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# NEW JERSEY BOARD OF PUBLIC UTILITIES

## Proposed Amendments N.J.A.C. 14:3, All Utilities

Docket Number: AX09060447

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### **PUBLIC UTILITIES**

#### **BOARD OF PUBLIC UTILITIES**

#### **Rules of Practice, All Utilities**

Proposed Amendments: N.J.A.C. 14:3-1.1, 3A.4 and 7.1

Authorized by: Board of Public Utilities, Jeanne M. Fox, President; Frederick F. Butler, Joseph L. Fiordaliso, Nicholas Asselta and Elizabeth Randall, Commissioners.

Calendar reference: See Summary below for an explanation of exception to calendar requirement.

Authority: N.J.S.A. 48:2-13, 48:2-23, 48:2-24, 48:3-2.3 and 48:3-3.

BPU Docket Number: AX09060447.

Proposal Number: PRN 2009-

Comments may be submitted through November 7, 2009 through either of the following methods:

? Electronically, **in Microsoft WORD format**, or in a format that can be easily converted to WORD, by e-mailing them to the following e-mail address: [rule.comments@bpu.state.nj.us](mailto:rule.comments@bpu.state.nj.us); or

? On paper to:

Kristi Izzo, Board Secretary  
New Jersey Board of Public Utilities  
**Attention Docket Number: AX09060447**  
Two Gateway Center  
Newark, New Jersey 07102

The agency proposal follows:

### **Summary**

The New Jersey Board of Public Utilities is herein proposing amendments to its rules at N.J.A.C. 14:3, which address all utilities. These rules provide basic requirements for all utilities regulated by the Board, which include water, wastewater, electricity, gas, and telephone utilities.

These amendments implement minor process improvements that the Board has determined are necessary based on Board staff's experience in implementing these rules.

In N.J.A.C. 14:3-1.1, the definition of "normal business hours" is proposed to be amended to clarify that a day upon which the New Jersey State government is closed for business is not a "normal business day", even if the reason the State government is closed is not a State holiday. This reflects recent actions by the State to close for business periodically as part of temporary layoff actions.

N.J.A.C. 14:3-3A.3(b) through (d) are reorganized and rephrased to clarify the two-stage process a utility must go through before discontinuing a customer's service, which includes a 15-day initial period after which the utility may issue a notice of discontinuance; followed by a 10-day period within which the customer may avoid shutoff of service by paying the bill.

In N.J.A.C. 14:3-3A.4(j)2, which requires that a water utility notify certain persons of a water shutoff, the address and contact information to which such notice must be provided is updated, and telephone and e-mail contact options are added.

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N.J.A.C. 14:3-7.1(f), which requires that every utility bill state Board jurisdiction and include the Board's telephone number, is proposed for deletion. This provision has resulted in confusion to customers and unnecessary calls to the Board.

The Board has provided a 60-day comment period on the proposal. Therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, the proposal is not subject to provisions at N.J.A.C. 1:30-3.1 and N.J.A.C. 1:30-3.2 governing rulemaking calendars.

### **Social Impact**

The Board believes that the proposed amendments will have a positive social impact in that they address problems Board staff have encountered in implementing the rules, and make the rules more practical and effective in ensuring that New Jersey utility consumers receive safe, adequate, and proper service at reasonable rates.

### **Economic Impact**

The proposed amendments to N.J.A.C. 14:3 are likely to have no economic impact, because they merely update and clarify existing rules.

### **Federal Standards Statement**

Executive Order No. 27 (1994) and N.J.S.A. 52:14B-22 through 24 require 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 proposed amendments 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, Executive Order No. 27 (1994) and N.J.S.A. 52:14B-1 et seq. do not require a Federal Standards Analysis for the proposed amendments.

### **Jobs Impact**

The Board does not anticipate that these proposed amendments will have an impact on jobs in New Jersey, as they merely clarify existing provisions.

### **Agriculture Industry Impact**

The Board does not expect the proposed amendments to N.J.A.C. 14:3 to have an impact on the agriculture industry in New Jersey. Most of the amendments affect only residential customers.

### **Regulatory Flexibility Analysis**

A small business, as defined in the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., is a business that has fewer than 100 employees. These rules apply only to

public utilities that are regulated by the Board, some of which are small businesses. However, because the proposed amendments are limited to minor clarifications of existing rules governing notice of discontinuance of utility service, they will not impose reporting, recordkeeping or other compliance requirements on small businesses. In fact, the removal of the requirement for a statement on all bills at N.J.A.C. 14:3-7.1(f) will reduce compliance requirements.

### **Smart Growth Impact**

The Board anticipates that the proposed amendments will have no impact on either the achievement of smart growth or the implementation of the State Development and Redevelopment Plan. The State Plan is intended to "provide a coordinated, integrated and comprehensive plan for the growth, development, renewal and conservation of the State and its regions" and to "identify areas for growth, agriculture, open space conservation and other appropriate designations." N.J.S.A. 52:18A-199a. Smart growth is based on the concepts of focusing new growth into redevelopment of older urban and suburban areas, protecting existing open space, conserving natural resources, increasing transportation options and transit availability, reducing automobile traffic and dependency, stabilizing property taxes, and providing affordable housing." These rules apply uniformly Statewide and the Board does not expect that they will affect the location of future development. Therefore, the proposed amendments will not impact smart growth or the State Plan.

### **Housing Affordability Impact**

The proposed amendments will have an insignificant impact on affordable housing in New Jersey because the scope of the proposal is limited solely to minor clarifications of existing rules addressing notice of discontinuance of utility service. In addition, there is an extreme unlikelihood that the proposed rule amendments would evoke a change in the average costs associated with housing, because the customer service provisions of these rules do not affect housing prices or the housing market.

### **Smart Growth Development Impact**

The proposed amendments will have an insignificant impact on smart growth in New Jersey because the scope of the proposal is limited solely to minor clarifications of existing rules addressing notice of discontinuance of utility service. In addition, there is an extreme unlikelihood that the proposed rule amendments would evoke a change in housing production within Planning areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan, because the customer service provisions of these rules do not affect housing construction or the housing market.

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

## CHAPTER 3. ALL UTILITIES

### SUBCHAPTER 1. DEFINITIONS AND 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 N.J.A.C. 14:29, shall have the following meanings unless the context clearly indicates otherwise:

...

“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>.

...

### SUBCHAPTER 3A. Discontinuance and restoration of service

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

(a) (No change.)

(b) [The] **Before sending a** notice of discontinuance [sent] to the customer [shall be postmarked no earlier than], **a utility shall allow the customer an initial period of at least 15 days to pay the bill** after the 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). [In the absence of a postmark, the burden of proving the date of mailing shall be upon the utility.] **Each notice of discontinuance shall meet all of the following criteria:**

1. **The notice shall be in writing;**
2. [(c) The notice of discontinuance for nonpayment shall provide the customer with at least 10 days written notice of the utility's intention to discontinue service. The 10 days shall begin on the postmark date of the notice.] This written notice shall be sent by first class mail, apart from the bill and as a separate mailing. However, should a utility find that compliance with this rule would result in financial harm and/or would negatively impact the utility's daily operations, the utility may file a written request for exemption with the Secretary of the Board, setting forth the basis for such request[.] **; and**
3. **The notice shall be postmarked no earlier than 15 days after the postmark date of the outstanding bill. In the absence of a postmark for the outstanding bill, the burden of proving the mailing date of the bill shall be upon the utility.**

(c) The notice of discontinuance for nonpayment shall provide the customer with **an additional period of** at least 10 days [written notice of the utility's intention to discontinue

service] **to pay the outstanding bill**. The 10 days shall begin on the postmark date of the notice **of discontinuance**. [This written notice shall be sent by first class mail, apart from the bill and as a separate mailing. However, should a utility find that compliance with this rule would result in financial harm and/or would negatively impact the utility's daily operations, the utility may file a written request for exemption with the Secretary of the Board, setting forth the basis for such request.]

(d) A new notice shall be served by the utility each time it intends to discontinue service for nonpayment of a bill, except that no additional notice shall be required when, in response to a notice of discontinuance, a customer pays the bill by check and the check is subsequently dishonored. **Each new notice of discontinuance shall meet the same requirements that apply under this section to the initial notice of discontinuance.**

(e) - (g) (No change.)

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

(a) - (i) (No change.)

(j) Each water utility shall provide the following notice to customers with fire protection service or multi-use service, in addition to the other notice required in this section:

1. (No change.)
2. If fire protection service or multi-use service is discontinued, the water utility shall, immediately after the discontinuance, notify via certified mail the parties listed in (j)1 above and in addition **shall provide notice by surface mail, e-mail or telephone to:**

[Customer Service Division  
Insurance Service Office  
Commercial Risk Services  
2 Sylvan Way  
Parsippany, New Jersey 07054]

**Insurance Services Office, Inc.**  
**Customer Service Department**  
**Eastern Regional Processing Center**  
**4 B Eves Drive**  
**Marlton, New Jersey 08053**

**E-Mail: Attention of Mr. Rick Vance, Manager**  
**e-mail address: rvance@iso.com**  
**Phone: 800-444-4554, Option 3 for Customer Service**

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## **SUBCHAPTER 7. BILLS AND PAYMENTS FOR SERVICE**

### **143-7.1 Billing general provisions**

(a) - (e) (No change.)

(f) [Each utility shall ensure that every bill it issues includes the following text, legibly printed in an obvious location: "This utility provides services regulated by the New Jersey Board of Public Utilities, which can be reached at 800-624-0241 and 973-648-2350." This text shall be printed in Arial bold font, at least 18 points in size.] **(Reserved.)**

(g) (No change.)