

Eligible Net Investment
(net WSIC Additions to
UPIS During WSIC Period) \$ 14,886,562
Times Pre-Tax Rate of Return x 11.1509% (D)
Pre-Tax Return on Investment \$ 1,659,986
Add Depreciation \$ 375,000
Revenue Recovery \$ 2,034,986
Revenue Factor x 1.170858 (E)
WSIC Revenue Requirement
Recovery Amount \$ 2,382,680 (F)
(A) Includes six months actual WSIC-eligible projects closed to UPIS
during WSIC Period
(B) Accumulated Depreciation:
WSIC-eligible projects closed to UPIS \$15,000,000
Composite Depreciation rate 2.5%
Depreciation Expense \$ 375,000
½ Year Convention (for first 6 months) \$ 93,750
(C) Deferred Taxes:
WSIC-eligible projects closed to UPIS \$15,000,000
MACRS rate for 1st year water plant 4%
Tax Depreciation 1st year \$ 150,000
Book Depreciation \$ 93,750
Tax Depreciation Greater than Book \$ 56,250
Deferred Taxes at 35% \$ 19,688
(D) Pre-Tax Rate of Return

	Ratios	Cost Rate	Weighted AVG Cost of Capital	Pre-Tax Rate of Return
Long-Term Debt	48.98%	6.26%	3.07%	3.066%
Common Equity	51.02%	10.30%	5.26%	8.08%
Subtotal Rate on Rate Base			<u>8.23%</u>	<u>11.1509%</u>

Revenue Factor:
Dollar of Revenue \$ 1.00000
Less: GRT Tax (0.1376004) (per most recent base rate case)
Less: Bad Debts and Reg. Assessments (0.0066000) (per most recent base rate case)
Less: BPU Assessment (0.0014328) (per most recent assessment)
Less: DRC Assessment (0.0002926) (per most recent assessment)
Revenue Remaining after taxes, bad debts, and assessments \$.854074
(E) Revenue (Gross-up Factor) \$ 1.170858
(F) Revenue Requirement Recovery Amount

The WSIC Revenue Requirement Recovery Amount is limited by the WSIC cap defined in (a)2 above. For example, if the company's annual revenues established in its last base rate case were \$ 100,000,000, then the WSIC cap would be calculated as follows:

Total annual revenues from most recent base rate case of \$ 100,000,000 x 5.00% = \$5,000,000

The Company's WSIC Revenue Requirement Recovery Amount in the above example cannot be greater than \$5,000,000 per year.

14:9-11.10 WSIC billing

(a) If a wastewater utility has a Board-approved WSIC, the wastewater utility shall identify and list the amount owed by the customer, based on the WSIC rate calculated in accordance with N.J.A.C. 14:9-11.9, separately on customer bills. The WSIC rate will be reflected in bills issued on and after the effective date of the first WSIC filing and can be adjusted on the basis of subsequent WSIC filings no more frequently than every six months, up to an amount not to exceed the WSIC cap over the WSIC period.

(b) Customer bills shall reflect the WSIC rate calculated as set forth at N.J.A.C. 14:9-11.9(a)3.

TRANSPORTATION

(a)

MOTOR VEHICLE COMMISSION

Autobus and Trolley

Proposed Readoption: N.J.A.C. 16:52

Authorized By: Motor Vehicle Commission, B. Sue Fulton, Chair and Chief Administrator.

Authority: N.J.S.A. 48:2-1, 48:2-13 et seq., and 48:4-11.

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

Proposal Number: PRN 2020-038.

Submit comments by June 19, 2020, to:

Kate Tasch, Administrative Practice Officer
Regulatory and Legislative Affairs
Motor Vehicle Commission
225 East State Street
PO Box 160
Trenton, NJ 08666-0160
Or via email to: rulecomments@mvc.nj.gov

The agency proposal follows:

Summary

The public comment period for this notice of proposal will be 60 days, as the notice is not listed in the agency rulemaking calendar. Therefore, this notice of proposal is exempted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Under the "sunset" and other provisions of Executive Order No. 66 (1978), and pursuant to N.J.S.A. 52:14B-5.1c, N.J.A.C. 16:52, Autobus and Trolley, was scheduled to expire on March 18, 2020. As the New Jersey Motor Vehicle Commission (Commission) filed this notice of proposed readoption prior to that date, the chapter expiration date is extended 180 days to September 14, 2020, pursuant to N.J.S.A. 52:14B-5.1.c(2). The rules have been reviewed and analyzed by the Commission, and they have been found to be necessary, reasonable, and proper for the purpose for which they were originally promulgated. The Commission, therefore, proposes to readopt N.J.A.C. 16:52 without amendment.

Subchapter 1, Service, prescribes the requirements for operation of an approved autobus or trolley route. N.J.A.C. 16:52-1.1 requires that the service be commenced within 60 days of the grant of route authority. N.J.A.C. 16:52-1.2 prohibits deviation from the approved route. N.J.A.C. 16:52-1.3 prohibits discontinuance of the operation without the permission of the Commission and permits sanctions to be summarily invoked. N.J.A.C. 16:52-1.4 requires immediate reporting to both the Commission and the public of any interruption of service that is likely to continue for more than four hours. N.J.A.C. 16:52-1.5 requires that sufficient reserve equipment be maintained to operate all approved routes. N.J.A.C. 16:52-1.6 requires complete stops before all railroad grade crossings. N.J.A.C. 16:52-1.7 requires all doors to be closed while vehicles are in motion. N.J.A.C. 16:52-1.8 prohibits unnecessary conversation between drivers and passengers. N.J.A.C. 16:52-1.9 governs the filling of fuel tanks.

Subchapter 2, Public Liability Insurance, prescribes the insurance requirements for autobus and trolley utilities. N.J.A.C. 16:52-2.1 requires that forms demonstrating the required insurance coverage be filed with the Commission by any person operating motor vehicles carrying passengers for hire. N.J.A.C. 16:52-2.2 requires all autobuses to be insured and all autobus drivers to carry the prescribed proof of insurance. N.J.A.C. 16:52-2.3 prohibits as proof of insurance the use of insurance binders that did not originate at the home office of the insurance carrier.

Social Impact

Readoption of this chapter will have a positive social impact. The purpose of the rules proposed for readoption is to assure that autobus and trolley routes are consistently conducted and that the appropriate insurance is maintained. These requirements will continue to afford the traveling public reliable mass transportation by financially responsible operators.

Economic Impact

The economic impact on the Commission consists of the costs of oversight of the autobus program, including the processing of applications for change or discontinuance of a route, which costs will be continued on readoption. The costs to the operator of the notification required by this chapter are *de minimis*, as are the costs of preparing applications in the event a change or discontinuance of a route is sought.

Jobs Impact

The rules proposed for readoption are not anticipated to result in the generation or loss of any jobs.

Federal Standards Statement

There are no Federal standards applicable to the subject matter of Subchapter 1. Subchapter 2 is consistent with, and does not exceed, the provisions of the Federal Motor Carrier Safety regulations, 49 CFR 387.25, which deal with liability insurance requirements and filing requirements for motor carriers of passengers operating in interstate or foreign commerce.

Agriculture Industry Impact

The rules proposed for readoption are not anticipated to have any impact on the agriculture industry in this State.

Regulatory Flexibility Analysis

The rules proposed for readoption impose reporting and recordkeeping requirements on autobus owners or operators, some of which may be defined as small businesses, as the term is defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Subchapter 1 requires autobus and trolley owners to report changes in routes due to emergency situations and interruptions of routes anticipated to last longer than four hours. Subchapter 2 requires autobus and trolley operators to file with the Commission certificates of insurance provided by the insurance company. The cost of providing the certificates is borne by the insurance company that supplies the certificates directly to the Department of Transportation. The employment of outside professional services is not anticipated to be required in order to comply with the requirements of the rules proposed for readoption.

The Commission has given careful consideration to these matters and has determined that the rules as proposed for readoption are necessary to be applied to all autobus and trolley operators in order to promote safe, reliable, and financially responsible service. A waiver or other special accommodation for small businesses cannot, therefore, be accomplished without jeopardizing these objectives.

Housing Affordability Impact Analysis

The rules proposed for readoption will have no impact on the affordability of housing and there is an extreme unlikelihood that the rules would evoke a change in average costs associated with housing because they pertain solely to the operation of autobuses and trolleys.

Smart Growth Development Impact Analysis

Aside from the fact that the availability of reliable public transportation tends to combat sprawl, it is not anticipated that the rules proposed for readoption will have any effect on the achievement of smart growth or evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey because the rules pertain solely to the operation of autobuses and trolleys.

Racial and Ethnic Community Criminal Justice and Public Safety Statement

The Commission has determined that the rules proposed for readoption will have no impact on pretrial detention, sentencing, probation, or parole policies concerning juveniles and adults in the State. 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. 16:52.

TREASURY—GENERAL**(a)****BOARD OF TRUSTEES OF THE POLICE AND FIREMEN'S RETIREMENT SYSTEM****Police and Firemen's Retirement System
Change of Definitions in Relation to Survivor's Benefits****Proposed Amendments: N.J.A.C. 17:4-1A.1 and 3.7**

Authorized By: The Board of Trustees of the Police and Firemen's Retirement System, Ed Donnelly, Chair.

Authority: N.J.S.A. 43:16A-12.1 and 43:16A-1(21); and *S.L.W. v. New Jersey Division of Pensions and Benefits*, 238 N.J. 385 (2019).

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

Proposal Number: PRN 2020-036.

Submit comments by June 19, 2020, to:

Robert S. Garrison, Jr.
Director of Legal Affairs
Attention: Board of Trustees, Police and Firemen's Retirement System
50 West State Street, 9th Floor
Trenton, NJ 08625-0211
Robert.Garrison@treas.nj.gov

The agency proposal follows:

Summary

The Police and Firemen's Retirement System provides benefits for surviving spouses, as well as children. (see N.J.S.A. 43:16A-12.1.) In response to the Supreme Court's Decision in *S.L.W. v. Division of Pensions and Benefits*, 238 N.J. 385 (2019), the Board of Trustees of the Police and Firemen's Retirement System (Board) proposes to change the eligibility for survivor's benefits for a child of a deceased PFRS member. The Board proposes to add N.J.A.C. 17:4-3.7(c) and add a definition of "child" at N.J.A.C. 17:4-1A.1. The additions are intended to require the surviving child to establish that the surviving children's disability manifested before they were emancipated. This is consistent with the legislative intent that children who have developmental disabilities are cared for, but that children who are emancipated and are able to provide for themselves, but then become disabled at some point after the emancipation act would not qualify for the survivor benefits.

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 proposed amendments address concerns raised by the Supreme Court's decision in *S.L.W. v. Division of Pensions*, which would allow any disabled child to collect survivor's benefits. This matter is distinguishable from the holding in *Saccone v. Board of Trustees*, 219 N.J. 369 (2014), in which the Court directed the Division of Pensions and Benefits to accept the request to name the party's special needs trust as the beneficiary for purposes of receiving the member's survivor's benefit. The party was disabled before he turned 18. Therefore, the proposed amendments should have a positive social impact in that they will clarify the legal process.

Economic Impact

The economic impact will be minimal. Prior to the decision in *S.L.W.*, disabled children must have manifested their disability before they were emancipated in order to qualify for survivor's benefits. Because the benefits have not been given to disabled children who became disabled after their emancipation, there will be limited economic impact.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments are not subject to any Federal requirements or standards.