day thereafter until such report referenced in (a) above is filed.

[(b)c] In special instances utilities may be required to submit reports quarterly and/or monthly as directed by Board staff.

[(c] **d**) A utility may request the Board's Secretary for an extension of up to 30 days for the filing of the report required in (a) above. The request shall state the reason for the extension.

[(d] **e**) Each additional 30-day extension, after an initial extension granted under (c) above, shall require the submission of a separate request under (c) above.

([e] **f**) Should the Board Secretary deem it appropriate to deny a request for the extension of time for filing the report, the utility may petition for the request to be brought before the Board for final consideration.

14:3-6.4 - Accidents-initial reporting

(a) Each utility shall notify the Board's Division of Reliability and Security of any reportable accident immediately, and in no event later than [two] **one** hour[s] after the utility learns of the accident.

(b)1.-3. (No change)

4. Damage to the property of others amounting to more than \$ [5,000]**50,000**; and/or

5. (No change)

(c)-(e) (No change)

14:3-6.5 - Accidents - follow-up reporting

(a) (No change)

(b) [The follow-up accident report shall include all of the information required by the sample accident reporting form available on the Board's website at <http://www.state.nj.us/bpu/divisions/reliability>. The form shall require basic identifying and descriptive information concerning the accident, its causes and consequences, the extent of damage and/or injuries, if any, and persons involved; and shall also include corrective measures the utility plans or has taken and preventive measures the utility has taken or will take to avoid similar accidents in the future.] **The follow-up accident report shall include basic identifying and descriptive information concerning the accident, its causes and consequences, the extent of damage and/or injuries, if any, and persons involved; and shall also include corrective measures the utility plans or has taken and preventive measures the utility has taken or will take to avoid similar accidents in the future.**

(c)-(d) (No change)

14:3-6.6 - Notice of significant natural gas events

(a) In addition to all other applicable reporting requirements in this subchapter, each gas utility shall notify the Board's Division of Reliability and Security immediately, and in no event later than [two hours] **one hour** after the utility learns of any significant natural gas event, as defined at (b) below, occurring in connection with the operation of the gas utility's plant, property or facilities within the State.

(b)-(c) (No change)

14:3-6.7 - Reporting suspicious acts

(a) **After contacting appropriate law enforcement authorities**, [E]each public utility shall report to the Board within six hours of becoming aware of the occurrence of any of the following incidents:

1.-3. (No change)

4. Extensive note-taking, or audio recording, regarding any utility facility; [and]

5. Intentional damage to any utility facilities or equipment. This does not include vehicle accidents, automobile collisions with utility poles, damage to underground facilities by an excavator or other third party, which is reported in accordance with other Board rules, or routine vandalism, such as graffiti or vandalism to utility vehicles[.]; **and**

6. Cyber attack, breach or intrusion.

(b) (No change)

14:3-6.8 - Customer service telephone system report

(a) (No change)

1.-19 (No change)

20. Whether or not telephone answering machines or devices are used and, if so, the hours in which they are used and the departments in which they are used;[and]

21. (No change)

i. (No change)

ii. The information required pursuant to (i) above shall be provided to the Board within 90 days of the effective date of this rule and annually thereafter; **and**[.]

22. A brief description of the surge capacity available for the utility's telephone system during times of large scale service interruptions.

(b)-(c) (No change)

Subchapter 7 - BILLS AND PAYMENTS FOR SERVICE

14:3-7.1 - Billing general provisions

(No change)

14:3-7.2 - Form of bill for metered service

(a) (No change)

(b) (No change)

1.-9. (No change)

10. For each electric and gas utility, a statement of all applicable taxes imposed upon and included in the cost of the energy provided to the customer. The following language is suggested as a model statement to be included on the bill: "Under applicable tax law, the State sales and use tax, **and** corporate business tax[, and Transitional Energy Facility Assessment] are imposed upon the energy which you have used. To obtain the exact amount of tax included in your billing, please contact the utility at the telephone number listed on your bill."

(c)-(d) (No change)

(e) (No change)

1.-2. (No change)

3. When a utility estimates an account for four consecutive billing periods (monthly accounts), or two consecutive billing periods (bimonthly and quarterly accounts), the utility shall mail a notice marked "Important Notice" to the customer on the fifth and seventh months, respectively, explaining that a meter reading must be obtained and said notice shall explain the penalty for failure to complete an actual meter reading. After all reasonable means to obtain a meter reading have been exhausted, including, but not limited to, offering to schedule meter readings for evenings and on weekends, the utility may discontinue service provided at least eight months have passed since the last meter reading was obtained, the Board has been so notified and the customer has been properly notified by prior mailing. If service is discontinued and subsequently restored, the utility may charge a reconnection charge equal to the reconnection charge for restoring service after discontinuance for nonpayment;

i. In the case of estimated bills, a utility shall not bill a customer in excess of 24 months since the last actual reading, unless the utility has taken all necessary actions to read the meter. Refer to N.J.A.C. 14.3-3A.1(d).

4.-6. (No change)

(f) (No change)

14:3-7.3 - Form of bill for unmetered service

(No change)

14:3-7.4 - Method of billing

(a)-(c) (No change)

(d) A utility offering electronic billing to its customers shall provide the same billing information as required in (a) through (c) above and in N.J.A.C. [14:3-7.1 0] **14:3-7.3**. The utility shall advise those customers who opt to receive electronic billing of their right to also receive a paper bill upon request.

14:3-7.5 - Budget billing plans for residential accounts

(a)-(c) (No change)

(d) (No change)

1.-2. (No change)

3. Base rate increases and [levelized energy or levelized gas] **basic generation service or basic gas supply service** adjustment charges actually granted by the Board; and

4. Projected changes in the [levelized energy or levelized gas adjustment] **basic generation service or basic gas supply service** charges.

(e) The utility shall offer all customers the same budget plan year, which will last 10, 11, or 12 months, except that the budget plan year for all residential [electric or gas] customers who seek the protection of the Winter Termination Program shall be 12 months.

(f) (No change)

(g) (No change)

1. (No change)

2. The comparison shall take into account the customer's usage and any rate increases or decreases that have been granted by the Board, including increases or decreases in the [levelized energy or levelized gas adjustment] **basic generation service or basic gas supply service** charges;

3.-5 (No change)

(h)-(k) (No change)

14:3-7.6 - Disputes as to bills

(No change)

14:3-7.7 - Deferred payment agreements

(No change)

14:3-7.8 - Diversion of service

(a)-(c) (No change)

(d) (No change)

1.-3. (No change)

4. The utility shall investigate the alleged diversion within two months of the receipt of the investigation request. Each diversion investigation shall include a meter test conducted in accordance with N.J.A.C. [14:3-4.4] **14:3-4.5**;

5.-12. (No change)

(e)-(j) (No change)

14:3-7.9 - Reserved

14:3-7.10 - Reserved

14:3-7.11 - Reserved

14:3-7.11A - Reserved

14:3-7.12 - Reserved

14:3-7.12A - Reserved

14:3-7.13 - Reserved

14:3-7.14 - Reserved

14:3-7.15 - Reserved

14:3-7.16 - Reserved

14:3-7.17 - Reserved

Subchapter 8 - EXTENSIONS TO PROVIDE REGULATED SERVICES

14:3-8.1 - Scope and applicability

(No change)

14:3-8.1A - Reserved

14:3-8.1B - Reserved

14:3-8.2 - Definitions

In addition to the definitions at N.J.A.C. 14:3-1.1 and N.J.A.C. 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:

...

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

...

["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 (l) of section 6 of 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, 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/>.]

...

["New Jersey State Planning Commission" means the commission established by the State Planning Act, 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 52:18A-201.

"Planning area" has the meaning assigned to the term in the rules of the State Planning Commission at 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.]

...

14:3-8.3 - General requirement to provide extensions

(No change)

14:3-8.4 - Requirement to put certain extensions underground

(No change)

14:3-8.5 - General provisions regarding costs of extensions

(a)-(b) (No change)

(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] **Internal Revenue Code**, in accordance with N.J.A.C. 14:3-8.6.

(d)-(e) (No change)

(f) (No change)

1.-3. (No change)

4. If any portion of a deposit or non-refundable contribution is taxable under [Tax Reform Act of 1986] **Internal Revenue Code** (TRA-86), and the regulated entity has decided to include the TRA-86 tax consequences in the deposit or non-refundable contribution:

i.-iv. (No change)

(g)-(j) (No change)

14:3-8.6 - Deposits, contributions, and refunds - [Tax Reform Act of 1986] Internal Revenue Code

(a) (No change)

1. Collects a deposit or non-refundable contribution that is taxable in whole or in part under the [Tax Reform Act of 1986] **Internal Revenue Code** (TRA-86); and

2. (No change)

(b) (No change)

(c)1.-2. (No change)

3. For a gas or electric regulated entity, calculated using the TRA-86 Gross-up Factor Template posted on the Board's website, [<http://www.state.nj.us/bpu.>]
<https://www.bpu.state.nj.us/>

(d)-(f) (No change)

14:3-8.7 – Reserved

14:3-8.8 - Reserved

14:3-8.9 - Suggested formulae for allocating extension costs-general provisions

(a)-(c) (No change)

(d) (No change)

1. The regulated entity shall estimate the cost of the extension in accordance with the applicable tariff, and shall add the tax consequences incurred by the regulated entity under

the [Tax Reform Act of 1986] **Internal Revenue Code** as a result of receiving the deposit, as detailed in N.J.A.C. 14:3-8.6;

2.-4. (No change)

(e)-(h) (No change)

14:3-8.10 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 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 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] **Internal Revenue Code**, which is addressed in N.J.A.C. 14:3-8.6. This section does not set forth the cost of an extension, but merely governs the allocation of those costs between the utility and the applicant for the extension.

(b)-(h) (No change)

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

N.J.A.C. 14.3-8.10.pdf

14:3-8.11 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 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] **Internal Revenue Code**, which is addressed in N.J.A.C. 14:3-8.6.

(b)-(g) (No change)

14:3-8.12 – Reserved

14:3-8.13 – Enforcement

(No change)

14:3-8.14 [Refunds of contributions paid for extensions built from March 20, 2005 through December 30, 2009, to serve areas not designated for growth] Reserved

[(a) This section governs refunds of contributions paid for extensions built from March 20, 2005 through December 30, 2009, to serve areas not designated for growth. (I/M/O The Board's Main Extension Rules N.J.A.C. 14:3-8.1 Et Seq., Docket No. AX12070601, Dated July 19, 2013 ("July Order").)

(b) Notice to customers shall be as follows:

1. The regulated entities shall provide individual or public final notice, depending upon the specific regulated entity's ability to identify eligible applicants, and consistent with the method used by the regulated entity in complying with the I/M/O The Board's Main Extension Rules N.J.A.C. 14:3-8.1 Et Seq., Docket No. AX12070601, Dated July 19, 2013 (July Order), to notify persons or entities that paid contributions for extensions built to serve areas not designated for growth between March 20, 2005 and December 30, 2009, that they may be entitled to a refund of all, or a portion of the contribution.
2. This final notice of refunds shall be made by all regulated entities, whether by individual or public notice, by February 19, 2016.
3. Each regulated entity must designate a contact person for applicants to contact regarding refund requests.
4. Each regulated entity must post on its website, instructions and contact information for filing for refunds of contributions paid for extensions built from March 20, 2005 through December 30, 2009, to serve areas not designated for growth.

(c) The refund process is as follows:

1. Parties seeking refunds under this section must submit a written request for a refund of their contribution to the regulated entity to which they paid the contribution by no later than December 20, 2016, in order to qualify for said refund. The Board may authorize refunds for requests that are filed after this date, if the Board finds that there is good cause shown.
2. The regulated entity and the party requesting the refund must agree upon the appropriate recipient of the refund, which shall be the person, or entity, that paid the original contribution, or the appropriate successor entity as documented in (c)3 below.
3. Where necessary due to changes in control, ownership, assignment, or bankruptcy, the party requesting the refund must provide sufficient evidence, with supporting affidavits of entitlement to the regulated entity.
4. The regulate entity and the party requesting the refund must agree upon the appropriate amount of the refund. The refund shall be equal to the amount that would have been refunded had the extension been built to serve an area designated for growth under the rules in existence at the time the contribution was paid. Under no circumstances shall a regulated entity refund an amount in excess of a contribution paid to the regulated entity for an extension. The refund amount shall not include interest.

5. The regulated entity may require the party requesting the refund to submit proof of payment of the original contribution prior to issuing the refund. For example, the party requesting the refund may be required to provide a copy of the cancelled check for the contribution, a copy of a receipt from the regulated entity, or a bank record.

6. The party requesting the refund shall agree in writing to hold harmless and indemnify the utility, as to the amount of the refund, against any competing claim for a refund.

7. Within 30 days of receiving a refund claim, the regulated entity shall notify the applicant in writing that they received the claim. This notification shall indicate that the regulated entity accepts the claim and deems it complete or it shall identify any deficiencies in the claim and notify the applicant that they have 60 days to correct any deficiencies in the claim. The regulated entity shall issue refund payments to the applicant within 30 days of deeming a claim to be complete.

8. If the parties cannot agree as to the amount, or appropriate recipient, of a refund, the party requesting the refund may petition the Board for an appropriate remedy pursuant to N.J.A.C. 14:1-1.5(b). Such party must prove that they are entitled to the refund and demonstrate proof of payment of the contribution. The Board will look to the refund formula for extensions in existence at the time of the extension request to determine the amount that would have been refunded if the extension were built to serve an area designated for growth.

(d) Reporting Requirements. Commencing February 19, 2016, and every 180 days thereafter until December 21, 2017, each regulated entity shall file a report with the Board Secretary and the director of the appropriate Board of Public Utilities' division (Water, Energy, or Telecommunications), providing an update on the regulated entity's refund process. Each regulated entity shall complete the below chart and include it in the report. For the "Total disputed refund requests" column, the regulated entity shall provide and identify two dollar amounts in the \$ Amount row, specifically, the total dollar amount requested by the applicants and the total dollar amount that the regulated entity believes is due to the applicants. The report shall also include a narrative describing the status of the regulated entity's refund process.

A	B	C	D	E	F
Total	Total	Total	Total	Total	Total
refunds	requests	refunds	of all	Refunds	disputed
required	for	paid to	refunds	requested,	refund
	refunds	Date	due, but	but not	requests
			not paid	paid (B -	
			(A - C)	- C)	

Quantity
(Number of

refunds, requests,
etc.)
\$ Amount
(Dollar amount of
refunds, requests,
etc.)]

Subchapter 10 - RESERVED

- 14:3-10.1 – Reserved**
- 14:3-10.2 – Reserved**
- 14:3-10.3 - Reserved**
- 14:3-10.4 – Reserved**
- 14:3-10.5 – Reserved**
- 14:3-10.6 – Reserved**
- 14:3-10.7 – Reserved**

Subchapter 12 - UTILITY MANAGEMENT AUDITS

14:3-12.1 – Applicability

(No change)

14:3-12.2 - Initiation of audit

(No change)

14:3-12.3 - Results of audit

(No change)

14:3-12.4 - Implementation of results

(No change)

14:3-12.5 – Reserved

Subchapter 13 - INTEREST ON OVER OR UNDER RECOVERED COST BALANCES UNDER ADJUSTMENT CLAUSES

14:3-13.1 - Scope

(No change)

14:3-13.2 - Definitions

(No change)

14:3-13.3 - Interest calculation on over or under recoveries

(No change)

14:3-13.4 – Reserved

14:3-13.5 - Reserved

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