

**48:3-79**  
**LEGISLATIVE HISTORY CHECKLIST**  
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**LAWS OF:** 2019 **CHAPTER:** 101

**NJSA:** 48:3-79 (Provides that natural gas supplier license issued by BPU may be renewed without expiring if certain conditions are met.)

**BILL NO:** S605 (Substituted for A4012)

**SPONSOR(S)** Bob Smith and others

**DATE INTRODUCED:** 1/9/2018

**COMMITTEE:** **ASSEMBLY:** Telecommunications & Utilities  
**SENATE:** Economic Growth

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:** **ASSEMBLY:** 3/25/2019  
**SENATE:** 12/17/2018

**DATE OF APPROVAL:** 5/10/2019

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL** (First Reprint enacted) Yes

**S605**

**SPONSOR'S STATEMENT:** (Begins on page 6 of introduced bill) Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**A4012**

**SPONSOR'S STATEMENT:** (Begins on page 6 of introduced bill) Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

(continued)

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

RWH/CL

P.L. 2019, CHAPTER 101, *approved May 10, 2019*  
Senate, No. 605 (*First Reprint*)

1 AN ACT concerning the licensing of natural gas suppliers and  
2 supplementing and amending P.L.1999, c.23.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. (New section) a. The Legislature finds and declares that:

8 (1) it is important to ensure that New Jersey natural gas  
9 customers have adequate protections when participating in the retail  
10 natural gas supply market;

11 (2) a well-functioning, retail natural gas supply market can  
12 provide customers with an increased choice of natural gas suppliers,  
13 innovative products and services, and lower natural gas usage and  
14 costs;

15 (3) a natural gas supplier (supplier) is required by law to apply  
16 to the Board of Public Utilities (board) for an initial license to do  
17 business in the State and annually thereafter for a license renewal;

18 (4) a supplier is also required by law to procure and maintain an  
19 annual surety bond to accompany its application;

20 (5) any delay in processing a supplier's application will cause  
21 the surety bond to expire out of sync with the associated license,  
22 causing an additional burden on the board staff reviewing the  
23 application and the supplier;

24 (6) in order to process a request from a consumer to switch to a  
25 new supplier, natural gas public utilities operating in the State  
26 require suppliers to provide proof of licensure and without that  
27 proof, the processing request may be delayed; and

28 (7) delays in processing a supplier's license renewal application  
29 can have significant impacts on the supplier's ability to bid on  
30 contracts to provide service if a supplier cannot demonstrate that its  
31 current license is in good standing while its application is pending,  
32 especially when the review of its application is delayed.

33 b. The Legislature therefore determines that:

34 (1) requiring a supplier to demonstrate to the board in the  
35 license application process that it possesses the requisite technical  
36 qualifications, a commitment to an ethical business conduct, and the  
37 financial strength to fulfill its promises to consumers is critical to  
38 ensuring the State's energy market continues to grow without  
39 disruption;

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SEG committee amendments adopted September 17, 2018.

1 (2) New Jersey's consumers should expect that the board  
2 reviews a supplier's initial and renewal license application  
3 appropriately and that the supplier will meet its obligations related  
4 to the service it provides;

5 (3) a more thoughtful and streamlined licensing process is in  
6 order to prevent supplier license application processing delays;

7 (4) requiring an annual update to the information submitted  
8 during the license renewal application, as opposed to requiring  
9 virtually duplicative license renewal applications annually  
10 thereafter, will ensure that a supplier adheres to New Jersey's  
11 strong commitment to consumer protection, ethical business  
12 practices, and financial integrity; and

13 (5) streamlining the supplier application licensing renewal  
14 process does not limit a supplier's duty to provide the board with  
15 the information necessary to assess a supplier's qualifications to do  
16 business in the State while preserving the board's powers to take  
17 action to protect consumers.

18

19 2. Section 30 of P.L.1999, c.23 (C.48:3-79) is amended to read  
20 as follows:

21 30. a. A person shall not offer to provide or provide gas supply  
22 service to retail customers in this State unless that person has  
23 applied for, on an application form prescribed by the board, and  
24 obtained from the board, pursuant to standards adopted by the  
25 board, a gas supplier license. A person providing such services on  
26 the effective date of **【this act】** P.L.1999, c.23 (C.48:3-49 et al.)  
27 shall have 120 days to apply for and receive the requisite license.

28 b. (1) The board shall issue a license to a gas supplier that is in  
29 compliance with the licensing standards adopted pursuant to  
30 subsection c. of this section and upon paying a licensure fee as  
31 determined by the board pursuant to subsection g. of this section.  
32 **【A】** An initial license shall expire one year from the date of  
33 issuance **【unless the holder thereof pays to the board, within 30**  
34 **days before the expiration date, a renewal fee accompanied by a**  
35 **renewal application on a form prescribed by the board】**. Nothing in  
36 this section shall limit the authority of the board to deny, suspend,  
37 or revoke a license at any time, consistent with the provisions of  
38 P.L.1999, c.23 (C.48:3-49 et al.).

39 (2) A license **1【renewed by the board】** shall not expire<sup>1</sup> after the  
40 effective date of P.L. , c. (C. ) (pending before the  
41 Legislature as this bill) **1【shall not expire】**<sup>1</sup> so long as the licensee  
42 pays to the board, within 30 days before the **1【end of each energy**  
43 **year】** anniversary date of the last approved licensing application<sup>1</sup> , a  
44 license renewal fee, as determined by the board, accompanied by an  
45 annual information update on a form prescribed by the board.

1       (3) The annual information update submitted by a licensed gas  
2 supplier to the board, pursuant to paragraph (2) of this subsection,  
3 shall be limited to the following information:

4       (a) the information required of a gas supplier pursuant to  
5 subsection c. of this section;

6       (b) a copy of the gas supplier's most recent quarterly New  
7 Jersey sales and use tax report;

8       (c) the gas supplier's most recent 12-month and calendar year  
9 sales volume in New Jersey, by customer class;

10       (d) whether the gas supplier, or any of the gas supplier's key  
11 operating personnel, officers, directors, partners, owners, or listed  
12 stockholders have been subject to or are subject to any regulatory  
13 investigations or disciplinary proceedings connected with the sale  
14 of natural gas in any other state or federal jurisdiction;

15       (e) whether the gas supplier, or any of the gas supplier's key  
16 operating personnel, officers, directors, partners, owners, or listed  
17 stockholders have filed for bankruptcy in the last seven years or are  
18 the subject of any current bankruptcy proceedings; and

19       (f) any certifications necessary, as determined by the board.

20       c. Notwithstanding any provisions of the "Administrative  
21 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
22 contrary, in consultation with the Division of Consumer Affairs in  
23 the Department of Law and Public Safety, the board shall initiate a  
24 proceeding and shall adopt, after notice, provision of the  
25 opportunity for comment, and public hearing, interim gas supplier  
26 licensing standards within 90 days of the effective date of **[this act]**  
27 P.L.1999, c.23 (C.48:3-49 et al.). Such standards shall be effective  
28 as regulations immediately upon filing with the Office of  
29 Administrative Law and shall be effective for a period not to exceed  
30 18 months, and may, thereafter, be amended, adopted, or readopted  
31 by the board in accordance with the provisions of the  
32 "Administrative Procedure Act." The standards shall include, but  
33 need not be limited to, the following requirements that a gas  
34 supplier:

35       (1) Register with the board, which shall include the filing of  
36 basic information pertaining to the gas supplier, such as name,  
37 address, telephone number, and company background and profile,  
38 and a list of the services or products offered by the gas supplier. A  
39 gas supplier shall provide annual updates of this information to the  
40 board. The registration shall also include:

41       (a) Evidence of financial integrity;

42       (b) Information on any disciplinary proceedings or actions by  
43 law enforcement authorities in which the gas supplier, its  
44 subsidiaries, affiliates, or parent has been involved in this State or  
45 any other states;

46       (c) The ownership interests of the gas supplier including the  
47 interests owned by the gas supplier and the interests owning the gas  
48 supplier;

- 1 (d) The name and address of the in-State agent of the gas  
2 supplier that is authorized to receive service of process;
- 3 (e) The name and address of the in-State customer service agent  
4 for the gas supplier;
- 5 (f) The quantity of retail gas sales made in this State during the  
6 12 months preceding the application; and
- 7 (g) A list of the services or products offered by the gas supplier;
- 8 (2) Agree to meet all reliability standards established by the  
9 board or any other state, regional, federal, or industry body with  
10 authority to establish reliability standards. The board may establish  
11 specific standards applicable to gas suppliers to ensure the  
12 adequacy of gas capacity, if it determines that standards established  
13 by any other state, regional, federal, or industry bodies are not  
14 sufficient to assure the provision of safe, adequate, proper, and  
15 reliable gas supply service to retail customers in this State;
- 16 (3) Maintain an office within this State for purposes of  
17 accepting service of process, maintaining such records as the board  
18 requires and ensuring accessibility to the board, consumers, and gas  
19 public utilities;
- 20 (4) Maintain a surety bond under terms and conditions approved  
21 by the board;
- 22 (5) Provide a description of the products and services to be  
23 rendered;
- 24 (6) Comply with such specific standards of conduct for gas  
25 suppliers as the board shall adopt; and
- 26 (7) Provide through legal certification by an officer of the gas  
27 supplier such information as the board or its staff shall require to  
28 assist the board in making any determination concerning revocation,  
29 suspension, issuance, or renewal of the gas supplier's license  
30 pursuant to section 32 of **[this act]** P.L.1999, c.23 (C.48:3-81).
- 31 d. A gas public utility shall:
- 32 (1) Incorporate by reference the board's licensing requirements  
33 in its tariffs for distribution service;
- 34 (2) Apply the licensing requirements and other conditions for  
35 access to the distribution system uniformly to all gas suppliers;
- 36 (3) Not unreasonably deny a licensed gas supplier access to its  
37 distribution system; and
- 38 (4) Report alleged violations of the board's licensing  
39 requirements of which it becomes aware to the board.
- 40 e. The board shall establish an alternative dispute resolution  
41 program to resolve any licensure or access dispute between a gas  
42 supplier and a gas public utility. The board may establish  
43 reasonable fees, not to exceed actual costs, for the provision of  
44 alternate dispute resolution services. If informal resolution of the  
45 dispute is unsuccessful, the board shall adjudicate the dispute as a  
46 contested case pursuant to the "Administrative Procedure Act."
- 47 f. The board may establish safety and service quality standards  
48 for gas suppliers, and nothing in **[this act]** P.L.1999, c.23 (C.48:3-

1 49 et al.) shall limit the authority of the board to promulgate such  
2 safety or service quality standards or to resolve complaints  
3 regarding the quality of gas supply service.

4 g. The board **【may】** shall establish, by written order pursuant  
5 to subsection c. of this section or by rule, a licensure fee to cover  
6 the costs of licensing gas suppliers. The fee shall include a  
7 reasonable surcharge to fund a consumer education program in this  
8 State established pursuant to section 36 of **【this act】** P.L.1999, c.23  
9 (C.48:3-85).

10 (cf: P.L.1999, c.23, s.30)

11

12 3. This act shall take effect immediately, but shall remain  
13 inoperative for 60 days following the date of enactment.

14

15

16

17

18 Provides that natural gas supplier license issued by BPU may be  
19 renewed without expiring if certain conditions are met.

# SENATE, No. 605

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# STATE OF NEW JERSEY

## 218th LEGISLATURE

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PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**SYNOPSIS**

Provides that natural gas supplier license issued by BPU may be renewed without expiring if certain conditions are met.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.





1 AN ACT concerning the licensing of natural gas suppliers and  
2 supplementing and amending P.L.1999, c.23.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. (New section) a. The Legislature finds and declares that:

8 (1) it is important to ensure that New Jersey natural gas  
9 customers have adequate protections when participating in the retail  
10 natural gas supply market;

11 (2) a well-functioning, retail natural gas supply market can  
12 provide customers with an increased choice of natural gas suppliers,  
13 innovative products and services, and lower natural gas usage and  
14 costs;

15 (3) a natural gas supplier (supplier) is required by law to apply  
16 to the Board of Public Utilities (board) for an initial license to do  
17 business in the State and annually thereafter for a license renewal;

18 (4) a supplier is also required by law to procure and maintain an  
19 annual surety bond to accompany its application;

20 (5) any delay in processing a supplier's application will cause  
21 the surety bond to expire out of sync with the associated license,  
22 causing an additional burden on the board staff reviewing the  
23 application and the supplier;

24 (6) in order to process a request from a consumer to switch to a  
25 new supplier, natural gas public utilities operating in the State  
26 require suppliers to provide proof of licensure and without that  
27 proof, the processing request may be delayed; and

28 (7) delays in processing a supplier's license renewal application  
29 can have significant impacts on the supplier's ability to bid on  
30 contracts to provide service if a supplier cannot demonstrate that its  
31 current license is in good standing while its application is pending,  
32 especially when the review of its application is delayed.

33 b. The Legislature therefore determines that:

34 (1) requiring a supplier to demonstrate to the board in the  
35 license application process that it possesses the requisite technical  
36 qualifications, a commitment to an ethical business conduct, and the  
37 financial strength to fulfill its promises to consumers is critical to  
38 ensuring the State's energy market continues to grow without  
39 disruption;

40 (2) New Jersey's consumers should expect that the board  
41 reviews a supplier's initial and renewal license application  
42 appropriately and that the supplier will meet its obligations related  
43 to the service it provides;

44 (3) a more thoughtful and streamlined licensing process is in  
45 order to prevent supplier license application processing delays;

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 (4) requiring an annual update to the information submitted  
2 during the license renewal application, as opposed to requiring  
3 virtually duplicative license renewal applications annually  
4 thereafter, will ensure that a supplier adheres to New Jersey's  
5 strong commitment to consumer protection, ethical business  
6 practices, and financial integrity; and

7 (5) streamlining the supplier application licensing renewal  
8 process does not limit a supplier's duty to provide the board with  
9 the information necessary to assess a supplier's qualifications to do  
10 business in the State while preserving the board's powers to take  
11 action to protect consumers.

12

13 2. Section 30 of P.L.1999, c.23 (C.48:3-79) is amended to read  
14 as follows:

15 30. a. A person shall not offer to provide or provide gas supply  
16 service to retail customers in this State unless that person has  
17 applied for, on an application form prescribed by the board, and  
18 obtained from the board, pursuant to standards adopted by the  
19 board, a gas supplier license. A person providing such services on  
20 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.)  
21 shall have 120 days to apply for and receive the requisite license.

22 b. (1) The board shall issue a license to a gas supplier that is in  
23 compliance with the licensing standards adopted pursuant to  
24 subsection c. of this section and upon paying a licensure fee as  
25 determined by the board pursuant to subsection g. of this section.  
26 **[A]** An initial license shall expire one year from the date of  
27 issuance **[unless the holder thereof pays to the board, within 30**  
28 **days before the expiration date, a renewal fee accompanied by a**  
29 **renewal application on a form prescribed by the board]**. Nothing in  
30 this section shall limit the authority of the board to deny, suspend,  
31 or revoke a license at any time, consistent with the provisions of  
32 P.L.1999, c.23 (C.48:3-49 et al.).

33 (2) A license renewed by the board after the effective date of  
34 P.L. , c. (C. ) (pending before the Legislature as this bill)  
35 shall not expire so long as the licensee pays to the board, within 30  
36 days before the end of each energy year, a license renewal fee, as  
37 determined by the board, accompanied by an annual information  
38 update on a form prescribed by the board.

39 (3) The annual information update submitted by a licensed gas  
40 supplier to the board, pursuant to paragraph (2) of this subsection,  
41 shall be limited to the following information:

42 (a) the information required of a gas supplier pursuant to  
43 subsection c. of this section;

44 (b) a copy of the gas supplier's most recent quarterly New  
45 Jersey sales and use tax report;

46 (c) the gas supplier's most recent 12-month and calendar year  
47 sales volume in New Jersey, by customer class;

1       (d) whether the gas supplier, or any of the gas supplier's key  
2 operating personnel, officers, directors, partners, owners, or listed  
3 stockholders have been subject to or are subject to any regulatory  
4 investigations or disciplinary proceedings connected with the sale  
5 of natural gas in any other state or federal jurisdiction;

6       (e) whether the gas supplier, or any of the gas supplier's key  
7 operating personnel, officers, directors, partners, owners, or listed  
8 stockholders have filed for bankruptcy in the last seven years or are  
9 the subject of any current bankruptcy proceedings; and

10       (f) any certifications necessary, as determined by the board.

11       c. Notwithstanding any provisions of the "Administrative  
12 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
13 contrary, in consultation with the Division of Consumer Affairs in  
14 the Department of Law and Public Safety, the board shall initiate a  
15 proceeding and shall adopt, after notice, provision of the  
16 opportunity for comment, and public hearing, interim gas supplier  
17 licensing standards within 90 days of the effective date of **[this act]**  
18 P.L.1999, c.23 (C.48:3-49 et al.). Such standards shall be effective  
19 as regulations immediately upon filing with the Office of  
20 Administrative Law and shall be effective for a period not to exceed  
21 18 months, and may, thereafter, be amended, adopted, or readopted  
22 by the board in accordance with the provisions of the  
23 "Administrative Procedure Act." The standards shall include, but  
24 need not be limited to, the following requirements that a gas  
25 supplier:

26       (1) Register with the board, which shall include the filing of  
27 basic information pertaining to the gas supplier, such as name,  
28 address, telephone number, and company background and profile,  
29 and a list of the services or products offered by the gas supplier. A  
30 gas supplier shall provide annual updates of this information to the  
31 board. The registration shall also include:

32       (a) Evidence of financial integrity;

33       (b) Information on any disciplinary proceedings or actions by  
34 law enforcement authorities in which the gas supplier, its  
35 subsidiaries, affiliates, or parent has been involved in this State or  
36 any other states;

37       (c) The ownership interests of the gas supplier including the  
38 interests owned by the gas supplier and the interests owning the gas  
39 supplier;

40       (d) The name and address of the in-State agent of the gas  
41 supplier that is authorized to receive service of process;

42       (e) The name and address of the in-State customer service agent  
43 for the gas supplier;

44       (f) The quantity of retail gas sales made in this State during the  
45 12 months preceding the application; and

46       (g) A list of the services or products offered by the gas supplier;

47       (2) Agree to meet all reliability standards established by the

1 board or any other state, regional, federal, or industry body with  
2 authority to establish reliability standards. The board may establish  
3 specific standards applicable to gas suppliers to ensure the  
4 adequacy of gas capacity, if it determines that standards established  
5 by any other state, regional, federal, or industry bodies are not  
6 sufficient to assure the provision of safe, adequate, proper, and  
7 reliable gas supply service to retail customers in this State;

8 (3) Maintain an office within this State for purposes of  
9 accepting service of process, maintaining such records as the board  
10 requires and ensuring accessibility to the board, consumers, and gas  
11 public utilities;

12 (4) Maintain a surety bond under terms and conditions approved  
13 by the board;

14 (5) Provide a description of the products and services to be  
15 rendered;

16 (6) Comply with such specific standards of conduct for gas  
17 suppliers as the board shall adopt; and

18 (7) Provide through legal certification by an officer of the gas  
19 supplier such information as the board or its staff shall require to  
20 assist the board in making any determination concerning revocation,  
21 suspension, issuance, or renewal of the gas supplier's license  
22 pursuant to section 32 of **[this act]** P.L.1999, c.23 (C.48:3-81).

23 d. A gas public utility shall:

24 (1) Incorporate by reference the board's licensing requirements  
25 in its tariffs for distribution service;

26 (2) Apply the licensing requirements and other conditions for  
27 access to the distribution system uniformly to all gas suppliers;

28 (3) Not unreasonably deny a licensed gas supplier access to its  
29 distribution system; and

30 (4) Report alleged violations of the board's licensing  
31 requirements of which it becomes aware to the board.

32 e. The board shall establish an alternative dispute resolution  
33 program to resolve any licensure or access dispute between a gas  
34 supplier and a gas public utility. The board may establish  
35 reasonable fees, not to exceed actual costs, for the provision of  
36 alternate dispute resolution services. If informal resolution of the  
37 dispute is unsuccessful, the board shall adjudicate the dispute as a  
38 contested case pursuant to the "Administrative Procedure Act."

39 f. The board may establish safety and service quality standards  
40 for gas suppliers, and nothing in **[this act]** P.L.1999, c.23 (C.48:3-  
41 49 et al.) shall limit the authority of the board to promulgate such  
42 safety or service quality standards or to resolve complaints  
43 regarding the quality of gas supply service.

44 g. The board **[may]** shall establish, by written order pursuant  
45 to subsection c. of this section or by rule, a licensure fee to cover  
46 the costs of licensing gas suppliers. The fee shall include a  
47 reasonable surcharge to fund a consumer education program in this

1 State established pursuant to section 36 of **[this act]** P.L.1999, c.23  
2 (C.48:3-85).

3 (cf: P.L.1999, c.23, s.30)

4

5 3. This act shall take effect immediately, but shall remain  
6 inoperative for 60 days following the date of enactment.

7

8

9

STATEMENT

10

11 This bill provides that a natural gas supplier license issued by the  
12 Board of Public Utilities (BPU) may be renewed without expiring if  
13 certain conditions are met. A license renewed by the BPU after the  
14 effective date of the bill does not expire so long as the licensee pays  
15 an annual license renewal fee, as determined by the BPU,  
16 accompanied by an annual update of information on a form  
17 prescribed by the BPU.

18 The annual update of information, provided for in the bill, is to  
19 be limited to the following: 1) information required of a gas  
20 supplier when first licensed; 2) a copy of the gas supplier's most  
21 recent quarterly New Jersey sales and use tax report; 3) the gas  
22 supplier's most recent 12-month and calendar year sales volume in  
23 New Jersey, by customer class; 4) whether the gas supplier, or any  
24 of the gas supplier's key operating personnel, officers, directors,  
25 partners, owners, or listed stockholders have been subject to or are  
26 subject to any regulatory investigations or disciplinary proceedings  
27 connected with the sale of electricity in any other state or federal  
28 jurisdiction; 5) whether the gas supplier, or any of the electric  
29 supplier's key operating personnel, officers, directors, partners,  
30 owners, or listed stockholders have filed for bankruptcy in the last  
31 seven years or are the subject of any current bankruptcy  
32 proceedings; and 6) any certifications necessary, as determined by  
33 the BPU.

34 Nothing in the bill is to limit the authority of the BPU to deny,  
35 suspend, or revoke a license at any time, consistent with the  
36 provisions of the "Electric Discount and Energy Competition Act."

# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### **SENATE, No. 605**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: SEPTEMBER 17, 2018

The Senate Economic Growth Committee reports favorably with committee amendments Senate Bill No. 605.

As amended and reported, this bill provides that a natural gas supplier license issued by the Board of Public Utilities (BPU) may be renewed without expiring if certain conditions are met. A license renewed by the BPU after the effective date of the bill does not expire so long as the licensee pays an annual license renewal fee, as determined by the BPU, accompanied by an annual update of information.

The annual update of information is to be limited to the following: 1) information required of a gas supplier when first licensed; 2) a copy of the gas supplier's most recent quarterly New Jersey sales and use tax report; 3) the gas supplier's most recent 12-month and calendar year sales volume in New Jersey, by customer class; 4) whether the gas supplier, or any of the gas supplier's key operating personnel, officers, directors, partners, owners, or listed stockholders have been subject to or are subject to any regulatory investigations or disciplinary proceedings connected with the sale of electricity in any other state or federal jurisdiction; 5) whether the gas supplier, or any of the electric supplier's key operating personnel, officers, directors, partners, owners, or listed stockholders have filed for bankruptcy in the last seven years or are the subject of any current bankruptcy proceedings; and 6) any certifications determined necessary by the BPU.

The committee amended the bill to provide for license renewal on the anniversary of when the last license application was approved, rather than at the end of the energy year.

This bill was pre-filed for introduction in the 2018-2019 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES  
COMMITTEE

STATEMENT TO

[First Reprint]  
**SENATE, No. 605**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 7, 2019

The Assembly Telecommunications and Utilities Committee reports favorably Senate Bill No. 605 (1R).

As reported, this bill provides that a natural gas supplier license issued by the Board of Public Utilities (BPU) may be renewed without expiring if certain conditions are met. A license renewed by the BPU after the effective date of the bill does not expire so long as the licensee pays an annual license renewal fee, as determined by the BPU, accompanied by an annual update of information.

The annual update of information is to be limited to the following: 1) information required of a gas supplier when first licensed; 2) a copy of the gas supplier's most recent quarterly New Jersey sales and use tax report; 3) the gas supplier's most recent 12-month and calendar year sales volume in New Jersey, by customer class; 4) whether the gas supplier, or any of the gas supplier's key operating personnel, officers, directors, partners, owners, or listed stockholders have been subject to or are subject to any regulatory investigations or disciplinary proceedings connected with the sale of natural gas in any other state or federal jurisdiction; 5) whether the gas supplier, or any of the gas supplier's key operating personnel, officers, directors, partners, owners, or listed stockholders have filed for bankruptcy in the last seven years or are the subject of any current bankruptcy proceedings; and 6) any certifications determined necessary by the BPU.

As reported, Senate Bill No. 605 (1R) is identical to Assembly Bill No. 4012, which was amended and also reported by the committee on this date.

# ASSEMBLY, No. 4012

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 17, 2018

**Sponsored by:**

**Assemblywoman NANCY J. PINKIN**

**District 18 (Middlesex)**

**SYNOPSIS**

Provides that natural gas supplier license issued by BPU may be renewed without expiring if certain conditions are met.

**CURRENT VERSION OF TEXT**

As introduced.





1 AN ACT concerning the licensing of natural gas suppliers and  
2 supplementing and amending P.L.1999, c.23.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. (New section) a. The Legislature finds and declares that:

8 (1) it is important to ensure that New Jersey natural gas  
9 customers have adequate protections when participating in the retail  
10 natural gas supply market;

11 (2) a well-functioning, retail natural gas supply market can  
12 provide customers with an increased choice of natural gas suppliers,  
13 innovative products and services, and lower natural gas usage and  
14 costs;

15 (3) a natural gas supplier (supplier) is required by law to apply  
16 to the Board of Public Utilities (board) for an initial license to do  
17 business in the State and annually thereafter for a license renewal;

18 (4) a supplier is also required by law to procure and maintain an  
19 annual surety bond to accompany its application;

20 (5) any delay in processing a supplier's application will cause  
21 the surety bond to expire out of sync with the associated license,  
22 causing an additional burden on the board staff reviewing the  
23 application and the supplier;

24 (6) in order to process a request from a consumer to switch to a  
25 new supplier, natural gas public utilities operating in the State  
26 require suppliers to provide proof of licensure and without that  
27 proof, the processing request may be delayed; and

28 (7) delays in processing a supplier's license renewal application  
29 can have significant impacts on the supplier's ability to bid on  
30 contracts to provide service if a supplier cannot demonstrate that its  
31 current license is in good standing while its application is pending,  
32 especially when the review of its application is delayed.

33 b. The Legislature therefore determines that:

34 (1) requiring a supplier to demonstrate to the board in the  
35 license application process that it possesses the requisite technical  
36 qualifications, a commitment to an ethical business conduct, and the  
37 financial strength to fulfill its promises to consumers is critical to  
38 ensuring the State's energy market continues to grow without  
39 disruption;

40 (2) New Jersey's consumers should expect that the board  
41 reviews a supplier's initial and renewal license application  
42 appropriately and that the supplier will meet its obligations related  
43 to the service it provides;

44 (3) a more thoughtful and streamlined licensing process is in  
45 order to prevent supplier license application processing delays;

46 (4) requiring an annual update to the information submitted  
47 during the license renewal application, as opposed to requiring

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 virtually duplicative license renewal applications annually  
2 thereafter, will ensure that a supplier adheres to New Jersey's  
3 strong commitment to consumer protection, ethical business  
4 practices, and financial integrity; and

5 (5) streamlining the supplier application licensing renewal  
6 process does not limit a supplier's duty to provide the board with  
7 the information necessary to assess a supplier's qualifications to do  
8 business in the State while preserving the board's powers to take  
9 action to protect consumers.

10

11 2. Section 30 of P.L.1999, c.23 (C.48:3-79) is amended to read  
12 as follows:

13 30. a. A person shall not offer to provide or provide gas supply  
14 service to retail customers in this State unless that person has  
15 applied for, on an application form prescribed by the board, and  
16 obtained from the board, pursuant to standards adopted by the  
17 board, a gas supplier license. A person providing such services on  
18 the effective date of **【this act】** P.L.1999, c.23 (C.48:3-49 et al.)  
19 shall have 120 days to apply for and receive the requisite license.

20 b. (1) The board shall issue a license to a gas supplier that is  
21 in compliance with the licensing standards adopted pursuant to  
22 subsection c. of this section and upon paying a licensure fee as  
23 determined by the board pursuant to subsection g. of this section.  
24 **【A】** An initial license shall expire one year from the date of  
25 issuance [unless the holder thereof pays to the board, within 30  
26 days before the expiration date, a renewal fee accompanied by a  
27 renewal application on a form prescribed by the board】. Nothing in  
28 this section shall limit the authority of the board to deny, suspend,  
29 or revoke a license at any time, consistent with the provisions of  
30 P.L.1999, c.23 (C.48:3-49 et al.).

31 (2) A license renewed by the board after the effective date of  
32 P.L. , c. (C. ) (pending before the Legislature as this bill)  
33 shall not expire so long as the licensee pays to the board, within 30  
34 days before the end of each energy year, a license renewal fee, as  
35 determined by the board, accompanied by an annual information  
36 update on a form prescribed by the board.

37 (3) The annual information update submitted by a licensed gas  
38 supplier to the board, pursuant to paragraph (2) of this subsection,  
39 shall be limited to the following information:

40 (a) the information required of a gas supplier pursuant to  
41 subsection c. of this section;

42 (b) a copy of the gas supplier's most recent quarterly New  
43 Jersey sales and use tax report;

44 (c) the gas supplier's most recent 12-month and calendar year  
45 sales volume in New Jersey, by customer class;

46 (d) whether the gas supplier, or any of the gas supplier's key  
47 operating personnel, officers, directors, partners, owners, or listed  
48 stockholders have been subject to or are subject to any regulatory

1 investigations or disciplinary proceedings connected with the sale  
2 of natural gas in any other state or federal jurisdiction;

3 (e) whether the gas supplier, or any of the gas supplier's key  
4 operating personnel, officers, directors, partners, owners, or listed  
5 stockholders have filed for bankruptcy in the last seven years or are  
6 the subject of any current bankruptcy proceedings; and

7 (f) any certifications necessary, as determined by the board.

8 c. Notwithstanding any provisions of the "Administrative  
9 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
10 contrary, in consultation with the Division of Consumer Affairs in  
11 the Department of Law and Public Safety, the board shall initiate a  
12 proceeding and shall adopt, after notice, provision of the  
13 opportunity for comment, and public hearing, interim gas supplier  
14 licensing standards within 90 days of the effective date of **[this act]**  
15 P.L.1999, c.23 (C.48:3-49 et al.). Such standards shall be effective  
16 as regulations immediately upon filing with the Office of  
17 Administrative Law and shall be effective for a period not to exceed  
18 18 months, and may, thereafter, be amended, adopted, or readopted  
19 by the board in accordance with the provisions of the  
20 "Administrative Procedure Act." The standards shall include, but  
21 need not be limited to, the following requirements that a gas  
22 supplier:

23 (1) Register with the board, which shall include the filing of  
24 basic information pertaining to the gas supplier, such as name,  
25 address, telephone number, and company background and profile,  
26 and a list of the services or products offered by the gas supplier. A  
27 gas supplier shall provide annual updates of this information to the  
28 board. The registration shall also include:

29 (a) Evidence of financial integrity;

30 (b) Information on any disciplinary proceedings or actions by  
31 law enforcement authorities in which the gas supplier, its  
32 subsidiaries, affiliates, or parent has been involved in this State or  
33 any other states;

34 (c) The ownership interests of the gas supplier including the  
35 interests owned by the gas supplier and the interests owning the gas  
36 supplier;

37 (d) The name and address of the in-State agent of the gas  
38 supplier that is authorized to receive service of process;

39 (e) The name and address of the in-State customer service agent  
40 for the gas supplier;

41 (f) The quantity of retail gas sales made in this State during the  
42 12 months preceding the application; and

43 (g) A list of the services or products offered by the gas supplier;

44 (2) Agree to meet all reliability standards established by the  
45 board or any other state, regional, federal, or industry body with  
46 authority to establish reliability standards. The board may establish  
47 specific standards applicable to gas suppliers to ensure the  
48 adequacy of gas capacity, if it determines that standards established

1 by any other state, regional, federal, or industry bodies are not  
2 sufficient to assure the provision of safe, adequate, proper, and  
3 reliable gas supply service to retail customers in this State;

4 (3) Maintain an office within this State for purposes of  
5 accepting service of process, maintaining such records as the board  
6 requires and ensuring accessibility to the board, consumers, and gas  
7 public utilities;

8 (4) Maintain a surety bond under terms and conditions approved  
9 by the board;

10 (5) Provide a description of the products and services to be  
11 rendered;

12 (6) Comply with such specific standards of conduct for gas  
13 suppliers as the board shall adopt; and

14 (7) Provide through legal certification by an officer of the gas  
15 supplier such information as the board or its staff shall require to  
16 assist the board in making any determination concerning revocation,  
17 suspension, issuance, or renewal of the gas supplier's license  
18 pursuant to section 32 of **[this act]** P.L.1999, c.23 (C.48:3-81).

19 d. A gas public utility shall:

20 (1) Incorporate by reference the board's licensing requirements  
21 in its tariffs for distribution service;

22 (2) Apply the licensing requirements and other conditions for  
23 access to the distribution system uniformly to all gas suppliers;

24 (3) Not unreasonably deny a licensed gas supplier access to its  
25 distribution system; and

26 (4) Report alleged violations of the board's licensing  
27 requirements of which it becomes aware to the board.

28 e. The board shall establish an alternative dispute resolution  
29 program to resolve any licensure or access dispute between a gas  
30 supplier and a gas public utility. The board may establish  
31 reasonable fees, not to exceed actual costs, for the provision of  
32 alternate dispute resolution services. If informal resolution of the  
33 dispute is unsuccessful, the board shall adjudicate the dispute as a  
34 contested case pursuant to the "Administrative Procedure Act."

35 f. The board may establish safety and service quality standards  
36 for gas suppliers, and nothing in **[this act]** P.L.1999, c.23 (C.48:3-  
37 49 et al.) shall limit the authority of the board to promulgate such  
38 safety or service quality standards or to resolve complaints  
39 regarding the quality of gas supply service.

40 g. The board **[may]** shall establish, by written order pursuant  
41 to subsection c. of this section or by rule, a licensure fee to cover  
42 the costs of licensing gas suppliers. The fee shall include a  
43 reasonable surcharge to fund a consumer education program in this  
44 State established pursuant to section 36 of **[this act]** P.L.1999, c.23  
45 (C.48:3-85).

46 (cf: P.L.1999, c.23, s.30)

1       3. This act shall take effect immediately, but shall remain  
2 inoperative for 60 days following the date of enactment.

3

4

5

STATEMENT

6

7       This bill provides that a natural gas supplier license issued by the  
8 Board of Public Utilities (BPU) may be renewed without expiring if  
9 certain conditions are met. A license renewed by the BPU after the  
10 effective date of the bill does not expire so long as the licensee pays  
11 an annual license renewal fee, as determined by the BPU,  
12 accompanied by an annual update of information on a form  
13 prescribed by the BPU.

14       The annual update of information, provided for in the bill, is to  
15 be limited to the following: 1) information required of a gas  
16 supplier when first licensed; 2) a copy of the gas supplier's most  
17 recent quarterly New Jersey sales and use tax report; 3) the gas  
18 supplier's most recent 12-month and calendar year sales volume in  
19 New Jersey, by customer class; 4) whether the gas supplier, or any  
20 of the gas supplier's key operating personnel, officers, directors,  
21 partners, owners, or listed stockholders have been subject to or are  
22 subject to any regulatory investigations or disciplinary proceedings  
23 connected with the sale of electricity in any other state or federal  
24 jurisdiction; 5) whether the gas supplier, or any of the electric  
25 supplier's key operating personnel, officers, directors, partners,  
26 owners, or listed stockholders have filed for bankruptcy in the last  
27 seven years or are the subject of any current bankruptcy  
28 proceedings; and 6) any certifications necessary, as determined by  
29 the BPU.

30       Nothing in the bill is to limit the authority of the BPU to deny,  
31 suspend, or revoke a license at any time, consistent with the  
32 provisions of the "Electric Discount and Energy Competition Act."

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES  
COMMITTEE

STATEMENT TO  
ASSEMBLY, No. 4012

with committee amendments

**STATE OF NEW JERSEY**

DATED: FEBRUARY 7, 2019

The Assembly Telecommunications and Utilities Committee reports favorably and with committee amendments Assembly Bill No. 4012.

As amended and reported, this bill provides that a natural gas supplier license issued by the Board of Public Utilities (BPU) may be renewed without expiring if certain conditions are met. A license renewed by the BPU after the effective date of the bill does not expire so long as the licensee pays an annual license renewal fee, as determined by the BPU, accompanied by an annual update of information.

The annual update of information is to be limited to the following: 1) information required of a gas supplier when first licensed; 2) a copy of the gas supplier's most recent quarterly New Jersey sales and use tax report; 3) the gas supplier's most recent 12-month and calendar year sales volume in New Jersey, by customer class; 4) whether the gas supplier, or any of the gas supplier's key operating personnel, officers, directors, partners, owners, or listed stockholders have been subject to or are subject to any regulatory investigations or disciplinary proceedings connected with the sale of natural gas in any other state or federal jurisdiction; 5) whether the gas supplier, or any of the gas supplier's key operating personnel, officers, directors, partners, owners, or listed stockholders have filed for bankruptcy in the last seven years or are the subject of any current bankruptcy proceedings; and 6) any certifications determined necessary by the BPU.

As amended and reported, Assembly Bill No. 4012 is identical to Senate Bill No. 605 (1R), which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide for license renewal on the anniversary of when the last license application was approved, rather than at the end of the energy year.



## Newark, N.J.

# Governor Murphy Takes Action on Legislation

05/10/2019

**TRENTON** – Today, Governor Phil Murphy signed the following bills and resolutions into law:

**A2810 (Greenwald, Murphy/Pou)** - Requires active supervision of certain professional and occupational licensing boards.

**A4285 (Lopez, Quijano, Armato/Vitale, Singleton)** - Requires Commissioner of Health to develop voluntary registry to collect cancer incidence data from firefighters.

**A4416 (Swain, Karabinchak, Timberlake/Kean, Greenstein)** - Prohibits sale or distribution of products containing asbestos.

**A4500 (Verrelli, Mejia, Speight/Ruiz, Greenstein)** - Directs NJ State Council on Arts to create and disseminate best practices guide for at-risk youth arts programs; requires council to assist government entities creating programs that adopt best practices.

**A4578 (Land, Andrzejczak, McKeon/Smith, Greenstein)** - Makes supplemental appropriation of \$50 million from General Fund to DEP and adds language provisions concerning use of certain environmental settlement monies for natural resource restoration projects.

**A4612 (Jimenez, Mejia, Giblin/Cryan)** - Codifies State-specific exam requirement for land surveyor license.

**A4799 (Lopez, Coughlin, Benson/Vitale, Ruiz)** - Permits self-administration of hydrocortisone sodium succinate by students for adrenal insufficiency and requires that school districts and nonpublic schools establish policy for emergency administration of medication.

**A5034 (Pinkin/Smith)** - Authorizes sale and conveyance of certain State-owned real property in Stafford Township, Ocean County to US Fish and Wildlife Service.

**S52 (Singleton, Gill/Caputo, Webber, Murphy)** - Requires disclosure of breach of security of online account.

**S455 (Addiego, Singleton/Murphy, Dancer, Rooney)** - Requires disclosure of identifying information prior to sale of horse at auction.

**S515 (Kean, Sarlo/Munoz, Johnson, Bucco)** - Exempts sales of certain materials used in industrial sand casting processes from sales and use tax.

**S542 (Oroho, Singleton/Tucker, Wirths, Space)** - Designates High Point State Park as High Point State Park and New Jersey Veterans Memorial.

**S604 (Smith/Pinkin)** - Provides that electric power supplier license issued by BPU may be renewed without expiring if certain conditions are met.

**S605 (Smith/Pinkin, McKeon)** - Provides that natural gas supplier license issued by BPU may be renewed without expiring if certain conditions are met.

**S875 (Sweeney, Greenstein/Vainieri Huttle, Munoz, Murphy)** - Establishes the "Sexual Assault Victim's Bill of Rights."

**S1729 (Thompson, Quijano/Jones, Barclay)** - Designates *Streptomyces griseus* as New Jersey State Microbe.

**S2676 (Bucco, Lagana/Schaer, Calabrese, Tully)** - Requires boards of education and nonpublic schools to provide law enforcement authorities with copies of blueprints and maps of schools and school grounds.

**S2707 (Ruiz, Madden/Lampitt, Vainieri Huttle, Armato)** - Establishes task force within DOE on prevention of sexual abuse of children.

**S2709 (Ruiz, Madden/Mukherji, Lampitt, Chiaravalloti, Vainieri Huttle, Armato)** - Provides that certain persons who commit act of sexual penetration or sexual contact with students who are at least 18 but less than 22 years old are guilty of sexual assault or criminal sexual assault.

**S2711 (Ruiz, Madden/Lampitt, Vainieri Huttle, Jones)** - Mandates child abuse and sexual abuse training for all candidates for teaching certification.

**S2720 (Diegnan, Scutari/Johnson, Quijano, Murphy)** - Requires autocycles to be insured by PIP coverage to pedestrians.

**SJR101 (Gopal/Pintor Marin, Houghtaling, Downey)** - Designates March 15 of each year as Peter Francisco Day in New Jersey.

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