

ASSEMBLY, No. 1915

STATE OF NEW JERSEY

INTRODUCED MAY 6, 1996

By Assemblymen COHEN and WISNIEWSKI

1 AN ACT concerning the fixing of rates by the Board of Public Utilities  
2 and supplementing Chapter 2 of 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. The Board of Public Utilities, in determining just and reasonable  
8 rates pursuant to R.S.48:2-21, R.S.48:2-21.1, or section 31 of  
9 P.L.1961, c.198 (C.48:2-21.2), or P.L. 1995, c. 180 (C. 48:2-21.21  
10 et seq.), to be charged by an electric public utility that sells electric  
11 power, shall not take into consideration as part of the rate base or as  
12 any other factor in the rate, or as part of an off-tariff rate agreement,  
13 or as a factor in the rate, or any other charge to the ratepayer, in a  
14 plan for an alternative form of regulation, the costs of a nuclear  
15 electric generating facility which is:

16 a. out of service for maintenance or repairs and not returned to the  
17 commercial production of electricity for six months or longer;

18 b. anticipated to be out of service for six months or longer,  
19 pursuant to notification by the electric public utility in accordance with  
20 notification procedures to be developed by the board; or

21 c. out of service indefinitely and no longer used and useful in the  
22 commercial production of electricity.

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24 2. The board shall, pursuant to the "Administrative Procedure  
25 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate such rules or  
26 regulations as are necessary to effectuate the provisions of this act.

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28 3. This act shall take effect immediately.

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STATEMENT

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33 This bill prohibits the Board of Public Utilities from considering the  
34 costs of a nuclear electric generating plant, in determining just and  
35 reasonable rates, when the facility is: (1) closed for repairs for six  
36 months or longer; (2) anticipated to be closed for repairs for this  
37 amount of time; or (3) closed indefinitely and no longer used and

1 useful for the production of electricity.

2 In a recent case involving the two reactor units at the Salem  
3 generating station, customers of Public Service Electric and Gas  
4 Company and Atlantic Electric have been charged for the facility even  
5 though Unit 1 has been closed by its operators indefinitely and Unit 2  
6 is not expected to be re-started for many months, if at all.

7 This bill is intended to protect the interests of the electric public  
8 utility consumers by not requiring them to pay for electric power from  
9 a generating facility if they do not receive electric power from the  
10 facility.

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15 Prohibits BPU from considering the costs of certain generating plants  
16 in determining rates.