

ASSEMBLY, No. 1993

STATE OF NEW JERSEY

INTRODUCED MAY 13, 1996

By Assemblymen COHEN and WISNIEWSKI

1 AN ACT concerning certain standards and incentives for public
2 utilities, and supplementing 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 is authorized to adopt rules and
8 regulations establishing performance standards, operability ratings and
9 financial incentives for rewarding above-average performance and
10 operability of nuclear electric generating plants, to be used by the
11 board in fixing just and reasonable rates, pursuant to Title 48 of the
12 Revised Statutes, for service provided by nuclear electric generating
13 plants. The rules and regulations adopted pursuant to this section,
14 shall take into account the performance and operability of all other
15 nuclear generating plants in the nation, or the Northeastern region of
16 the nation and may include, but need not be limited to:

17 a. A determination of factors which shall be considered by the
18 board in establishing performance standards and operability ratings,
19 and in determining whether a plant's performance is rated above-
20 average for operability including, but not limited to, outages due to
21 poor construction, ineffective quality control in the construction of the
22 plant, or poor maintenance procedures;

23 b. A determination of factors, which shall not be considered by the
24 board in establishing performance standards and operability ratings,
25 and in determining whether a plant's performance is rated above-
26 average for operability including, but not limited to, planned outages
27 for refueling or scheduled maintenance, or certain other outages as
28 determined by the board which are necessary to comply with
29 regulations issued by the Nuclear Regulatory Commission; and

30 c. A determination of an appropriate rate-making mechanism using
31 graduated increments for the granting of financial incentives to a
32 nuclear electric plant which is rated above-average for operability
33 including, but not limited to, an increase in the rate of return allowed
34 the utility company owning the plant, accelerated depreciation and
35 credits for the amount of avoided costs associated with the plant's
36 above-average rating, or any combination thereof.

