

48:2-29.6 to 48:2-29.14

LEGISLATIVE HISTORY CHECKLIST

NJSA 48:2-29.6 to 48:2-29.14 (Lifeline for public utilities)

LAWS OF 1977 CHAPTER 440

Bill No. A1830

Sponsor(s) Pellecchia & others

Date Introduced April 5, 1976

Committee: Assembly Transportation & Communication

Senate Transportation & Communication

Amended during passage Yes **XI** Amendments during passage denoted by asterisks

Date of Passage: Assembly Nov. 28, 1977

Senate Jan. 5, 1978

Date of approval March 2, 1978

Following statements are attached if available:

Sponsor statement Yes **XI**

Committee Statement: Assembly Yes **XI**

Senate Yes **XI**

Fiscal Note **XIX** No

Veto Message **XIX** No

Message on signing Yes **XI**

Following were printed:

Reports **XIX** No

Hearings Yes **XI**

**974.90 NJ Legislature. Assembly. Transportation
P976 and Communications Committee
1976a Public hearing on public utility
rates. Held 8/12/76, 8/24/76.**

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9/1/78

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 1830

STATE OF NEW JERSEY

INTRODUCED APRIL 5, 1976

By Assemblymen PELLECCIA, SCANLON, Assemblywoman MISZKIEWICZ, Assemblymen NEWMAN, BORNHEIMER, T. GALLO, KARCHER, PATERO, BURNS, CONTILLO, GREGORIO, YATES, BAER, SHAPIRO, BATE, STEWART, Assemblywoman CROCE, Assemblymen KOZLOSKI, ADUBATO, ESPOSITO, CALI, MARTIN, HERMAN, ORECHIO, HAMILTON, OLSZOWY and FAVA

Referred to Committee on Transportation and Communications

AN ACT concerning electric and gas utilities and supplementing Title 48 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Legislature hereby finds that a minimum supply of gas
2 and electricity for heating and lighting, cooling, cooking, and other
3 essential household usages is a necessity of life; that the increasing
4 costs of gas and electricity threaten to deprive many persons of
5 the use of these necessities and to jeopardize their life, health, and
6 welfare; and that public policy requires that the minimum essential
7 amount of gas and electricity be provided at the lowest feasible cost.

1 2. a. The Public Utility Commission ***[shall]*** **is hereby au-*
2 *thorized to** designate a minimum volume of gas and a minimum
3 quantity of electricity which is necessary to supply the minimum
4 energy needs of the average residential user for uses of space and
5 water heating, cooling, lighting, cooking, refrigerating and other
6 such uses as the commission deems necessary for a minimally ade-
6A quate standard of living. **The value or quantity designated pur-*
6B *suant to this act shall be known as the "lifeline increment."** In
7 designating such volume and quantity, the commission shall take
8 into account differentials in energy needs between utility customers
9 whose residential energy needs are supplied by electricity and gas.

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

10 The commission shall also take into account differentials in energy
 11 needs caused by geographic differences by differences in severity
 12 of climate and by season.

13 b. ***[The commission shall require each utility to charge a life-**
 14 **line]*** **The commission is hereby authorized to establish a* rate*
 14A *for the minimum amount of gas and electricity established*
 15 *in accordance with the provisions of this section *which shall be*
 16 *known as the "lifeline increment"*. The lifeline rate shall *[not*
 17 *exceed]* *be equal to or lower than* the lowest **effective* rate*
 18 *per kilowatt hour or per therm at which electricity or gas is sold*
 19 *to any *[other customer]* *class of customers* of the utility*
 20 **except as otherwise provided herein*.**

21 **c. Nothing herein shall preclude a utility from establishing a*
 22 *rate which is lower than the lifeline for any customer, provided,*
 23 *however, that such rate may be established only on the basis of*
 24 *specific data demonstrating actual economies in the production or*
 25 *delivery of larger volumes of the gas or electricity.*

26 *d. Nothing herein shall preclude a utility from making an ad-*
 27 *ministrative charge, which shall take into account the cost of meter*
 28 *installation, bookkeeping, billing and other similar administrative*
 29 *costs.**

30 ***[c.]* *e.*** Wholesale electrical or gas purchases and the rates
 31 charged therefor shall be exempted from the provisions of this
 32 section.

1 ***[3. Nothing in this act or in Title 48 of the Revised Statutes**
 2 **shall preclude the commission from reducing lifeline rates below the**
 3 **rates established pursuant to section 2 of this act for all residential**
 4 **customers or for certain classes of residential customers with**
 5 **special needs. Such reduction may be carried out to effectuate the**
 6 **legislative policy expressed in section 1 of this act or to effectuate**
 7 **a general restructuring of electrical or gas rates, charges and**
 8 **classifications.]***

1 ***3.* **[a. The commission may not establish a means test for de-**
 2 **termining those users who are entitled to the benefits of the lifeline**
 3 **rate.**

4 **b. The commission may not establish an age test, in addition to,**
 5 **or in lieu of, a means test for determining those users who are**
 6 **entitled to the benefits of the lifeline rate.*]****

7 ****a. Any user, having an income not in excess of \$12,000.00 per**
 8 **year for a married couple or head of household, or \$9,000.00 for a**
 9 **single person exclusive of benefits under ***[one of the following:**
 10 **(1) The]*** ***the*** Federal Social Security Act and all**
 11 **amendments and supplements thereto***[;**

12 (2) Any other program of the Federal Government or pursuant
 13 to any other Federal law which provides benefits in whole or in
 14 part in lieu of benefits referred to in, or for persons excluded from
 15 coverage under, paragraph (1) hereof including but not limited to
 16 the Federal Railroad Retirement Act and Federal pension, dis-
 17 ability and retirement programs; or

18 (3) Pension, disability or retirement programs of any State or
 19 its political subdivision, or agencies thereof, for persons not covered
 20 under paragraph (1) hereof, shall be entitled to receive a lifeline
 21 rate]***.

22 The commission shall establish a schedule of eligible users within
 23 the above income limitations based upon number of dependents.**

24 ***[4.]*** ****[*c.*]**** **b.** A residential consumer shall be entitled
 25 to receive a lifeline rate only at his principal place of residence.
 26 No person may receive a lifeline rate at more than one residence.

1 *4. In the absence of specific funding for any lifeline rate estab-
 2 lished pursuant to the provisions of this act, the cost of establishing
 3 a lifeline rate shall be borne by a restructuring of the rate structure
 4 of users in all classes of customers and in a manner not inconsistent
 5 with the provisions of this act.

1 **5. There shall be appropriated such sums as shall be neces-
 2 sary to *****[provide for]***** **aid in*** the establishment and
 3 maintenance of a lifeline rate for eligible users who are 65 years
 4 of age or older or who are disabled. *****[Appropriations]*****
 5 ***For these purposes, appropriations*** shall be made
 6 *****[solely]***** **when available*** from revenues derived from
 7 licensing and taxation of gambling casinos under P. L. 1977, c. 110
 8 (C. 5:12-1 et seq.).**

1 ****[5. The Office of Fiscal Affairs shall undertake]**** **6. The
 2 Senate and Assembly standing committees on Transportation
 3 and Communications are constituted a joint committee for the
 4 purpose of undertaking** a study of the cost and effectiveness
 5 of the lifeline rate and shall make recommendations to the Legisla-
 6 ture concerning its continuation and any possible modifications
 7 which may be desirable. The study may include the possible use
 8 of energy stamps as a part of or in addition to the lifeline rate,
 9 and ways of encouraging the use of insulation as a means of energy
 10 conservation. The study shall be completed 18 months after the
 11 date of enactment of this legislation**, but the joint committee
 12 shall conduct a review annually thereafter and make such recom-
 13 mendations to the Legislature concerning the rate's continuation
 14 and any modifications which it may deem appropriate**.

1 **7. a. The commission shall submit the proposed lifeline rate
2 and schedule of eligible users to the said joint committee con-
3 stituted under section 6 for its review. The joint committee shall
4 make such recommendations to the Legislature on the proposed
5 rate and schedule as it may deem advisable.

6 If within 60 days of the submission of the rate and schedule to
7 the committee, the Senate and General Assembly do not adopt a
8 concurrent resolution approving or disapproving the rate and
9 schedule, the rate and schedule shall be deemed approved.

10 b. The commission shall also submit any revision of an estab-
11 lished lifeline rate or schedule of eligible users to the said joint
12 committee for its review. The committee shall make such recom-
13 mendations to the Legislature on the revised rate or schedule as
14 it may deem advisable.

15 If within 45 days of the submission of the revised rate or schedule
16 to the committee, the Senate and General Assembly do not adopt
17 a concurrent resolution disapproving the rate or schedule, the
18 revision in the rate or schedule shall be deemed approved.**

1 **[6.]** **8.** As used in this act, the following definitions are
1A applicable:

2 a. "Effective rate" means the average per unit cost charged to
3 any class of customers, determined by dividing the number of kilo-
4 watt hours, therm or other units of electricity or gas consumed by
5 the customers in that class during a period of time specified by
6 the Public Utility Commission by the total payment made by the
7 customers in that class for the aforesaid units of electricity or gas
8 during the same period.

9 b. "Class of customers" means any group of electricity or gas
10 customers, consisting of more than 10 members, which receives gas
11 or electricity under the same rate structure and similar terms of
12 agreement with the same utility.*

1 *[5.]* **[7.]* **9.** This act shall take effect 6 months
2 after enactment *and shall expire on the last day of the third year
3 following the effective date*.

ASSEMBLY, No. 1830

STATE OF NEW JERSEY

INTRODUCED APRIL 5, 1976

By Assemblymen PELLECCIA, SCANLON, Assemblywoman MISZKIEWICZ, Assemblymen NEWMAN, BORNHEIMER, T. GALLO, KARCHER, PATERO, BURNS, CONTILLO, GREGORIO, YATES, BAER, SHAPIRO, BATE, STEWART, Assemblywoman CROCE, Assemblymen KOZLOSKI, ADUBATO, ESPOSITO, CALI, MARTIN, HERMAN, ORECHIO, HAMILTON, OLSZOWY and FAVA

Referred to Committee on Transportation and Communications

AN ACT concerning electric and gas utilities and supplementing Title 48 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Legislature hereby finds that a minimum supply of gas
2 and electricity for heating and lighting, cooling, cooking, and other
3 essential household usages is a necessity of life; that the increasing
4 costs of gas and electricity threaten to deprive many persons of
5 the use of these necessities and to jeopardize their life, health, and
6 welfare; and that public policy requires that the minimum essential
7 amount of gas and electricity be provided at the lowest feasible cost.

1 2. a. The Public Utility Commission shall designate a minimum
2 volume of gas and a minimum quantity of electricity which is
3 necessary to supply the minimum energy needs of the average
4 residential user for uses of space and water heating, cooling, light-
5 ing, cooking, refrigerating and other such uses as the commission
6 deems necessary for a minimally adequate standard of living. In
7 designating such volume and quantity, the commission shall take
8 into account differentials in energy needs between utility customers
9 whose residential energy needs are supplied by electricity and gas.
10 The commission shall also take into account differentials in energy
11 needs caused by geographic differences by differences in severity
12 of climate and by season.

13 b. The commission shall require each utility to charge a lifeline
14 rate for the minimum amount of gas and electricity established
15 in accordance with the provisions of this section. The lifeline rate
16 shall not exceed the lowest rate per kilowatt hour or per therm at
17 which electricity or gas is sold to any other customer of the utility.

18 c. Wholesale electrical or gas purchases and the rates charged
19 therefor shall be exempted from the provisions of this section.

1 3. Nothing in this act or in Title 48 of the Revised Statutes shall
2 preclude the commission from reducing lifeline rates below the
3 rates established pursuant to section 2 of this act for all residential
4 customers or for certain classes of residential customers with
5 special needs. Such reduction may be carried out to effectuate the
6 legislative policy expressed in section 1 of this act or to effectuate
7 a general restructuring of electrical or gas rates, charges and
8 classifications.

1 4. A residential consumer shall be entitled to receive a lifeline
2 rate only at his principal place of residence. No person may receive
3 a lifeline rate at more than one residence.

1 5. This act shall take effect 6 months after enactment.

STATEMENT

This bill would direct the Public Utilities Commission to designate a lifeline quantity of gas and electricity necessary to supply the minimum energy needs of the average residential user for uses of space and water heating, lighting, cooking and food refrigeration. The commission would require each utility to charge a lifeline rate for the established minimum amount of gas and electricity. Wholesale electrical or gas purchases and the rates charged therefor would be exempted from the provisions of the bill.

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 1830

STATE OF NEW JERSEY

INTRODUCED APRIL 5, 1976

By Assemblymen PELLECCIA, SCANLON, Assemblywoman MISZKIEWICZ, Assemblymen NEWMAN, BORNHEIMER, T. GALLO, KARCHER, PATERO, BURNS, CONTILLO, GREGORIO, YATES, BAER, SHAPIRO, BATE, STEWART, Assemblywoman CROCE, Assemblymen KOZLOSKI, ADUBATO, ESPOSITO, CALI, MARTIN, HERMAN, ORECHIO, HAMILTON, OLSZOWY and FAVA

Referred to Committee on Transportation and Communications

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1 1. The Legislature hereby finds that a minimum supply of gas
2 and electricity for heating and lighting, cooling, cooking, and other
3 essential household usages is a necessity of life; that the increasing
4 costs of gas and electricity threaten to deprive many persons of
5 the use of these necessities and to jeopardize their life, health, and
6 welfare; and that public policy requires that the minimum essential
7 amount of gas and electricity be provided at the lowest feasible cost.

1 2. a. The Public Utility Commission ***[shall]*** *is hereby au-*
2 *thorized to** designate a minimum volume of gas and a minimum
3 quantity of electricity which is necessary to supply the minimum
4 energy needs of the average residential user for uses of space and
5 water heating, cooling, lighting, cooking, refrigerating and other
6 such uses as the commission deems necessary for a minimally ade-
6A quate standard of living. **The value or quantity designated pur-*
6B *suant to this act shall be known as the "lifeline increment."** In
7 designating such volume and quantity, the commission shall take
8 into account differentials in energy needs between utility customers
9 whose residential energy needs are supplied by electricity and gas.
10 The commission shall also take into account differentials in energy

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

11 needs caused by geographic differences by differences in severity
12 of climate and by season.

13 b. ***[The commission shall require each utility to charge a life-**
14 **line]*** **The commission is hereby authorized to establish a* rate*
14A *for the minimum amount of gas and electricity established*
15 *in accordance with the provisions of this section *which shall be*
16 *known as the "lifeline increment"*. The lifeline rate shall ***[not***
17 **exceed]*** **be equal to or lower than* the lowest *effective* rate*
18 *per kilowatt hour or per therm at which electricity or gas is sold*
19 *to any ***[other customer]*** *class of customers* of the utility*
20 **except as otherwise provided herein*.*

21 **c. Nothing herein shall preclude a utility from establishing a*
22 *rate which is lower than the lifeline for any customer, provided,*
23 *however, that such rate may be established only on the basis of*
24 *specific data demonstrating actual economies in the production or*
25 *delivery of larger volumes of the gas or electricity.*

26 *d. Nothing herein shall preclude a utility from making an ad-*
27 *ministrative charge, which shall take into account the cost of meter*
28 *installation, bookkeeping, billing and other similar administrative*
29 *costs.**

30 ***[c.]*** **e.* Wholesale electrical or gas purchases and the rates*
31 *charged therefor shall be exempted from the provisions of this*
32 *section.*

1 ***[3. Nothing in this act or in Title 48 of the Revised Statutes**
2 **shall preclude the commission from reducing lifeline rates below the**
3 **rates established pursuant to section 2 of this act for all residential**
4 **customers or for certain classes of residential customers with**
5 **special needs. Such reduction may be carried out to effectuate the**
6 **legislative policy expressed in section 1 of this act or to effectuate**
7 **a general restructuring of electrical or gas rates, charges and**
8 **classifications.]***

1 **3.* a. The commission may not establish a means test for de-*
2 *termining those users who are entitled to the benefits of the lifeline*
3 *rate.*

4 *b. The commission may not establish an age test, in addition to,*
5 *or in lieu of, a means test for determining those users who are*
6 *entitled to the benefits of the lifeline rate.**

7 ***[4.]*** **c.* A residential consumer shall be entitled to receive a*
8 *lifeline rate only at his principal place of residence. No person*
9 *may receive a lifeline rate at more than one residence.*

1 **4. In the absence of specific funding for any lifeline rate estab-*
2 *lished pursuant to the provisions of this act, the cost of establishing*
3 *a lifeline rate shall be borne by a restructuring of the rate structure*

4 of users in all classes of customers and in a manner not inconsistent
5 with the provisions of this act.

1 5. The Office of Fiscal Affairs shall undertake a study of the
2 cost and effectiveness of the lifeline rate and shall make recom-
3 mendations to the Legislature concerning its continuation and any
4 possible modifications which may be desirable. The study may in-
5 clude the possible use of energy stamps as a part of or in addition
6 to the lifeline rate, and ways of encouraging the use of insulation
7 as a means of energy conservation. The study shall be completed
8 18 months after the date of enactment of this legislation.

1 6. As used in this act, the following definitions are applicable:

2 a. "Effective rate" means the average per unit cost charged to
3 any class of customers, determined by dividing the number of kilo-
4 watt hours, therm or other units of electricity or gas consumed by
5 the customers in that class during a period of time specified by
6 the Public Utility Commission by the total payment made by the
7 customers in that class for the aforesaid units of electricity or gas
8 during the same period.

9 b. "Class of customers" means any group of electricity or gas
10 customers, consisting of more than 10 members, which receives gas
11 or electricity under the same rate structure and similar terms of
12 agreement with the same utility.*

1 ***[5.]*** *7.* This act shall take effect 6 months after enactment
2 *and shall expire on the last day of the third year following the
3 effective date*.

ASSEMBLY TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1830

STATE OF NEW JERSEY

DATED: MAY 2, 1977

This bill would direct the Public Utilities Commission to designate a lifeline quantity of gas and electricity necessary to supply the minimum energy needs of the average residential user for uses of space and water heating, lighting, cooking and food refrigeration. The commission would require each utility to charge a lifeline rate for the established minimum amount of electricity and gas, at a rate not to exceed the lowest rate per kilowatt hour or per therm at which electricity or gas is sold to any other customer of the utility. Wholesale electrical or gas purchases and the rates charged therefor would be exempted from the provisions of the bill. The bill also provides that a residential consumer shall be entitled to receive a lifeline rate only at his principal place of residence.

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 1830

—◆—
STATE OF NEW JERSEY
—◆—

ADOPTED OCTOBER 3, 1977

Amend page 1, section 2.a., line 1, omit "shall", insert "is hereby authorized to".

Amend page 1, section 2.a., line 6, after "living.", insert "The value or quantity designated pursuant to this act shall be known as the 'lifeline increment.'".

Amend page 2, section 2.b., line 13, after "b.", omit rest of line and insert "The commission is hereby authorized to establish a".

Amend page 2, section 2.b., line 15, after "section", insert "which shall be known as the 'lifeline rate'".

Amend page 2, section 2.b., line 16, omit "not exceed", insert "be equal to or lower than"; after "lowest", insert "effective".

Amend page 2, section 2.b., line 17, omit "other customer", insert "class of customers".

Amend page 2, section 2.b., line 17, after "utility", insert "except as otherwise provided herein".

Amend page 2, section 2.b., after line 17, insert new sections 2.c. and 2.d. as follows:

"c. Nothing herein shall preclude a utility from establishing a rate which is lower than the lifeline for any customer, provided, however, that such rate may be established only on the basis of specific data demonstrating actual economies in the production or delivery of larger volumes of the gas or electricity.

d. Nothing herein shall preclude a utility from making an administrative charge, which shall take into account the cost of meter installation, bookkeeping, billing and other similar administrative costs."

Amend page 2, section 2.c., line 18, omit "c.", insert "e."

Amend page 2, section 3, lines 1-8, omit in entirety and insert:

"3. a. The commission may not establish a means test for determining those users who are entitled to the benefits of the lifeline rate.

b. The commission may not establish an age test, in addition to, or in lieu of, a means test for determining those users who are entitled to the benefits of the lifeline rate."

Amend page 2, section 4, line 1, omit "4.", insert "c."

Amend page 2, section 4, after line 3, insert new sections 4, 5 and 6 as follows:

"4. In the absence of specific funding for any lifeline rate established pursuant to the provisions of this act, the cost of establishing a lifeline rate shall be borne by a restructuring of the rate structure of users in all classes of customers and in a manner not inconsistent with the provisions of this act.

5. The Office of Fiscal Affairs shall undertake a study of the cost and effectiveness of the lifeline rate and shall make recommendations to the Legislature concerning its continuation and any possible modifications which may be desirable. The study may include the possible use of energy stamps as a part of or in addition to the lifeline rate, and ways of encouraging the use of insulation as a means of energy conservation. The study shall be completed 18 months after the date of enactment of this legislation.

6. As used in this act, the following definitions are applicable:

a. 'Effective rate' means the average per unit cost charged to any class of customers, determined by dividing the number of kilowatt hours, therm or other units of electricity or gas consumed by the customers in that class during a period of time specified by the Public Utility Commission by the total payment made by the customers in that class for the aforesaid units of electricity or gas during the same period.

b. 'Class of customers' means any group of electricity or gas customers, consisting of more than 10 members, which receives gas or electricity under the same rate structure and similar terms of agreement with the same utility."

Amend page 2, section 5, line 1, omit "5.", insert "7."; after "enactment", insert "and shall expire on the last day of the third year following the effective date".

SENATE TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1830

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: DECEMBER 15, 1977

This legislation states that the Public Utility Commission is authorized to designate a volume of gas and electricity necessary to supply the minimum energy needs of the average residential user. The quantity designated shall be known as the "lifeline increment." The commission is authorized to establish a lifeline rate for this amount equal to or lower than the lowest effective rate per kilowatt hour or per therm at which electricity or gas is sold to any class of customers. Effective rate is defined as the average per unit cost charged to any class of customers. The legislation also provides that a utility may charge for the cost of administering this program and may establish a lower than lifeline rate for any customer of certain economic data is provided.

Other provisions of this legislation are:

- (1) The commission may not establish a means or age test for determining these users who are entitled to a lifeline rate.
- (2) A residential consumer shall be entitled to receive a lifeline rate only at his principal place of residence.
- (3) The cost of establishing a lifeline rate shall be borne by a restructuring of the rate structure of users in all classes of customers.
- (4) The Office of Fiscal Affairs shall study the cost and effectiveness of the lifeline rate and make recommendations, concerning the program's continuation and possible modifications, to the Legislature.
- (5) This act shall take effect 6 months after enactment and shall expire on the last day of the third year following enactment.

SENATE AMENDMENTS TO
ASSEMBLY, No. 1830
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED JANUARY 1, 1978

Amend page 2, section 3, lines 1 through 6, after "3.", omit remainder of line 1 and all of lines 2 through 6.

Amend page 2, section 3, after line 6, insert a new subsection a. as follows:

"a. Any user, having an income not in excess of \$12,000.00 per year for a married couple or head of household, or \$9,000.00 for a single person exclusive of benefits under one of the following:

(1) The Federal Social Security Act and all amendments and supplements thereto;

(2) Any other program of the Federal Government or pursuant to any other Federal law which provides benefits in whole or in part in lieu of benefits referred to in, or for persons excluded from coverage under, paragraph (1) hereof including but not limited to the Federal Railroad Retirement Act and Federal pension, disability and retirement programs; or

(3) Pension, disability or retirement programs of any State or its political subdivision, or agencies thereof, for persons not covered under paragraph (1) hereof, shall be entitled to receive a lifeline rate.

The commission shall establish a schedule of eligible users within the above income limitations based upon number of dependents."

Amend page 2, section 3, line 7, omit "c.", insert "b."

Amend page 3, section 4, after line 5, insert a new section 5 as follows:

"5. There shall be appropriated such sums as shall be necessary to provide for the establishment and maintenance of a lifeline rate for eligible users who are 65 years of age or older or who are disabled. Appropriations shall be made solely from revenues derived from licensing and taxation of gambling casinos under P. L. 1977, c. 110 (C. 5:12-1 et seq.)."

Amend page 3, section 5, line 1, omit "5. The Office of Fiscal Affairs shall undertake", insert "6. The Senate and Assembly standing committees on Transportation and Communications are constituted a joint committee for the purpose of undertaking".

Amend page 3, section 5, line 8, after "legislation", insert ", but the joint committee shall conduct a review annually thereafter and make such recommendations to the Legislature concerning the rate's continuation and any modifications which it may deem appropriate".

Amend page 3, section 5, after line 8, insert a new section 7 as follows:

"7. a. The commission shall submit the proposed lifeline rate and schedule of eligible users to the said joint committee constituted under section 6 for its review. The joint committee shall make such recommendations to the Legislature on the proposed rate and schedule as it may deem advisable.

If within 60 days of the submission of the rate and schedule to the committee, the Senate and General Assembly do not adopt a concurrent resolution approving or disapproving the rate and schedule, the rate and schedule shall be deemed approved.

b. The commission shall also submit any revision of an established lifeline rate or schedule of eligible users to the said joint committee for its review. The committee shall make such recommendations to the Legislature on the revised rate or schedule as it may deem advisable.

If within 45 days of the submission of the revised rate or schedule to the committee, the Senate and General Assembly do not adopt a concurrent resolution disapproving the rate or schedule, the revision in the rate or schedule shall be deemed approved."

Amend page 3, section 6, line 1, omit "6.", insert "8."

Amend page 3, section 7, line 1, omit "7.", insert "9."

ASSEMBLY AMENDMENTS TO
SENATE AMENDMENTS TO
ASSEMBLY, No. 1830
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED JANUARY 9, 1978

Amend page 2, section 3, line 9, after "exclusive of benefits under", omit "one of the following: (1) The", insert "the".

Amend page 3, section 3, lines 11-21, in paragraph (1) of new subsection a., after "thereto", omit ";" and all of paragraphs (2) and (3).

Amend page 3, section 5, lines 1-2, after "shall be necessary to", omit "provide for", insert "aid in".

Amend page 3, section 5, line 4, omit "Appropriations", insert "For these purposes, appropriations"; after "shall be made", omit "solely", insert "when available".

[SENATE REPRINT]

ASSEMBLY, No. 1830

[OFFICIAL COPY REPRINT]

with Senate amendments adopted January 5, 197~~6~~⁷

STATE OF NEW JERSEY

INTRODUCED APRIL 5, 1976

By Assemblymen PELLECCCHIA, SCANLON, Assemblywoman MISZKIEWICZ, Assemblymen NEWMAN, BORNHEIMER, T. GALLO, KARCHER, PATERO, BURNS, CONTILLO, GREGORIO, YATES, BAER, SHAPIRO, BATE, STEWART, Assemblywoman CROCE, Assemblymen KOZLOSKI, ADUBATO, ESPOSITO, CALI, MARTIN, HERMAN, ORECHIO, HAMILTON, OLSZOWY and FAVA

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2 and electricity for heating and lighting, cooling, cooking, and other
3 essential household usages is a necessity of life; that the increasing
4 costs of gas and electricity threaten to deprive many persons of
5 the use of these necessities and to jeopardize their life, health, and
6 welfare; and that public policy requires that the minimum essential
7 amount of gas and electricity be provided at the lowest feasible cost.

1 2. a. The Public Utility Commission ***[shall]*** *is hereby au-*
2 *thorized to** designate a minimum volume of gas and a minimum
3 quantity of electricity which is necessary to supply the minimum
4 energy needs of the average residential user for uses of space and
5 water heating, cooling, lighting, cooking, refrigerating and other
6 such uses as the commission deems necessary for a minimally ade-
6A quate standard of living. **The value or quantity designated pur-*
6B *suant to this act shall be known as the "lifeline increment."** In
7 designating such volume and quantity, the commission shall take
8 into account differentials in energy needs between utility customers
9 whose residential energy needs are supplied by electricity and gas.

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

10 The commission shall also take into account differentials in energy
 11 needs caused by geographic differences by differences in severity
 12 of climate and by season.

13 b. ***[**The commission shall require each utility to charge a life-
 14 line**]** **The commission is hereby authorized to establish a* rate*
 14A *for the minimum amount of gas and electricity established*
 15 *in accordance with the provisions of this section *which shall be*
 16 *known as the "lifeline increment"*. The lifeline rate shall ***[**not*
 17 *exceed**]** *be equal to or lower than* the lowest **effective* rate*
 18 *per kilowatt hour or per therm at which electricity or gas is sold*
 19 *to any ***[**other customer**]** *class of customers* of the utility*
 20 **except as otherwise provided herein*.**

21 **c. Nothing herein shall preclude a utility from establishing a*
 22 *rate which is lower than the lifeline for any customer, provided,*
 23 *however, that such rate may be established only on the basis of*
 24 *specific data demonstrating actual economies in the production or*
 25 *delivery of larger volumes of the gas or electricity.*

26 *d. Nothing herein shall preclude a utility from making an ad-*
 27 *ministrative charge, which shall take into account the cost of meter*
 28 *installation, bookkeeping, billing and other similar administrative*
 29 *costs.**

30 ***[c.]** **e.* Wholesale electrical or gas purchases and the rates*
 31 *charged therefor shall be exempted from the provisions of this*
 32 *section.*

1 ***[3.** Nothing in this act or in Title 48 of the Revised Statutes
 2 shall preclude the commission from reducing lifeline rates below the
 3 rates established pursuant to section 2 of this act for all residential
 4 customers or for certain classes of residential customers with
 5 special needs. Such reduction may be carried out to effectuate the
 6 legislative policy expressed in section 1 of this act or to effectuate
 7 a general restructuring of electrical or gas rates, charges and
 8 classifications.**]***

1 **3.* ****[**a. The commission may not establish a means test for de-*
 2 *termining those users who are entitled to the benefits of the lifeline*
 3 *rate.*

4 *b. The commission may not establish an age test, in addition to,*
 5 *or in lieu of, a means test for determining those users who are*
 6 *entitled to the benefits of the lifeline rate.***]*****

7 ***a. Any user, having an income not in excess of \$12,000.00 per*
 8 *year for a married couple or head of household, or \$9,000.00 for a*
 9 *single person exclusive of benefits under one of the following:*

10 (1) *The Federal Social Security Act and all amendments and*
 11 *supplements thereto;*

12 (2) *Any other program of the Federal Government or pursuant*
 13 *to any other Federal law which provides benefits in whole or in*
 14 *part in lieu of benefits referred to in, or for persons excluded from*
 15 *coverage under, paragraph (1) hereof including but not limited to*
 16 *the Federal Railroad Retirement Act and Federal pension, dis-*
 17 *ability and retirement programs; or*

18 (3) *Pension, disability or retirement programs of any State or*
 19 *its political subdivision, or agencies thereof, for persons not covered*
 20 *under paragraph (1) hereof, shall be entitled to receive a lifeline*
 21 *rate.*

22 *The commission shall establish a schedule of eligible users within*
 23 *the above income limitations based upon number of dependents.***

24 ***[4.]* **[*c.*]**** *b.**** A residential consumer shall be entitled
 25 to receive a lifeline rate only at his principal place of residence.
 26 No person may receive a lifeline rate at more than one residence.

1 ***4.** *In the absence of specific funding for any lifeline rate estab-*
 2 *lished pursuant to the provisions of this act, the cost of establishing*
 3 *a lifeline rate shall be borne by a restructuring of the rate structure*
 4 *of users in all classes of customers and in a manner not inconsistent*
 5 *with the provisions of this act.*

1 ****5.** *There shall be appropriated such sums as shall be neces-*
 2 *sary to provide for the establishment and maintenance of a life-*
 3 *line rate for eligible users who are 65 years of age or older or who*
 4 *are disabled. Appropriations shall be made solely from revenues*
 5 *derived from licensing and taxation of gambling casinos under*
 6 *P. L. 1977, c. 110 (C. 5:12-1 et seq.).***

1 ****[5. The Office of Fiscal Affairs shall undertake]**** ****6.** *The*
 2 *Senate and Assembly standing committees on Transportation*
 3 *and Communications are constituted a joint committee for the*
 4 *purpose of undertaking** a study of the cost and effectiveness*
 5 *of the lifeline rate and shall make recommendations to the Legisla-*
 6 *ture concerning its continuation and any possible modifications*
 7 *which may be desirable. The study may include the possible use*
 8 *of energy stamps as a part of or in addition to the lifeline rate,*
 9 *and ways of encouraging the use of insulation as a means of energy*
 10 *conservation. The study shall be completed 18 months after the*
 11 *date of enactment of this legislation**, but the joint committee*
 12 *shall conduct a review annually thereafter and make such recom-*
 13 *mendations to the Legislature concerning the rate's continuation*
 14 *and any modifications which it may deem appropriate**.*

1 **7. a. The commission shall submit the proposed lifeline rate
2 and schedule of eligible users to the said joint committee con-
3 stituted under section 6 for its review. The joint committee shall
4 make such recommendations to the Legislature on the proposed
5 rate and schedule as it may deem advisable.

6 If within 60 days of the submission of the rate and schedule to
7 the committee, the Senate and General Assembly do not adopt a
8 concurrent resolution approving or disapproving the rate and
9 schedule, the rate and schedule shall be deemed approved.

10 b. The commission shall also submit any revision of an estab-
11 lished lifeline rate or schedule of eligible users to the said joint
12 committee for its review. The committee shall make such recom-
13 mendations to the Legislature on the revised rate or schedule as
14 it may deem advisable.

15 If within 45 days of the submission of the revised rate or schedule
16 to the committee, the Senate and General Assembly do not adopt
17 a concurrent resolution disapproving the rate or schedule, the
18 revision in the rate or schedule shall be deemed approved.**

1 **[6.]** **8.** As used in this act, the following definitions are
1A applicable:

2 a. "Effective rate" means the average per unit cost charged to
3 any class of customers, determined by dividing the number of kilo-
4 watt hours, therm or other units of electricity or gas consumed by
5 the customers in that class during a period of time specified by
6 the Public Utility Commission by the total payment made by the
7 customers in that class for the aforesaid units of electricity or gas
8 during the same period.

9 b. "Class of customers" means any group of electricity or gas
10 customers, consisting of more than 10 members, which receives gas
11 or electricity under the same rate structure and similar terms of
12 agreement with the same utility.*

1 *[5.]* **[*7.*]** **9.** This act shall take effect 6 months
2 after enactment *and shall expire on the last day of the third year
3 following the effective date*.

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FOR IMMEDIATE RELEASE

MAR 28 1978

ANNE BURNS

STATEMENT OF GOVERNOR BRENDAN BYRNE ON THE
SIGNING OF ASSEMBLY BILL NO. 1830
1085 W. State Street
Trenton, N. J.

I have signed into law today Assembly Bill No. 1830, sponsored by Assemblyman Vincent Ozzie Pellechia (D-Passaic). This bill would authorize the Board of Public Utilities to set lifeline rates for senior citizens and persons below specified income levels.

I have consistently supported the lifeline concept.

Lifeline rates may stimulate conservation of energy by providing an incentive to those consumers who cut down on their current energy use to obtain the lower lifeline rate.

This bill reflects one approach to the lifeline concept. It creates a lifeline rate system through the restructuring of the current rate schedules adopted by public utilities. There are other possible ways to implement lifeline programs, and I have previously testified in support of a uniform federal program to implement the concept.

This bill is a worthwhile start to test the working of a lifeline program in New Jersey. The utilization of the legislative authority provided under this act will require significant regulatory actions by the Board of Public Utilities in the Department of Energy. Many questions remain to be resolved in the administrative process.

I am aware that this bill is only a start toward an effective program. The bill contains technical problems and questions relating to its interpretation. Bills are currently pending in the Legislature to correct certain deficiencies in the present bill, and to restructure the current bill's provisions so that somewhat different approaches in funding the program would be allowed.

(more)

These pending bills should receive careful study by the Legislature, and any improvements which they might make in the bill presently before me should be promptly approved. Since the present bill does not become effective until six months after my approval, there is adequate time for the Legislature to correct the technical deficiencies and to review the substantive alternatives to the approach taken in this bill.

I approve this bill with the understanding that it should not be the final action by the Legislature on the subject.

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