

ASSEMBLY, No. 1678

STATE OF NEW JERSEY

INTRODUCED MARCH 4, 1996

By Assemblymen GARRETT and GREGG

1 **AN ACT** limiting the jurisdiction of the Board of Public Utilities over
2 certain consumer owned water companies and supplementing
3 chapter 2 of Title 48 of the Revised Statutes.

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

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8 1. The provisions of any law, rule, regulation or order to the
9 contrary notwithstanding, with respect to a water company which is
10 exclusively owned and controlled by the consumers it serves, the
11 Board of Public Utilities shall not exercise any jurisdiction or control
12 over the rates, charges or operations of the company; and the approval
13 of the board shall not be required to authorize or validate any
14 mortgage or encumbrance of real property, or the issuance or
15 execution of any evidence of indebtedness by the company, except that
16 the board shall retain its jurisdiction to determine disputes concerning
17 the territory served or to be served by the company.

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19 2. This act shall take effect immediately.

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STATEMENT

22 This bill supplements chapter 2 of Title 48 of the Revised Statutes
23 to limit the jurisdiction of the Board of Public Utilities (hereinafter,
24 "board") over any water company which is exclusively owned and
25 controlled by the consumers it serves.

26 The bill eliminates the board's jurisdiction over rates, charges and
27 operations of such water companies, as well as the requirement of the
28 board's approval for the authorization or validation of any mortgage
29 or encumbrance of real property or the issuance of any evidence of
30 indebtedness of such companies. The bill also stipulates that the board
31 shall retain jurisdiction over disputes concerning the territory served
32 or to be served by such a water company.

33 Under current law (R.S.48:2-13), water companies are included

1 within the scope of public utilities subject to the board's jurisdiction.

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6 Limits jurisdiction of the Board of Public Utilities over certain
7 consumer owned water companies.