

ANNOUNCEMENT OF STAKEHOLDER PROCESS

Pursuant to the N.J.S.A. 48:2-21(d), the New Jersey Board of Public Utilities (“Board”) may order two (2) four month suspension periods pending a hearing and determination on a rate case matter filed by a public utility. The majority of these cases in the past few years have been concluded within this timeframe. However, there have been cases that were not completed within the suspension period. In such instances, in the absence of a Board decision, a utility may implement the full amount of its proposed rates upon the expiration of the full eight (8) month suspension period. To date, however, utilities rarely avail themselves of this remedy.

Board Staff has been directed to establish a Stakeholder Process to receive comments and proposals regarding potential regulations and filing requirements for implementation of provisional base rates during the pendency of a rate case matter. After consideration by the Board, this straw proposal may result in a rule addressing how a utility may implement provisional rates after the suspension period has elapsed but prior to the Board’s final decision.

The straw proposal concerning provisional rate implementation will be the subject of a stakeholder meeting to be held on May 4, 2017 at 10:00 am at the Board’s offices, located at 44 South Clinton Avenue, Trenton, NJ 08625. Public comments are invited. Written comments are also invited and must be submitted to Irene Kim Asbury, Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, CN 350, Trenton, New Jersey 08625, on or before May 12, 2017.

The following topics are included for discussion and comment at the Stakeholder Meeting and by written submissions:

1. Interim rates may be implemented on a provisional basis, subject to refund with interest, after the expiration of the suspension period established pursuant to N.J.S.A. 48:2-21(d).

- 2. Either the full amount of the requested increase or a lesser amount may be implemented following the expiration of the suspension period.**
- 3. The appropriate rate design to be implemented with the provisional rates.**
- 4. Interest on the difference between the approved increase and the provisionally implemented rates will only accrue to ratepayers' benefit (i.e., one-way interest).**
- 5. The appropriate method to provide any necessary refunds to ratepayers.**
- 6. Notice of intended provisional rate implementation must be given by the utility in the following manner:**
 - a) The utility must provide thirty days' advance written notice to the Board;**
 - b) The utility must serve notice on the New Jersey Division of Rate Counsel and pertinent municipal clerks thirty days in advance; and**
 - c) The utility must provide thirty days' notice to affected customers by publication or bill insert.**
 - d) The utility must also provide direct notice thirty days in advance to any intervenors or participants in the rate proceedings, and, if applicable, the Administrative Law Judge presiding over the rate case.**
- 7. The utility must file with the Board proposed tariffs thirty days prior to the implementation of the provisional rates.**
- 8. After the utility has completed the requirements in (6) and (7) above, Staff will confirm that the notices above were properly provided, and that the company may proceed accordingly.**