

ASSEMBLY, No. 288

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ROONEY

1 AN ACT concerning gas and electric public utilities and supplementing  
2 Title 48 of the Revised Statutes.

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

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7 1. a. The Board of Regulatory Commissioners, in fixing just and  
8 reasonable rates for the provision of gas or electricity by a gas or  
9 electric public utility, shall not allow in those rates any  
10 cross-subsidization through unreasonable allocation of the cost of  
11 non-tariff products and services incurred by the public utility in  
12 connection with:

13 (1) the sale or installation by the utility of an energy consuming  
14 product;

15 (2) the provision by the utility of an energy consuming product free  
16 of charge; or

17 (3) the provision by the utility of any maintenance related to an  
18 energy consuming product.

19 b. Nothing in this section shall be deemed to prohibit the  
20 reasonable allocation of the costs of energy conservation programs  
21 that provide a rebate or other incentive to a ratepayer who purchases  
22 an energy efficient product.

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24 2. a. The board shall require each gas or electric utility to submit  
25 a detailed annual report that discloses all costs and expenses  
26 associated with the cost allocation of non-tariff products and services  
27 offered by the utility in connection with:

28 (1) the sale or installation by the utility of an energy consuming  
29 product;

30 (2) the provision by the utility of an energy consuming product free  
31 of charge; and

32 (3) the provision by the utility of any maintenance related to an  
33 energy consuming product.

34 b. The board shall make available to the public summary copies of  
35 the non-proprietary data in the annual reports required pursuant to

1 subsection a. of this section.

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3 3. The board shall adopt, pursuant to the provisions of the  
4 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
5 seq.), rules and regulations to implement the provisions of this act.

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7 4. This act shall take effect 180 days after enactment, but the  
8 Board of Regulatory Commissioners may take such anticipatory  
9 administrative action in advance as shall be necessary for the  
10 implementation of the act.

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13 STATEMENT

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15 This bill would require the Board of Regulatory Commissioners  
16 when setting rates for a gas or electric utility not to allow  
17 cross-subsidization through unreasonable cost allocation of the cost of  
18 the free provision, sale or installation of an energy consuming product,  
19 or of the provision of any service related to an energy consuming  
20 product. The bill would allow the reasonable allocation of the costs  
21 of energy conservation programs that provide a rebate or other  
22 incentive to a ratepayer who purchases an energy efficient product.

23 The bill further requires gas and electric utilities to submit detailed  
24 annual reports disclosing all costs and expenses associated with the  
25 cost allocation of non-tariff products and services offered by the  
26 utilities in connection with the free provision, sale or installation of an  
27 energy consuming product, or with the provision of any service related  
28 to an energy consuming product. The board is required to make  
29 summary copies of the report available to the public, and to adopt  
30 rules and regulations implementing the provisions of the act.

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35 Prevents ratepayer cross-subsidization of certain non-tariff utility  
36 activities through unreasonable cost allocation.