

responsible employee or agent thereof who willfully violates this chapter, shall be subject to a permit or license suspension, a fine not to exceed \$5,000 per wagering incident, the forfeiture of money or a thing of value obtained by the permit holder, off-track wagering licensee, or account wagering licensee, and such other remedial conditions which the Racing Commission deems appropriate. Where the Racing Commission orders such a forfeiture, it shall cause the proceeds of the forfeiture to be deposited into the State General Fund for appropriation by the Legislature to the Department of Health [and Senior Services] to provide funds for compulsive gambling treatment and prevention programs in the State.

(b) (No change.)

13:74A-6.2 Limitation on liability of the State, Racing Commission, Racing Commission permit holders and licensees

The State of New Jersey, the Department of Law and Public Safety and its employees, the Racing Commission and its employees, permitted racetracks and their employees, the off-track wagering licensee and its employees, [and] the account wagering licensee and its employees, **and the fixed odds wagering licensee and its employees** shall not be liable to any person requesting self-exclusion and [his or her] **the person's** heirs, administrators, **and** executors and assigns for any harm, monetary or otherwise, which may arise out of or by reason of any act or omission relating to the request for self-exclusion or request for removal from the self-exclusion list including: its processing or enforcement; the failure of a New Jersey Racing Commission licensee or permit holder to withhold wagering privileges from, or restore wagering privileges to, a self-excluded person; permitting a self-excluded person to gain entry to and/or wager at a permitted racetrack or off-track wagering facility, or wager through the account wagering system **and/or fixed odds wagering system** while on the self-excluded list; disclosure of the information contained in a self-exclusion application or an individual on the self-exclusion list, except for a willful unlawful disclosure of such information; and the exercise of duties pursuant to the administration or enforcement of [these rules] **this chapter**.

**PUBLIC UTILITIES**

(a)

**BOARD OF PUBLIC UTILITIES**

**ALL UTILITIES**

**Proposed Readoption with Amendments: N.J.A.C. 14:3**

**Proposed Repeal: N.J.A.C. 14:3-8.14**

Authorized By: New Jersey Board of Public Utilities, Joseph L. Fiordaliso, President, Mary-Anna Holden, Dianne Solomon, Upendra Chivukula, and Robert M. Gordon, Commissioners.

Authority: N.J.S.A. 48:2-13; 48:2-16, 16.1, 16.2, 16.3, 16.4, 17, 20, 23, 24, 25, and 27; 48:3-2.3, 3, 4, and 7.8; and 48:19-17.

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

BPU Docket Number: AX21070998.

Proposal Number: PRN 2022-020.

The deadline for comments on this proposal is 5:00 P.M., on April 23, 2022.

Please submit comments directly by using the Board's Public Document Search tool, search for the specific docket listed above, and post by utilizing the "Post Comments" button. Written comments may also be submitted. Please include subject matter and docket number and submit to:

Aida Camacho-Welch  
Secretary of the Board  
44 South Clinton Ave., 1st Floor  
PO Box 350  
Trenton, NJ 08625-0350  
Attn: BPU Docket Number: AX21070998

Email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)  
Phone: 609-292-1599

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting it in accordance with the confidentiality procedures set forth at N.J.A.C. 14:1-12.3.

The agency proposal follows:

**Summary**

The Board of Public Utilities (Board) is proposing to readopt its rules at N.J.A.C. 14:3, which provide basic requirements for all utilities regulated by the Board, including water, wastewater, electric, gas, and telephone utilities, in such areas as the construction of utility facilities, the discontinuance and restoration of service, utility billing, and meter testing. Pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 14:3 were scheduled to expire on February 11, 2022. As the Board filed this notice of readoption on or prior to this date, the expiration date is extended 180 days to August 10, 2022, pursuant to N.J.S.A. 52:14B-5.1.c(2). N.J.A.C. 14:3 is necessary and appropriate in that the rules will ensure that New Jersey utility customers will receive safe, adequate, and proper service at reasonable rates. The rules proposed for readoption contain substantial and technical amendments and reflect changes in technology and utility practices. It should be noted that, throughout the chapter, minor clarifying and/or technical amendments are proposed that do not change the meaning of the text.

A summary of N.J.A.C. 14:3 follows:

Subchapter 1. Definitions and General Provisions

N.J.A.C. 14:3-1.1 contains definitions of general applicability. Definitions for "attempted cyber intrusion," "corporation stop," "curb stop," "cyber attack," "cyber breach," "cyber intrusion," and "utility computer system" have been added. The website link for State holidays has been updated in the definition of "normal business hours." The website link for "Regulations to Govern the Preservation of Records of Electric, Gas, and Water Utilities" is updated. The definition of "Class A water utility" is proposed for amendment to update the reference of 1985 to 2007.

N.J.A.C. 14:3-1.2 sets forth the scope and purpose of the subchapter.

N.J.A.C. 14:3-1.3 addresses requirements for tariffs.

Subchapter 2. Plant

N.J.A.C. 14:3-2.1 provides requirements that a utility must follow when constructing utility plant and facilities including the building of extensions. N.J.A.C. 14:3-2.1(d) sets forth the responsibility for the portion of an extension located on the property to be served. N.J.A.C. 14:3-2.1(d)2 sets forth requirements for extensions of water service and wastewater service, which remain unchanged. But for the extension of wastewater service to a premise served by a water distribution utility pursuant to proposed new paragraph (d)3, a requirement for utilities to furnish and install a water meter on which to base the amount of usage has been added. At proposed new paragraph (d)4, a requirement has been added for the purposes of determining wastewater service. It requires the utility to install a meter when the premise is served by a well. However, if the installation of a meter on a well is not feasible and practical, it requires the wastewater service billing to be based on a flat rate basis. In addition, for water and wastewater services at proposed new sub-paragraph (f)2iii(D), a requirement for utilities to own and maintain corporation stops and curb stops, if feasible, on the roadside utility right-of-way of the property has been added.

N.J.A.C. 14:3-2.2 requires utilities to inspect any work performed by the utility's contractors to ensure compliance with safe practices. The word "assure" has been replaced with "ensure."

N.J.A.C. 14:3-2.3 sets forth requirements for equipment mounted on utility poles. The word "trolley," at subsection (a), has been deleted.

N.J.A.C. 14:3-2.4 requires utilities to display their names on their structures.

N.J.A.C. 14:3-2.5 requires that utilities place identifying marks on their equipment. The word "trolley," at subsection (h), has been deleted.

N.J.A.C. 14:3-2.6 requires utilities to maintain their facilities. No changes are proposed.

N.J.A.C. 14:3-2.7 requires utilities to inspect their facilities and take corrective action where necessary.

N.J.A.C. 14:3-2.8 addresses work by non-utility personnel on or around utility facilities and requires that only utility employees or other qualified persons work on utility equipment when the equipment is in use serving customers.

#### Subchapter 2A. Infrastructure Investment and Recovery

N.J.A.C. 14:3-2A.1 sets forth the purpose, scope, and general provisions of the Infrastructure Investment Program (Program).

N.J.A.C. 14:3-2A.2 sets forth project eligibility.

N.J.A.C. 14:3-2A.3 addresses annual baseline spending levels.

N.J.A.C. 14:3-2A.4 addresses Program length and limitations.

N.J.A.C. 14:3-2A.5 governs Program minimum filing and reporting requirements.

N.J.A.C. 14:3-2A.6 governs Program expenditure recovery.

#### Subchapter 3. Service

N.J.A.C. 14:3-3.1 sets forth a utility's basic duty to provide safe, adequate, and proper service, and to conserve resources.

N.J.A.C. 14:3-3.2 pertains to customer applications for utility service. Subsection (a), as proposed for amendment, enables customers to submit applications for the establishment of service through the utility's website.

N.J.A.C. 14:3-3.3 sets forth information that the utility is required to provide to customers and describes means of providing that information. The proposed amendment at N.J.A.C. 14:3-3.3(d) would require utilities to provide customers with information on the furnishing and performance of service in a manner that tends to conserve water resources in addition to the information that the utility is presently required to provide. The proposed amendment at N.J.A.C. 14:3-3.3(d) would require utilities to inform customers that the information on the furnishing and performance of service shall be distributed to the public through social media, as well as other advertising means.

N.J.A.C. 14:3-3.4 sets forth provisions concerning deposits the utility may require from applicants for service. At subsection (b), language concerning the calculation of deposits has been simplified. In addition, at N.J.A.C. 14:3-3.4(d), a utility may require an existing customer to furnish a deposit or to increase the deposit if the customer fails to pay a bill within 15 days of the printed due date. This reference to 15 days is proposed to be increased to 30 days.

N.J.A.C. 14:3-3.5 sets forth provisions concerning interest on deposits and the return of deposits to customers.

N.J.A.C. 14:3-3.6 sets forth provisions concerning the right of the utility, or its designated contractor, to access a customer's premises. Language describing the utilities' right of reasonable access for the purpose of conducting utility markouts in accordance with the Underground Facility Protection Act and the One-Call rules has been added.

N.J.A.C. 14:3-3.7 addresses utility responsibilities regarding interruptions of service. The cross-references to the Board's telephone rules have been updated. Proposed new paragraph (e) would require utilities to timely report, to the Board, gas service incidents that could cause concern due to news media coverage. At subsection (g), language is proposed to require utilities to indicate, in their detailed follow-up report, the number of critical customers affected and the number of customers relying on life-sustaining and supporting equipment affected. The website for forms and procedures has been updated at subsection (j).

N.J.A.C. 14:3-3.8 addresses utility responsibilities regarding the scheduling of service calls.

#### Subchapter 3A. Discontinuance and Restoration of Service

N.J.A.C. 14:3-3A.1 governs the basis for a utility to discontinue a customer's service. Subsection (d), as proposed for amendment, clarifies the reasonable notice that must be provided to the customer when a utility suspends, curtails, or discontinues service for any reason other than nonpayment.

N.J.A.C. 14:3-3A.2 governs discontinuance of a customer's service, specifically, because of nonpayment of charges. The proposed amendment at paragraph (a)1, alters one of the criteria for determining whether a utility may discontinue service when the customer is in arrears by increasing the minimum arrearage amount from \$100.00 to \$200.00.

Existing subsection (d) sets forth notification requirements for electric and gas utilities discontinuing service for nonpayment, which are unchanged. Subsection (e) presently includes provisions that prohibit gas and electric utilities from discontinuing service to customers under specific circumstances when temperatures reach extreme highs, extreme lows, and from November 15 through March 15. The proposed amendments at paragraph (e)3 lower the trigger for the prohibition against service discontinuance from 95 degrees Fahrenheit to 90 degrees Fahrenheit. References to electric and gas utilities at subsections (d), (e), and (h) have been amended, so that these prohibitions now apply to all electric, gas, water, and wastewater utilities. The proposed amendment at subsection (j) would allow Board staff, rather than the Board, to review requests for extensions of the 90-day prohibition on discontinuances due to a medical emergency within a residential premise.

N.J.A.C. 14:3-3A.3 governs utility notice of discontinuance of a customer's service for nonpayment. The proposed amendment at subsection (b) would require utilities to allow customers an initial period of at least 20 days to pay the utility bill after the original postmark date of the outstanding bill or electronic transmission date for customers on electronic billing before the utility would be permitted to send a notice of discontinuance (rather than the previous 15 days to pay). Subsection (f) provides that an electric or gas utility must include a Winter Termination Program fact sheet with all notices of discontinuance. References to electric or gas (or electric and gas) services at modified subsection (f) have been changed to "electric, gas, water, and wastewater utility" services, so that this provision now applies to all of these utilities.

N.J.A.C. 14:3-3A.4 provides additional notice requirements for discontinuance of residential and special customers. The reference to "electric and gas utilities" at subsection (d) has been changed to "all utilities," so that this provision now applies to all utilities. Additionally, at subsection (d), the reference to "water or wastewater" in the final sentence is proposed for deletion, therefore, this subsection would apply to water and/or wastewater utilities upon adoption. The telephone number for the Board at paragraph (h)1 has been updated.

N.J.A.C. 14:3-3A.5 sets forth the conditions of the Winter Termination Program applicable to residential gas and electric service. References to electric and gas utilities or residential electric and gas customers throughout the section have been amended to include all electric, gas, water, and wastewater utilities and applicable electric, gas, water, or wastewater residential customers. This change extends the Winter Termination Program, which, under certain circumstances, prohibits the discontinuance of service for residential customers from November 15 through March 15 by all electric, gas, water, and wastewater utilities. A provision has been added to subsection (f) to require recipients of low-income water assistance (LIWAP) to forward their benefits to their water or wastewater utility, in addition to the current requirements. Cross-references to the Board's rules at paragraphs (i)3 and 4 regarding relief requested for medical emergencies have been updated.

N.J.A.C. 14:3-3A.6 governs the discontinuance of electric, gas, water, and wastewater services to tenants. Language concerning electric and/or gas utilities has been changed to "electric, gas, water, and wastewater public utility." This change extends to water and wastewater utilities, the requirements regarding notices to landlords and placing service in the landlord's name when a tenant's service is discontinued.

N.J.A.C. 14:3-3A.7 governs notice to municipalities of discontinuance of residential gas and electric service. The cross-reference to the Uniform Fire Code at subsection (a) has been corrected.

N.J.A.C. 14:3-3A.8 governs discontinuance of basic residential telephone service.

N.J.A.C. 14:3-3A.9 provides conditions for restoration of service after discontinuance. The proposed amendment at subsection (c) would require the utility to allow the customer at least 20 days, rather than 15 days, after the billing for payment of the deposit. The cross-reference to the rules regarding the amount of a deposit required for the restoration of service has been updated. Proposed new subsection (e) would require the utility to reconnect residential customers who can demonstrate that they have applied for an energy assistance program, or a water assistance program and they have made a down payment of up to 25 percent of the outstanding balance consistent with N.J.A.C. 14:3-3A.5(b).

Subchapter 4. Meters

N.J.A.C. 14:3-4.1 addresses ownership of meters and other utility equipment.

N.J.A.C. 14:3-4.2 addresses the location of meters.

N.J.A.C. 14:3-4.3 includes definitions of terms used in the subchapter.

N.J.A.C. 14:3-4.4 sets forth the requirements for the testing of equipment that a utility uses to test customer meters, including equipment used to calibrate the meter testing equipment. Proposed new subsection (e) would require utilities to report the locations of all meter shops that test the meters of New Jersey customers. Shops outside of the service area are subject to Board inspection and Board approval. Shops outside of the State that test New Jersey customer meters would be subject to inspection by Board staff at the utility's expense.

N.J.A.C. 14:3-4.5 provides for a utility or a Board inspector to test a meter at the customer's request. The proposed amendment at subsection (e) would require the Board inspector to witness the utility's test of the customer's meter upon application by the customer and clarify that the utility is responsible for the cost of the meter test. The cross-reference to the Board's rules at subsection (b) has been updated. Subsection (f), which requires the Board to charge customers \$5.00 for a meter test, is proposed to be deleted.

N.J.A.C. 14:3-4.6 addresses the adjustment of charges for meter error. The proposed amendment at subsection (f) would clarify the adjustment of charges for meter error and the customer's amortization of payments in cases of adjustment to a customer's account.

N.J.A.C. 14:3-4.7 requires meter test reports and recordkeeping.

N.J.A.C. 14:3-4.8 governs the assessment of charges for meter replacement.

Subchapter 5. Contacting the Utility

N.J.A.C. 14:3-5.1 governs the location of utility offices. The phone number for the Board's Division of Customer Assistance has been updated, and a word change at subsection (c) from "the utility shall file" to "each utility shall file" has been proposed.

N.J.A.C. 14:3-5.2 governs how a utility must make itself accessible to customers.

Subchapter 6. Records and Reporting

N.J.A.C. 14:3-6.1 addresses the location of records and types of reporting required pursuant to this chapter. Cross-references to the Board rules have been updated. Paragraph (c)10, which concerns reporting to the Board regarding expenditures under a Targeted Revitalization Incentive Program, is proposed to be deleted as this program was eliminated several years ago.

N.J.A.C. 14:3-6.2 pertains to recordkeeping regarding utility infrastructure and its operation. References to designated growth areas and areas not designated for growth are proposed to be deleted from subsections (g) and (h). In *In re Centex Homes, LLC Petition for Extension of Serv.*, 411 N.J. Super. 244 (2009), the Superior Court of New Jersey, Appellate Division invalidated, as *ultra vires*, the Board's Main Extension Rules, N.J.A.C. 14:3-8.1 through 8.13 because they required utility companies to pay for the extension of utility lines to new homes in designated smart growth areas, but forced the developer or the homeowner to absorb that cost in areas not so designated. Thus, the Board needed to remove the distinction and order the utilities to refund those who paid more for their extensions. The Board eliminated the distinction in accordance with the Court's decision and promulgated N.J.A.C. 14:3-8.14 to permit the refunds. Consequently, the refunds are done and the Board is repealing N.J.A.C. 14:3-8.14 and deleting any remaining language and definitions.

N.J.A.C. 14:3-6.3 pertains to financial and operations reports. Contact information at subsection (a) has been updated. Proposed new subsection (b) would set a \$5.00 penalty per day for a utility's failure to file a report referenced at subsection (a) by March 31 of each year, unless an extension has been granted. This is consistent with N.J.S.A. 48:2-16.3.

N.J.A.C. 14:3-6.4 details the requirement for utilities to notify the Board's Division of Reliability and Security of certain accidents immediately, and in no event, later than two hours, after the utility learns of the accident. The proposed amendment at subsection (a) would reduce the required reporting time from two hours to one hour. The criterion for reportable events include damage to the property of others amounting to

\$5,000 at paragraph (b)4. The proposed amendment would reflect the correct criterion to \$122,000. This amount is consistent with the Code of Federal Regulations, 49 CFR 191.3.

N.J.A.C. 14:3-6.5 pertains to written follow-up utility reporting on certain accidents. The language at subsection (b), that concerns the contents of a follow-up accident report, is proposed to be replaced and simplified.

N.J.A.C. 14:3-6.6 sets forth requirements that natural gas utilities report significant natural gas events to the Board's Division of Reliability and Security. The proposed amendment at subsection (a) would require each gas utility to notify the Division of Reliability and Security of a significant natural gas event in no event later than one hour after the utility learns of the event, rather than two hours.

N.J.A.C. 14:3-6.7 sets forth requirements that utilities record and report suspicious acts to the Board. Proposed new paragraphs (a)6 and 7 would add cyber attacks resulting in outages and/or service issues, confirmed breaches, confirmed intrusions, and attempted cyber intrusions to the list of reportable suspicious acts.

N.J.A.C. 14:3-6.8 sets forth the requirements for utility customer service telephone system reports. Proposed new paragraph (a)22 would require utilities to timely submit to the Board a brief description of the surge capacity available for the utility's telephone system during large-scale service interruptions.

Subchapter 7. Bills and Payments for Service

N.J.A.C. 14:3-7.1 details general billing provisions.

N.J.A.C. 14:3-7.2 sets forth the form and contents of bills for metered service. The section's reference to the Transitional Energy Facility Assessment is proposed for deletion because it is no longer relevant. Proposed new subparagraph (e)3i, which concerns estimated billing, would bar utilities from billing a customer in excess of 24 months since the last actual reading of the meter, unless the utilities took all necessary actions to read the meter.

N.J.A.C. 14:3-7.3 details the form and contents of bills for unmetered service.

N.J.A.C. 14:3-7.4 sets forth methods of billing. A cross-reference to the Board's rules has been updated.

N.J.A.C. 14:3-7.5 provides for budget billing plans for electric, gas, water, and wastewater residential customers. "Basic generation service or basic gas supply service" has replaced outdated references to "levelized energy or levelized gas adjustment" throughout. At subsection (e), the requirement that the budget plan year for all residential electric or gas customers who seek the protection of the Winter Termination Program shall be 12 months has been amended to apply to residential customers of all utilities.

N.J.A.C. 14:3-7.6 addresses methods for resolving disputes regarding bills.

N.J.A.C. 14:3-7.7 addresses deferred payment agreements for residential customers.

N.J.A.C. 14:3-7.8 pertains to diversion of residential service. A cross-reference to the Board's rules has been updated.

Subchapter 8. Extensions to Provide Regulated Services

N.J.A.C. 14:3-8.1 describes the scope and applicability of the subchapter.

N.J.A.C. 14:3-8.2 sets forth definitions of terms used in this subchapter. The following terms and definitions are proposed to be deleted: "area not designated for growth," "center designation" or "designated center," "designated growth area," "New Jersey State Planning Commission," "Office of Smart Growth," and "planning area." See the Superior Court of New Jersey, Appellate Division case *In re Centex Homes, LLC Petition for Extension of Serv.*, 411 N.J. Super. 244 (2009) that invalidated as *ultra vires* the Board's Main Extension Rules, N.J.A.C. 14:3-8.1 through 8.13, as discussed above.

N.J.A.C. 14:3-8.3 addresses how an applicant applies for an extension of services and the utilities' obligations regarding extensions.

N.J.A.C. 14:3-8.4 describes when an extension may be overhead and when it must be placed underground.

N.J.A.C. 14:3-8.5 sets forth general provisions that apply to the costs of extensions. References to "Tax Reform Act of 1986" have been replaced with "Internal Revenue Code."

N.J.A.C. 14:3-8.6 addresses deposits or non-refundable contributions that are taxable. References to “Tax Reform Act of 1986” have been replaced with “Internal Revenue Code.” The website at paragraph (c)3 has been updated.

N.J.A.C. 14:3-8.7 and 8.8 are reserved.

N.J.A.C. 14:3-8.9 sets forth the general requirements for applying the suggested formula for allocating the costs of an extension. References to “Tax Reform Act of 1986” have been replaced with “Internal Revenue Code.”

N.J.A.C. 14:3-8.10 addresses how Board staff will apply the suggested formula to extensions (except for those serving only a single residential customer). References to “Tax Reform Act of 1986” have been replaced with “Internal Revenue Code.”

N.J.A.C. 14:3-8.11 addresses how Board staff will apply the suggested formula to extensions that will serve a single residential customer. References to “Tax Reform Act of 1986” have been replaced with “Internal Revenue Code.”

N.J.A.C. 14:3-8.12 is reserved.

N.J.A.C. 14:3-8.13 provides for penalties and other enforcement action for non-compliance with the subchapter.

N.J.A.C. 14:3-8.14 governs refunds of contributions paid for extensions built from March 20, 2005, through December 30, 2009, to serve areas not designated for growth. The section is proposed for repeal, as the deadlines for all requirements pursuant to this section passed several years ago. See the Superior Court of New Jersey, Appellate Division case *In re Centex Homes, LLC Petition for Extension of Serv.*, 411 N.J. Super. 244 (2009) that invalidated, as *ultra vires*, the Board’s Main Extension Rules, N.J.A.C. 14:3-8.1 through 14:3-8.13, as discussed above.

Subchapter 9, 10, and 11 are reserved.

#### Subchapter 12. Utility Management Audits

N.J.A.C. 14:3-12.1 sets forth the applicability of the subchapter.

N.J.A.C. 14:3-12.2 provides for the Board to order an audit.

N.J.A.C. 14:3-12.3 allows for utility review of and comment on audit findings.

N.J.A.C. 14:3-12.4 addresses the implementation of audit results.

#### Subchapter 13. Interest on Over or Under Recovered Cost Balances Under Adjustment Clauses

N.J.A.C. 14:3-13.1 sets forth the scope of the subchapter.

N.J.A.C. 14:3-13.2 includes definitions for the subchapter.

N.J.A.C. 14:3-13.3 describes the method for calculating the interest on over recoveries under certain adjustment clauses.

As the Board has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

#### **Social Impact**

The rules proposed for readoption with amendments and a repeal at N.J.A.C. 14:3 will have a beneficial social impact because they will continue and improve basic requirements that ensure that New Jersey utility consumers receive safe, adequate, and proper service at reasonable rates. The primary thrust of most of the proposed amendments is to ensure adequate customer service and consumer protection. Examples of these include the proposed expansion of provisions for testing and certification of customer meters, and the clarification of provisions for bill adjustments based on meter errors to encourage utilities to provide accurate bills. In addition, amendments are proposed to the Winter Termination Program, which: 1) extend the protection from utility shutoffs in the winter from just applying to residential natural gas and electric customers to applying to residential natural gas, electric, water, and wastewater customers; 2) extend the protection from utility shutoffs in the summer from just applying to residential electric customers to applying to residential natural gas, electric, water, and wastewater customers; and 3) lower the temperature that triggers the disallowance of shutoffs in the summer. Amendments at Subchapter 2 clarify when a water utility must provide a meter on which to base the amount of usage for wastewater service and when it can use a flat rate. They also require that for an extension of water or wastewater treatment service, the utility shall own and maintain the corporation stop and curb stop (shut off valves), if feasible, so as to reduce confusion and conflict between utilities and applicants for extensions.

Other amendments will protect public safety. Examples are proposed amendments that increase or shorten deadlines for utility reporting of accidents, new provisions requiring that service interruptions include the number of critical customers affected and the number of customers relying on life sustaining/supporting equipment affected and the reporting of cyber attacks and attempted cyber intrusions. The amendments will result in clearer rules that will improve consumer protection, and increase public safety.

#### **Economic Impact**

The rules proposed for readoption with amendments and a repeal are not likely to have a significant economic impact, in that they continue existing requirements that ensure that public utilities provide safe, adequate, and proper service at a reasonable rate. Utilities have been incurring expenses in complying with these rules and will continue to do so in the future. These expenses include, but are not limited to, costs for repair, maintenance, replacement, testing, and inspection of plants; hiring and training of employees; leasing and purchasing of offices and facilities; providing customer service; composing, maintaining, and submitting records; and administrative costs. Proposed provisions tightening reporting requirements and increasing consumer protections and public safety will likely result in limited increases in utilities’ costs. Any utility costs incurred in complying with this chapter, if determined to be reasonable, are recognized by the Board for ratemaking treatment and the utility will, therefore, recoup these costs through customer charges. The Board believes that the obligations imposed by the rules are reasonable and necessary to ensure that utilities continue to provide safe, adequate, and proper service, both on near-term and long-term bases. While the Board may incur some costs in monitoring compliance with the rules, the rules will have no adverse economic impact on the Board. Finally, the reorganization and clarification of the rules will provide a minor economic benefit to utilities and customers by increasing predictability, reducing confusion, and minimizing time spent interpreting the rules.

#### **Federal Standards Analysis**

N.J.S.A. 52:14B-1 et seq., requires 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 rules proposed for readoption with amendments and a repeal 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 incorporates or refers to Federal law, Federal standards, or Federal requirements. Accordingly, the rules do not exceed the standards or requirements imposed by Federal law and are not promulgated to comply with a Federal requirement.

#### **Jobs Impact**

The Board anticipates that the rules proposed for readoption with amendments and a repeal will not result directly in the creation of new jobs or the loss of existing jobs; however, the continued effective and efficient operation of utilities in New Jersey supports thousands of direct, local, in-State jobs. The income that individuals and families earn from these in-State New Jersey jobs contributes significantly to the New Jersey economy. The proposed amendments are not expected to have any impact on the number of jobs currently supported by New Jersey utilities. The rules proposed for readoption with amendments and a repeal will not have an impact on any other sector of the economy of the State of New Jersey.

#### **Agriculture Industry Impact**

The rules proposed for readoption with amendments and a repeal will have no impact on the agricultural industry.

#### **Regulatory Flexibility Statement**

There are no small businesses, as defined in the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., to which the rules proposed for readoption with amendments and a repeal would apply. The businesses affected all have more than 100 full-time employees and/or are based outside New Jersey.

#### **Housing Affordability Impact Analysis**

The proposed readoption with amendments and a repeal will not have an impact on the affordability of housing in New Jersey. The rules will

not evoke a change in the average costs associated with housing since the scope of the rules is limited to the regulation of the utility industry.

**Smart Growth Development Impact Analysis**

The proposed readoption with amendments and a repeal will not function to achieve the goal of smart growth and the implementation of the State Development and Redevelopment Plan in New Jersey. N.J.S.A. 48:5A-28(h)2, specifically provides that as of November 2, 2006, the Board’s smart growth rules no longer apply to cable television companies. Since the scope of the rules is limited to the regulation of the utility industry, there is an extreme unlikelihood that the rules proposed for readoption with amendments and a repeal would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The rules proposed for readoption with amendments and a repeal will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in New Jersey. Accordingly, no further analysis is required.

**Full text** of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 14:3.

**Full text** of the rule proposed for repeal may be found in the New Jersey Administrative Code at N.J.A.C. 14:3-8.14.

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

SUBCHAPTER 1. GENERAL PROVISIONS

14:3-1.1 Definitions

The following words and terms, when used [in] at N.J.A.C. 14:3 through 14:10 and 14:29, shall have the following meanings, unless the context clearly indicates otherwise:

“Attempted cyber intrusion” means an unsuccessful attempt to commit a cyber intrusion:

1. By actions determined to be intentionally malicious;
2. Directed specifically at a utility computer system;
3. Persistent or otherwise determined to specifically target a utility computer system;
4. If successful, would have resulted in a potential misoperation of an industrial control system (ICS) or would have resulted in a direct exposure of data protected pursuant to N.J.S.A. 56:8-163; and
5. That is not the result of normal operations, unanticipated effects of a change made to a system, failure of a component, or other actions that are reasonably understood to be non-malicious or unintentional.

... “Class A water utility” means a public utility that meets the definition of “class A water utility” in the National Association of Regulatory Utility Commissioners’ (NARUC) [1985] 2007 “Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities,” incorporated herein by reference, as amended or supplemented, available at [www.naruc.org](http://www.naruc.org) <https://maxxwww.naruc.org/forms/store/ProductFormPublic/regulations-to-govern-the-preservation-of-records>.

“Corporation stop” means the fitting inserted in the distribution main to which the service pipe is attached. It is used for shutting off the water in case of repairs to the service pipe.

“Curb stop” means the fitting attached to the service pipe at the curb, for turning on and shutting off water in emergencies or for purposes of repair.

... “Cyber attack” means an attempt to gain unauthorized access by bypassing or defeating the access controls of the computer, network, or system, with the intent to damage, destroy, modify, or otherwise harm a computer, network, or system.

“Cyber breach” means a data breach or cyber attack, confirmed by the utility company, in which sensitive, confidential, or otherwise protected information is accessed, disclosed, or modified in an unauthorized manner.

“Cyber intrusion” means a successful, intentional, malicious bypass, or compromise of one or more security controls of a utility computer system resulting in:

1. A breach or degradation of the confidentiality, integrity, or availability of the system;
2. An otherwise-authorized user exceeding authorized levels of access; or
3. Malicious exposure of data protected pursuant to N.J.S.A. 56:8-163.

... “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> <https://www.state.nj.us/nj/about/facts/holidays/>.

... “Utility computer system” means any combination of hardware, software, and related services, including industrial control systems (ICS) that could affect a New Jersey utility consumer or system that stores information related to New Jersey utility consumers and is protected pursuant to N.J.S.A. 56:8-163.

SUBCHAPTER 2. PLANT

14:3-2.1 Plant construction

(a)-(c) (No change.)

(d) When an extension, as defined at N.J.A.C. 14:3-8.2, is constructed underground, the responsibility for construction of the portion of the extension located on the property to be served shall be as follows:

1.-2. (No change.)

3. For an extension of wastewater service to a premise served by a water distribution system, the utility shall furnish and install a water meter on which to base the amount of usage for wastewater service;

4. For an extension of wastewater service to a premise that is served by a well, the utility shall make a reasonable effort to install a water meter on said well for purposes of determining wastewater service based on the premise’s water consumption. However, if the utility determines that it is not feasible or practical to install a water meter on the well, the wastewater service billing shall be based upon a flat rate;

Recodify existing 3.-4. as 5.-6. (No change in text.)

(e) (No change.)

(f) Once an underground extension has been constructed, the ownership and maintenance of the portion of the extension that is located on the property to be served shall be as follows:

1. (No change.)

2. For an extension of water or wastewater treatment service, as defined at N.J.A.C. 14:9-1.2, the applicant for the extension shall own and maintain the entire extension, except that the utility shall own and maintain:

i.-ii. (No change.)

iii. Any of the following that are located on the roadside utility right-of-way of the property:

[(A)] (1) (No change in text.)

[(B)] (2) A fire hydrant, if the municipality agrees to add the hydrant to its inventory of public fire hydrants. If the municipality does not agree, the applicant remains the owner of the hydrant, responsible for paying the Board-approved tariff rates for private fire protection service to the utility; [and/or]

[(C)] (3) Any piping, branches, or other infrastructure that will serve structures or properties other than those of the applicant for an extension, either at the time of application or in the foreseeable future; and/or

(4) Corporation stop and curb stop, if feasible.

3.-4. (No change.)

14:3-2.2 Inspection of work performed by contractors

To the extent necessary to [assure] ensure compliance with safe practices, any construction work performed for a utility by contractors

shall be inspected by a qualified representative of the utility before being placed in active service.

#### 14:3-2.3 Equipment on utility poles

(a) Each utility owning poles shall ensure that any equipment or facilities placed on the poles, including any wire serving a fire alarm, electric distribution or transmission system, [trolley,] light rail, telecommunications, or cable television system; or any other facilities, private or otherwise, are located and attached in accordance with standard industry practice.

(b)-(c) (No change.)

#### 14:3-2.5 Identification of utility equipment

(a)-(g) (No change.)

(h) In the case of structures carrying or supporting overhead [trolley] wires, where there is a double line of such structures, one on each side of the track, such marks need be affixed to but one line of such structures.

### SUBCHAPTER 3. SERVICE

#### 14:3-3.2 Customer applications for service

(a) Applications by a customer for the establishment of service may be made at the utility's office either in person, by regular mail **or through the utility's website**, facsimile transmission, electronic mail, where available, or by telephone. If the utility requires a written application, the application may be subsequently submitted to the customer for signature.

(b)-(h) (No change.)

#### 14:3-3.3 Providing information to customers

(a)-(c) (No change.)

(d) Each utility shall supply its customers with information on the furnishing and performance of service in a manner that tends to conserve energy resources and **water resources** and preserve the quality of the environment, which shall include, but not be limited to, the duty to inform customers:

1.-3. (No change.)

4. That the information shall be distributed to the public by the following means:

i. Extensive advertising by public media, including newspapers, periodicals, television, [and] radio, **and social media**;

ii.-iii. (No change.)

5. (No change.)

(e) (No change.)

#### 14:3-3.4 Deposits for service

(a) (No change.)

(b) The amount of any deposit required or increased [under] **pursuant to this section** shall meet all of the following requirements:

1. (No change.)

2. The amount of a deposit shall be calculated [by adding:

i. The average monthly charge for the service for a 12-month service period; and

ii. **One month's average bill] at two times the average monthly bill for the previous 12 months;** and

3. (No change.)

(c) (No change.)

(d) A utility may require an existing customer to furnish a deposit or increase their existing deposit if the customer fails to pay a bill within [15] **30** days after the due date printed on the bill. The deposit required shall be in an amount sufficient to secure the payment of future bills.

(e)-(j) (No change.)

#### 14:3-3.6 Access to customer's premises

(a) The utility **or its designated contractor** shall have the right of reasonable access to **the** customer's premises, and to all property on the customer's premises, which is furnished by the utility, at all reasonable times for the purpose of inspection of customer's premises incident to the rendering of service including reading meters; inspecting, testing, [or] repairing, **or conducting markouts, either itself or through its contractor designated to perform said markouts, in compliance with the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq., and**

**N.J.A.C. 14:2, also known as the "One-Call rules,"** of its facilities used in connection with supplying the service; or the removal of its property.

(b)-(c) (No change.)

#### 14:3-3.7 Interruptions of service

(a)-(b) (No change.)

(c) Telecommunications utilities shall not be subject to (d) [through], **(e), and (f)** below, but shall instead comply with the service interruption provisions in the Board's telephone rules at N.J.A.C. 14:10-[1A.14]**1A.11.**

(d) (No change.)

(e) Two-hour interruptions. In addition to the reporting required at (d) above, if a service interruption meets one or more of the following criteria, the utility shall report the interruption to the Board no later than 30 minutes from the time that the utility becomes aware that service has been interrupted for two hours:

1.-2. (No change.)

3. Gas service is interrupted for two hours or more to 100 customers or more; [and/or]

**4. A gas service incident that could cause concern because of coverage by the news media; and/or**

[4.] **5.** (No change in text.)

(f) (No change.)

(g) The utility shall promptly follow up the reporting required [in] **at** (d) and/or (e) above with a detailed written report that includes all pertinent facts, including the cause of the interruption, the number and locations of customers affected, **the number of critical customers affected, the number of customers relying on life sustaining/supporting equipment affected,** the duration of the interruption, **and** utility actions to correct the interruption and to minimize and/or remedy its effects.

(h)-(i) (No change.)

(j) A utility shall perform all reporting required [under] **pursuant to** this section using the forms and procedures prescribed by Board staff, which shall be posted on the Board's website at [<http://www.state.nj.us/bpu/divisions/reliability>] <https://www.nj.gov/bpu/about/divisions/reliability>.

(k)-(l) (No change.)

### SUBCHAPTER 3A. DISCONTINUANCE AND RESTORATION OF SERVICE

#### 14:3-3A.1 Basis of discontinuance of service

(a)-(c) (No change.)

(d) When a utility suspends, curtails, or discontinues service for any reason other than nonpayment, the utility shall provide reasonable notice to the customer[, to the extent reasonably possible]. **Such notice may include, but is not limited to, the use of two or more of the following: mailings, text messages, email, telephone calls, door hangers, and/or in-person contact with the customer. The utility shall provide proof of such notice to Board staff upon request.**

(e) (No change.)

#### 14:3-3A.2 Discontinuance for nonpayment

(a) Except for residential telephone service that is covered at N.J.A.C. 14:3-3A.8, and subject to the limits below in this section, a public utility may discontinue service for nonpayment only if one or both of the following criteria are met, and shall not discontinue service for nonpayment for any other reason:

1. The customer's arrearage is more than \$[100.00]**200.00**; and/or

2. (No change.)

(b)-(c) (No change.)

(d) A utility may discontinue a customer's service for nonpayment of bills rendered only after the utility has completed all of the following steps:

1.-3. (No change.)

4. After the end of the notice period in the notice of discontinuance, but before discontinuance of residential service, the electric, [or] gas, **water, or wastewater** utility representative shall personally notify an adult occupant of the premises, or leave a sealed note in the event that no adult is on the premises. The note shall include information as to how the

customer's service may be reconnected. This notice shall be in addition to all other notice required [under] **pursuant to** this subchapter; and

5. (No change.)

(e) A utility shall not discontinue a customer's service for nonpayment under the following circumstances:

1. Whenever the high temperature is forecast to be 32 degrees Fahrenheit or below during the next 24 hours, [electric and gas] **electric, gas, water, and wastewater** utilities shall not, within any portion of their service territories, disconnect residential service for nonpayment, failure to pay a cash security deposit or guarantee, or failure to comply with the terms of a deferred payment plan. This limit applies to all residential customers, including those eligible for or enrolled in the Winter Termination Program at N.J.A.C. 14:3-3A.5;

2. If a customer is eligible for the Winter Termination Program [under] **pursuant to** N.J.A.C. 14:3-3A.5, [an electric or gas public utility] **electric, gas, water, and wastewater utilities** shall not discontinue residential service to the customer from November 15 through March 15, except as provided [under] **pursuant to** N.J.A.C. 14:3-3A.5;

3. [If a customer is eligible for the Winter Termination Program and] **Whenever** the high temperature is forecast to be [95] **90** degrees Fahrenheit or more at any time during the following 48 hours, [an] electric [utility], **gas, water, and wastewater utilities** shall not discontinue residential service to a customer for reasons of nonpayment, failure to pay a cash security deposit or guarantee, or failure to comply with a deferred payment agreement;

4.-5. (No change.)

(f)-(g) (No change.)

(h) Nothing in this section shall relieve the customer of any financial obligation to the **electric, gas, water, or wastewater** [electrical] utility providing the service.

(i) (No change.)

(j) The Board may extend the 90-day period [in] **at** (i) above for good cause. The customer shall request such an extension from Board staff in writing. The request shall be accompanied by an updated document from a licensed medical professional that meets the requirements [of] **at** (i)2 above. Pending [the Board's consideration and decision regarding] the **Board staff's review of the** request for extension, utility service shall not be discontinued.

(k)-(l) (No change.)

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

(a) (No change.)

(b) Before sending a notice of discontinuance to the customer for nonpayment of an outstanding past due bill, a utility shall have allowed the customer an initial period of at least [15] **20** days to pay the bill after the original postmark date of the outstanding bill **or electronic transmission date for customers on electronic billing**, except for a water utility customer with fire protection or multi-use service [under] **pursuant to** N.J.A.C. 14:3-3A.4(j). Each notice of discontinuance shall meet all of the following criteria:

1.-2. (No change.)

3. The notice shall be postmarked no earlier than [15] **20** days after the original postmark date of the outstanding bill. In the absence of a postmark for the outstanding past due bill, the burden of proving the original mailing date of the bill shall be upon the utility.

(c)-(e) (No change.)

(f) During the heating season, all notices of discontinuance of residential electric [or], gas, **water, and wastewater utility** services shall be accompanied by a Winter Termination Program fact sheet, printed in both English and Spanish, setting forth all terms and conditions of the Winter Termination Program. [Electric and gas utilities] **Each electric, gas, water, and wastewater utility** shall submit drafts of their proposed fact sheets to Board staff no later than October 1 of each year, for approval for use during the [following] **upcoming** heating season.

(g) (No change.)

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

(a)-(c) (No change.)

(d) [Electric and gas] **Electric, gas, water, and wastewater** utilities shall[,] solicit information from their residential customers quarterly, at a

minimum, in order to determine the presence of any life-sustaining equipment on the customer's premises. This subsection does not apply to [water, wastewater, or] telecommunications public utilities.

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

(h) On all notices of discontinuance to residential customers, from all public utilities, there shall be included:

1. A statement that the utility is subject to the jurisdiction of the New Jersey Board of Public Utilities[; which], **The statement shall include[s]** the address and the following telephone numbers for the Board: [(973) 648-2350] **(609) 341-9188** and 1-(800)-624-0241 (toll free);

2.-3. (No change.)

(i)-(k) (No change.)

14:3-3A.5 Winter Termination Program [for residential electric and gas service]

(a) [An electric or gas utility] **Electric, gas, water, and wastewater utilities** shall not discontinue service during the period from November 15 through March 15 (referred to in this section as the "heating season"), unless otherwise ordered by the Board, to those residential customers who demonstrate at the time of the intended termination that they are:

1.-8. (No change.)

(b) [Those residential] **Residential** electric [or], gas, **water, and wastewater** customers whose service has been discontinued for nonpayment and not reconnected as of November 15, and who are otherwise eligible for protection under the Winter Termination Program, shall be required to make a down payment of up to 25 percent of the outstanding balance as a condition of receiving electric [and/or], gas, **water, and wastewater** service during the current heating season. The customer shall be notified, at the time of enrollment in a budget billing plan, as required [by] **pursuant to** (c) below, that the down payment shall represent a maximum required amount and is not to be regarded as a minimum required payment. The utility shall consider the customer's ability to pay in determining the appropriate level of the required down payment, but in no instance shall such required payment exceed 25 percent of the outstanding balance. The utility shall refer to the Board for resolution, all disputes regarding the appropriate amount of down payments.

(c) All residential electric [or], gas, **water, and wastewater** customers who are eligible for and seek the protection of the Winter Termination Program shall enroll in a budget billing plan on an annual basis.

(d) All [residential electric or gas] **residential electric, gas, water, and wastewater** customers who are eligible for and seek the protection of the Winter Termination Program shall make good-faith payments during the heating season, if they have the ability to do so. Said payments shall be equal to the amount that the customer would be required to pay under a [budget billing] **payment** plan, except that the utility shall accept a lesser amount from those customers who do not have the ability to pay.

(e) (No change.)

(f) If a customer receives [energy related] financial assistance, such as Home Energy Assistance Program (HEAP) heating benefits, **or low income water assistance (LIWAP)**, the customer shall forward all of the benefits to their electric [or], gas, **water, or wastewater** utility[, if either utility is their major heat supplier].

(g) During the heating season, [an electric or gas] **a residential electric, gas, water, and wastewater** utility shall not request a security deposit or an addition to an existing security deposit from a customer who is eligible for and seeks the protection of the Winter Termination Program.

(h) An electric [or], gas, **water, and wastewater** utility may terminate service to a **residential** customer who is eligible for the Winter Termination Program in accordance with (i) and (j) below, if said customer connects, disconnects, or otherwise tampers with the meters, pipes, wires, or conduits of the utility for the purpose of obtaining electric [or], gas, **water, and wastewater** service without payment.

(i) No discontinuance shall occur [under] **at** (h) above until the customer has been afforded all reasonable due process considerations, including an opportunity to be heard. [Toward] **To** this end, [the] electric [and], gas, **water, and wastewater** utilities shall comply with the following requirements prior to discontinuing service to any **residential** customer who has allegedly tampered with the meter or other utility facilities:

1. (No change.)

2. Board staff shall have seven days after receipt of said information to complete an impartial and informal investigation of the matter. In the event that a utility comes forward with sufficient credible evidence that shows that the meters, pipes, wires, conduits, or attachments through which a customer is thus being furnished with [electric or gas] service have been tampered with, Board staff shall immediately notify the customer and the burden shall shift to the customer to come forward with sufficient evidence to rebut the charges of the utility. Failure to do so will result in a finding that tampering did occur for the purpose of obtaining the utility service without payment and that the customer is responsible for the tampering;

3. Upon a finding by Board staff that tampering did occur, the utility shall give written notification to the customer, by certified mail, return receipt requested; and to the local public welfare agency and the local municipal health agency, by regular mail, as to the date upon which service to the customer shall be terminated. Said notification shall be made at least seven days prior to the date of the proposed service termination. The utility shall further advise the customer in the written notification that if he or she claims to be dependent on [life sustaining] life-sustaining equipment, the customer must comply with the procedures for medical emergencies at N.J.A.C. 14:3-3A.2(i) and (j) within the aforementioned seven-day period. Any customer that wishes to dispute a discontinuance based on a finding that tampering has occurred may file a petition with the Board in accordance with N.J.A.C. [1:1]14:1-1.5; and

4. Any relief requested [under] pursuant to N.J.A.C. 14:3-3A.2(h)]3A.2(i) regarding medical emergencies shall be reviewed on a case-by-case basis.

(j) (No change.)

#### 14:3-3A.6 Discontinuance of service to tenants

(a)-(b) (No change.)

(c) When a landlord-tenant relationship is known to exist, an electric [and/or], gas, **water, and wastewater public** utility, at the landlord's request, shall send written notice to the landlord that a tenant's [electric or gas] service is being voluntarily or involuntarily discontinued.

(d) When a landlord-tenant relationship is known to exist, an electric [and/or], gas, **water, and wastewater public** utility, at the landlord's request, shall place the service in the landlord's name if the tenant's [electric and/or gas] service is being voluntarily or involuntarily discontinued.

(e) (No change.)

#### 14:3-3A.7 Notification to municipalities of discontinuance of residential gas or electric service

(a) All electric and gas public utilities shall annually notify all municipalities located within their service area that, upon request, they, and/or any enforcing agency enforcing the Uniform Fire Code (N.J.A.C. [5:18] 5:70) within the municipality, will be sent a daily list of the residential customer of record and premises located within the municipality at which gas or electric service was discontinued involuntarily on the preceding day.

(b)-(c) (No change.)

#### 14:3-3A.9 Basis for restoration

(a)-(b) (No change.)

(c) If [a] **an electric, gas, water, or wastewater** utility discontinues service to a customer for nonpayment, and the customer has met all requirements in this section for restoration of service, the utility may require a deposit, but shall not require the deposit prior to service restoration. Instead, the utility shall bill the customer for the deposit, and shall allow the customer at least [15] 20 days after the billing for payment of the deposit, or shall make other reasonable payment arrangements with the customer.

(d) The amount of a deposit required for restoration of service shall be determined in accordance with N.J.A.C. 14:3-[4]3.4.

**(e) A residential electric, gas, water, or wastewater customer who has been disconnected, shall have their service reconnected, upon request, if all of the following conditions are met:**

**1. They can demonstrate that they have applied to one of the following eligible assistance programs: Universal Service Fund, Low Income Home Energy Assistance, Payment Assistance for Gas and**

**Electric, or the Low-Income Household Water Assistance program(s);**

**2. The residential customer was not enrolled in any of the assistance programs listed above during the prior year; and**

**3. They have made a down payment of up to 25 percent of the outstanding balance consistent with N.J.A.C. 14:3-3A.5(b).**

### SUBCHAPTER 4. METERS

#### 14:3-4.2 Location of meters

(a) The installation of meters and connections shall be in accordance with N.J.A.C. 14:5, Electric Service[;], 14:6, Gas Service[;], and 14:9, Water and Wastewater; and standard practice.

(b)-(c) (No change.)

#### 14:3-4.4 Testing of utility meter testing equipment

(a)-(d) (No change.)

**(e) A utility shall, by January 31st of each year, provide to the Director of the Board's Division of Reliability and Security, the current locations of all meter testing shops that test the meters of the utility's New Jersey customers. All meter testing shops that test meters of New Jersey customers are required to have certifications of testing equipment as described in this section. All out-of-State meter testing shops that begin testing meters of New Jersey customers after December 31, 2021, require prior Board approval. Out-of-State meter shops that test meters of New Jersey customers may be inspected by Board staff at the utility's expense.**

#### 14:3-4.5 Meter tests at a customer's request

(a) (No change.)

(b) A report giving results of such tests shall be made to the customer, and a complete record of such tests shall be kept on file at the office of the utility in accordance with N.J.A.C. 14:3-[4.9 Meter records]4.7.

(c)-(d) (No change.)

(e) Upon application by any customer to the Board, a Board inspector shall **witness the utility's test of the customer's meter**. Such test shall be made as soon as practicable after receipt of the application for the test[, and]. Board staff shall notify the customer and the utility as to the time and place of such test. **All costs associated with the meter test shall be borne by the utility.**

[(f) The Board shall charge a fee of \$ 5.00 for a meter test, payable at the time application is made for the test. This fee is to be retained by the Board if the meter is found to be slow or correct within the allowable limits. If the meter is found to be fast beyond the allowable limits, that is, more than two percent, or in the case of water meters, more than one and one half percent, the utility shall reimburse the customer for the test fee paid.]

#### 14:3-4.6 Adjustment of charges for meter error

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

(f) In cases of a charge to a customer's account [under] pursuant to (d)2 or 3 above, the customer shall be allowed to amortize the payments for a period of time equal to that period of time during which the customer was undercharged. **In cases of adjustment to a customer's account that increases a customer's bill, except in cases of theft and tampering, the customer shall be allowed to amortize the payments for a period of time equal to that period of time in which the charges were adjusted. These adjustments shall be calculated for a period not to exceed six years for electric, gas, and water meters subject to testing by a Board approved scientific sampling technique. In cases of adjustment to a customer's account that decreases a customer's bill, the customer's bill shall be credited as soon as reasonably possible.**

### SUBCHAPTER 5. CONTACTING THE UTILITY

#### 14:3-5.1 Location of offices

(a)-(b) (No change.)

(c) [The] Each utility shall file written notice with the Board of any proposed change in the functions of one or more of these offices at least 14 business days prior to the change being made.

(d)-(f) (No change.)



(g) Each utility shall advise the Board's Division of Customer Assistance at [(973) 648-4436] **(609) 341-9189** not less than 60 days prior to the relocation of any of its customer call center(s) located in New Jersey. If the utility wishes to relocate a call center outside of New Jersey, the utility shall first demonstrate to Board staff that all customer service representatives at the new location have a thorough understanding of:

1.-2. (No change.)

#### SUBCHAPTER 6. RECORDS AND REPORTING

##### 14:3-6.1 General provisions for records and reporting

(a)-(b) (No change.)

(c) The following provisions in this chapter require a utility to report to the Board or another entity:

1.-3. (No change.)

4. N.J.A.C. 14:3-[4.6]**4.7** requires reporting to the Board regarding meter testing and results;

5.-6. (No change.)

7. N.J.A.C. 14:3-[6.6]**6.8** requires reporting to the Board regarding the telephone systems operated by the utility;

8. N.J.A.C. 14:3-6.7 requires reporting to the Board regarding suspicious actions relating to utility functions and equipment; **and**

9. N.J.A.C. 14:3-7.8 requires reporting to tenant-customers, landlords, beneficiaries, and the Board regarding diversions of service[; and].

[10. N.J.A.C. 14:3-10.1 requires reporting to the Board regarding expenditures under a Targeted Revitalization Incentive Program (TRIP).]

(d) [In accordance with N.J.A.C. 14:3-1.4, all] **All** reports and records required [under] **pursuant** to this subchapter shall be provided in the format provided by Board staff or posted on the Board's website at <http://nj.gov/bpu/>, unless otherwise specifically stated in this chapter, or unless format requirements are waived in accordance with N.J.A.C. [14:3-1.4] **14:1-1.2(b)**.

##### 14:3-6.2 Plant and operating records

(a)-(f) (No change.)

(g) Except for cable television companies, including telecommunications companies that have obtained a system-wide franchise from the Board in accordance with N.J.A.C. 14:18-14, each public utility shall maintain, for each calendar year, records of the number of lots, and the number of residential housing units and nonresidential buildings for which extensions were provided. [The regulated entity shall identify whether these are in designated growth areas or areas not designated for growth.]

(h) Except for cable television companies, including telecommunications companies that have obtained a system-wide franchise from the Board in accordance with N.J.A.C. 14:18-14, each public utility shall determine whether an application for an extension, as defined at N.J.A.C. 14:3-8.2, will serve an area designated for growth or an area not designated for growth.]

##### 14:3-6.3 Financial and operations reports

(a) Every utility shall file with the Board on or before March 31 of each year, or on or before the due date noted on the report form, a summary of its finances and operations for the preceding calendar year. The summary shall be submitted on forms available from the Board's Division of Audits [at (973) 648-4450] **website page found at <https://nj.gov/bpu/about/divisions/audits/> or by calling 609-913-6258**, and shall include the emergency utility contact information required [under] **pursuant** to N.J.A.C. 14:3-5.2(a)3.

**(b) Pursuant to N.J.S.A. 48:2-16.3, any public utility that fails to file by March 31 of each year, unless an extension has been granted, is subject to a penalty of \$5.00 per day thereafter until such report referenced at (a) above is filed.**

Recodify existing (b)-(e) as **(c)-(f)** (No change in text.)

##### 14:3-6.4 Accidents—initial reporting

(a) Each utility shall notify the Board's Division of Reliability and Security of any reportable accident immediately, and in no event later than [two] **one** hour[s] after the utility learns of the accident.

(b) A reportable accident is an accident that is related to utility equipment or operations, other than a motor vehicle accident that does not

create a service interruption, which accident results in one or more of the following circumstances:

1.-3. (No change.)

4. Damage to the property of others amounting to more than \$[5,000]**122,000**; and/or

5. (No change.)

(c)-(e) (No change.)

##### 14:3-6.5 Accidents—follow-up reporting

(a) (No change.)

[(b) The follow-up accident report shall include all of the information required by the sample accident reporting form available on the Board's website at <http://www.state.nj.us/bpu/divisions/reliability>. The form shall require basic identifying and descriptive information concerning the accident, its causes and consequences, the extent of damage and/or injuries, if any, and persons involved; and shall also include corrective measures the utility plans or has taken and preventive measures the utility has taken or will take to avoid similar accidents in the future.]

**(b) The follow-up accident report shall include basic identifying and descriptive information concerning the accident, its causes and consequences, the extent of damage and/or injuries, if any, and the persons involved. The report shall also include corrective measures that the utility plans or has taken and preventive measures that the utility has taken or will take to avoid similar accidents in the future.**

(c)-(d) (No change.)

##### 14:3-6.6 Notice of significant natural gas events

(a) In addition to all other applicable reporting requirements in this subchapter, each gas utility shall notify the Board's Division of Reliability and Security immediately, and in no event later than [two] **one** hour[s] after the utility learns of any significant natural gas event, as defined at (b) below, occurring in connection with the operation of the gas utility's plant, property, or facilities within the State.

(b)-(c) (No change.)

##### 14:3-6.7 Reporting suspicious acts

(a) Each public utility shall report to the Board within six hours of becoming aware of the occurrence of any of the following incidents:

1.-3. (No change.)

4. Extensive note-taking, or audio recording, regarding any utility facility; [and]

5. Intentional damage to any utility facilities or equipment. This does not include vehicle accidents, automobile collisions with utility poles, damage to underground facilities by an excavator or other third party, which is reported in accordance with other Board rules, or routine vandalism, such as graffiti or vandalism to utility vehicles[.];

**6. Cyber attack resulting in outages and/or service issues, confirmed breach, or confirmed intrusion; and**

**7. An attempted cyber intrusion of a utility computer system, resulting in slowing, disruption, or other impacting service.**

(b) (No change.)

##### 14:3-6.8 Customer service telephone system report

(a) On January 1 and July 1 of each year, each public utility shall provide the Board with the following information concerning the operation of the utility's telephone system for accepting customer complaints and inquiries:

1.-19. (No change.)

20. Whether or not telephone answering machines or devices are used and, if so, the hours in which they are used and the departments in which they are used; [and]

21. If a telephone answering service is used:

i. (No change.)

ii. The information required pursuant to (i) above shall be provided to the Board within 90 days of the effective date of this rule and annually thereafter[.]; **and**

**22. A brief description of the surge capacity available for the utility's telephone system during times of large-scale service interruptions.**

(b)-(c) (No change.)

## SUBCHAPTER 7. BILLS AND PAYMENTS FOR SERVICE

## 14:3-7.2 Form of bill for metered service

(a) (No change.)

(b) Unless a utility has been specifically relieved of so doing by order of the Board, a bill for metered service shall show the following:

1.-9. (No change.)

10. For each electric and gas utility, a statement of all applicable taxes imposed upon and included in the cost of the energy provided to the customer. The following language is suggested as a model statement to be included on the bill: "Under applicable tax law, the State sales and use tax, **and** corporate business tax[, and Transitional Energy Facility Assessment] are imposed upon the energy which you have used. To obtain the exact amount of tax included in your billing, please contact the utility at the telephone number listed on your bill."

(c)-(d) (No change.)

(e) Rules concerning estimated bills for all customers are as follows:

1.-2. (No change.)

3. When a utility estimates an account for four consecutive billing periods (monthly accounts), or two consecutive billing periods (bimonthly and quarterly accounts), the utility shall mail a notice marked "Important Notice" to the customer on the fifth and seventh months, respectively, explaining that a meter reading must be obtained and said notice shall explain the penalty for failure to complete an actual meter reading. After all reasonable means to obtain a meter reading have been exhausted, including, but not limited to, offering to schedule meter readings for evenings and on weekends, the utility may discontinue service provided at least eight months have passed since the last meter reading was obtained, the Board has been so notified, and the customer has been properly notified by prior mailing. If service is discontinued and subsequently restored, the utility may charge a reconnection charge equal to the reconnection charge for restoring service after discontinuance for nonpayment[;].

**i. A utility shall not bill a customer using estimated bills for more than 24 months since the last actual reading, unless the utility has used all reasonable means to obtain a meter reading, as described in the paragraph above;**

4.-6. (No change.)

(f) (No change.)

## 14:3-7.4 Method of billing

(a)-(c) (No change.)

(d) A utility offering electronic billing to its customers shall provide the same billing information as required [in] **at (a) [through], (b), and (c) above and [in] at N.J.A.C. 14:3-[7.10]7.3.** The utility shall advise those customers who opt to receive electronic billing of their right to also receive a paper bill upon request.

## 14:3-7.5 Budget billing plans for residential accounts

(a)-(c) (No change.)

(d) The projected monthly budget amount that a customer owes under a budget billing plan shall be determined by the following factors:

1.-2. (No change.)

3. Base rate increases and [levelized energy or levelized gas adjustment] **basic generation service or basic gas supply service** charges actually granted by the Board; and

4. Projected changes in the [levelized energy or levelized gas adjustment] **basic generation service or basic gas supply service** charges.

(e) The utility shall offer all customers the same budget plan year, which will last 10, 11, or 12 months, except that the budget plan year for all residential [electric or gas] customers who seek the protection of the Winter Termination Program shall be 12 months.

(f) (No change.)

(g) For each customer on a budget billing plan, the utility shall "true up," or compare the actual cost of service rendered, as determined by actual meter readings, and the monthly budget amount as follows:

1. (No change.)

2. The comparison shall take into account the customer's usage and any rate increases or decreases that have been granted by the Board, including increases or decreases in the [levelized energy or levelized gas

adjustment] **basic generation service or basic gas supply service** charges;

3.-5. (No change.)

(h)-(k) (No change.)

## 14:3-7.8 Diversion of service

(a)-(c) (No change.)

(d) Each utility shall investigate alleged diversions as follows:

1.-3. (No change.)

4. The utility shall investigate the alleged diversion within two months of the receipt of the investigation request. Each diversion investigation shall include a meter test conducted in accordance with N.J.A.C. 14:3-[4.4]4.5;

5.-12. (No change.)

(e)-(j) (No change.)

## SUBCHAPTER 8. EXTENSIONS TO PROVIDE REGULATED SERVICES

## 14:3-8.2 Definitions

In addition to the definitions at N.J.A.C. 14:3-1.1 and 14:4-1.2, the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

...

["Area not designated for growth" means an area that is not a designated growth area as defined herein.]

...

["Center designation" or "designated center" means a center that has been officially recognized as such by the State Planning Commission in accordance with its rules at N.J.A.C. 5:85 or in the Pinelands Area, a center recognized as such pursuant to a valid Memorandum of Agreement between the New Jersey Pinelands Commission and the New Jersey State Planning Commission.

"Designated growth area" means an area depicted on the New Jersey State Planning Commission State Plan Policy Map as:

1. Planning Area 1 (Metropolitan Planning Area, or PA-1);

2. Planning Area 2 (Suburban Planning Area, or PA-2);

3. A designated center;

4. An area identified for growth as a result of a petition for municipal plan endorsement that has been approved by the State Planning Commission pursuant to N.J.A.C. 5:85-7;

5. A smart growth area and planning area designated in a master plan adopted by the New Jersey Meadowlands Commission pursuant to subsection (l) of section 6 of N.J.S.A. 13:17-6; or

6. A Pinelands Regional Growth Area, Pinelands Village or Pinelands Town, as designated in the Comprehensive Management Plan prepared and adopted by the Pinelands Commission pursuant to section 7 of the Pinelands Protection Act, N.J.S.A. 13:18A-8.

Assistance in determining whether a particular parcel of land in a designated growth area can be obtained through the Smart Growth Locator web site at <http://sgl.state.nj.us>, and from the Department of Community Affairs Office of Smart Growth website at <http://www.nj.gov/dca/osg/>.

...

["New Jersey State Planning Commission" means the commission established by the State Planning Act, N.J.S.A. 52:18A-196 et seq.

"Office of Smart Growth" means the Office in the Department of Community Affairs that staffs the State Planning Commission and provides planning and technical assistance as requested. The Office of Smart Growth serves the same functions as the Office of State Planning, described at N.J.S.A. 52:18A-201.

"Planning area" has the meaning assigned to the term in the rules of the State Planning Commission at N.J.A.C. 5:85-1.4. As of December 20, 2004, this term is defined in those rules to mean an area of greater than one square mile that shares a common set of conditions, such as population density, infrastructure systems, level of development, or environmental sensitivity. The State Development and Redevelopment Plan sets forth planning policies that serve as the framework to guide growth in the context of those conditions.]

...

14:3-8.5 General provisions regarding costs of extensions

(a)-(b) (No change.)

(c) The cost of an extension for which a regulated entity receives a deposit, or receives a non-refundable contribution, shall include the tax consequences incurred by the regulated entity as a result of receiving deposits under the [Tax Reform Act of 1986] **Internal Revenue Code**, in accordance with N.J.A.C. 14:3-8.6.

(d)-(e) (No change.)

(f) If a regulated entity requires that the applicant pay a deposit or non-refundable contribution, the regulated entity shall first provide the applicant with all of the following information, in writing:

1.-3. (No change.)

4. If any portion of a deposit or non-refundable contribution is taxable under [Tax Reform Act of 1986] **Internal Revenue Code** (TRA-86), and the regulated entity has decided to include the **Tax Reform Act of 1986** (TRA-86) tax consequences in the deposit or non-refundable contribution:

i.-iv. (No change.)

(g)-(j) (No change.)

14:3-8.6 Deposits, contributions, and refunds—[Tax Reform Act of 1986] **Internal Revenue Code**

(a) This section applies to a regulated entity that:

1. Collects a deposit or non-refundable contribution that is taxable in whole or in part under the [Tax Reform Act of 1986] **Internal Revenue Code** (TRA-86); and

2. (No change.)

(b) (No change.)

(c) The TRA-86 gross-up factor shall be:

1.-2. (No change.)

3. For a gas or electric regulated entity, calculated using the TRA-86 Gross-up Factor Template posted on the Board's website, [<http://www.state.nj.us/bpu>] <https://www.bpu.state.nj.us/>.

(d)-(f) (No change.)

14:3-8.9 Suggested formulae for allocating extension costs—general provisions

(a)-(c) (No change.)

(d) For purposes of determining the amount of the deposit and applying the suggested formula, the following shall apply:

1. The regulated entity shall estimate the cost of the extension in accordance with the applicable tariff, and shall add the tax consequences incurred by the regulated entity under the [Tax Reform Act of 1986] **Internal Revenue Code** as a result of receiving the deposit, as detailed [in] at N.J.A.C. 14:3-8.6;

2.-4. (No change.)

(e)-(h) (No change.)

14:3-8.10 Suggested formula for allocating extension costs—multi-unit or nonresidential development

(a) This section governs how Board staff will apply the suggested formula to the cost of an extension that is not covered by the provisions for extensions to a single residential customer at N.J.A.C. 14:3-8.11. The requirements in this section apply in addition to the general provisions for the suggested formulae at N.J.A.C. 14:3-8.9. This section does not address how deposits, non-refundable contributions, and refunds will be grossed up to reflect the tax consequences incurred by the regulated entity under the [Tax Reform Act of 1986] **Internal Revenue Code**, which is addressed [in] at N.J.A.C. 14:3-8.6. This section does not set forth the cost of an extension, but merely governs the allocation of those costs between the utility and the applicant for the extension.

(b)-(i) (No change.)

**Error! Hyperlink reference not valid.** 14:3-8.11 Suggested formula for allocating extension costs—single residential customer

(a) The requirements in this section apply in addition to the requirements [of] at N.J.A.C. 14:3-8.9. This section addresses how Board staff will apply the suggested formula to the costs of an extension that will serve only a single residential customer. This section does not address how deposits, non-refundable contributions, or refunds will be grossed up to reflect the tax consequences incurred by the regulated entity under the [Tax Reform Act of 1986] **Internal Revenue Code**, which is addressed [in] at N.J.A.C. 14:3-8.6.

(b)-(g) (No change.)

**14:3-8.14 (Reserved)**