

iii. An earnings test calculation, in which the wastewater utility's earnings shall be subjected to an earnings test where the net operating income, including approved net WSIC revenues, is divided by the rate base, including approved net WSIC plant additions not yet in rate base.

(c) If the product of the calculation set forth in (b)3iii above exceeds the wastewater utility's most recently approved overall rate of return, as set forth in the most recent base rate order for the wastewater utility, the wastewater utility shall stop assessing the WSIC for as long as the condition persists.

(d) A wastewater utility may resume participation in the WSIC program, upon receiving Board approval, once it can demonstrate that the product of the calculation set forth in (b)3iii above no longer exceeds its last approved overall rate of return.

14:9-11.9 Calculating the WSIC rate

(a) The revenues to be recovered through the WSIC rate shall not exceed the WSIC cap, and shall be calculated as follows:

1. The eligible net investment reflects the eligible investment, less the per-book accumulated depreciation amount recorded for the specific projects, further adjusted for the recorded accumulated deferred income tax amount for the specific projects.

2. The eligible net investment shall be multiplied by the pre-tax adjusted weighted average cost of capital, plus depreciation expense, plus or minus any WSIC under-recovery or over-recovery, divided by the revenue factor, minus interest on any over-recovery, the sum of which shall be multiplied by the revenue factor, to arrive at the WSIC revenue requirement recovery amount. The calculation of amounts over-recovered or under-recovered should start with the WSIC rate effective date for the previous WSIC filing.

3. The WSIC revenue requirement recovery amount shall be divided by the number of meter equivalents, weighted by meter capacity ratio, to arrive at the WSIC rate by meter size or other Board-approved charges.

WSIC Formula (example numbers shown are for illustrative purposes only)

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

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

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

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

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

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

14:9-11.10 WSIC billing

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

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

## TRANSPORTATION

### (a)

#### MOTOR VEHICLE COMMISSION

**License and Registration Renewals, Duplicates, Interim Driver Licenses, Non-Driver Identification Cards, and Restorations**

**Adopted Amendment: N.J.A.C. 13:21-9.5**

**Adopted New Rules: N.J.A.C. 13:21-9.19, 9.20, and 9.21**

Proposed: July 20, 2020, at 52 N.J.R. 1397(a).

Adopted: October 15, 2020, by the Motor Vehicle Commission, B.

Sue Fulton, Chair and Chief Administrator.

Filed: October 30, 2020, as R.2020 d.124, **without change**.

Authority: N.J.S.A. 39:2A-21, 39:2A-13, 39:2A-28, and 39:2A-36.1.

Effective Date: December 7, 2020.

Expiration Date: September 9, 2027.

**Summary of Public Comments and Agency Responses:**

The written comments received by the Motor Vehicle Commission ("Commission" or "MVC") regarding its July 20, 2020, notice of proposal

at 52 N.J.R. 1397(a), is available for inspection at the Office of the Chief Administrator, Legal and Regulatory Affairs, Motor Vehicle Commission, 225 East State Street, 9th Floor, Trenton, New Jersey.

The Commission received the following timely written comments regarding the notice of proposal from Jean Public ([jeanpublic1@gmail.com](mailto:jeanpublic1@gmail.com)).

1. COMMENT: Jean Public opposes increased fees for government services for New Jersey residents, including motor vehicle transactions.

RESPONSE: The Commission acknowledges Jean Public's comment and notes that the notice of proposal establishes specific fees for issuing documents on an emergent basis. These fees are consistent with the actual increased costs to the Motor Vehicle Commission of issuing documents at an agency location on an emergent basis, rather than through the central issuance process. The Commission has determined that the fee increase is justified.

2. COMMENT: Jean Public included general comments regarding taxes, spending, bankruptcy, and deportation.

RESPONSE: The MVC acknowledges Jean Public's comments that do not address this notice of proposal or any related MVC rules and are therefore outside the scope of this rulemaking.

**Federal Standards Statement**

A Federal standards analysis is not required because the subject matter of the adopted amendment and new rules is authorized under State law and is not subject to Federal requirements or standards.

Full text of the adoption follows:

**SUBCHAPTER 9. LICENSE AND REGISTRATION RENEWALS, DUPLICATES, INTERIM DRIVER LICENSES AND NON-DRIVER IDENTIFICATION CARDS, AND RESTORATIONS**

**13:21-9.5 Definitions**

As used in N.J.A.C. 13:21-9.5 through 9.21, the following words and terms shall have the following meanings:

...  
 "Central printing" means the process whereby licenses, non-driver identification cards, and/or permits are physically printed and produced from a central location either within or outside New Jersey.  
 ...

**13:21-9.19 Central printing and central issuance of licenses, non-driver identification cards and permits; interim licenses, non-driver identification card receipts, and interim permits**

(a) The Commission may institute the practices of central printing and central issuance of driver licenses, commercial driver licenses, boat operator licenses, motorcycle licenses, non-driver identification cards, examination or special learner permits, or commercial learner permits, as determined by the Chief Administrator. An interim license, non-driver identification card receipt, or interim permit, may be issued by the Commission at such time that an applicant has met all the requirements for the issuance of a driver license, commercial driver license, boat operator license, motorcycle license, non-driver identification card, examination or special learner permit, or commercial learner permit in accordance with N.J.S.A. 39:3-10 et seq., 39:3-10.12 et seq., 39:3-13, and 39:3-29.2 et seq.; and N.J.A.C. 13:21-7, 8, and 23 and 13:82-8.20.

(b) The interim license and interim permit shall permit the applicant to drive while the interim document is in his or her possession and carried along with the most recent driver license issued by the Commission, unless the interim license or interim permit is marked INITIAL or DUPLICATE. The interim license and interim permit shall not be used for identification purposes. The interim license or interim permit shall indicate the class of license granted and any endorsements granted.

(c) The interim license, non-driver identification card receipt, or interim permit, shall be valid for up to 30 days, and shall become invalid when:

1. The driver license, commercial driver license, boat operator license, motorcycle license, non-driver identification card, examination or special learner permit, or commercial learner permit is received in the mail;

2. Operating privileges or rights to a non-driver identification card are suspended, cancelled, or revoked; or

3. The interim license, non-driver identification card receipt, or interim permit expires, if not already invalidated pursuant to (c)1 and 2 above.

**13:21-9.20 Issuance of a driver license, commercial driver license, boat operator license, motorcycle license, non-driver identification card, examination or special learner permit, or commercial learner permit on an emergent basis**

A driver license, commercial driver license, boat operator license, motorcycle license, non-driver identification card, examination or special learner permit, or commercial learner permit, or the renewal of such listed credential, may be issued to an applicant on an emergent and expedited basis for which the applicant shall submit satisfactory proof of the emergent and immediate need for photo identification, at specified agency locations. An emergent and immediate need, to be determined at the discretion of the chief administrator includes, but is not limited to, need for identification for immediate airline or train travel, identification to enter restricted places, such as a hospital, or identification to complete a home purchase or rental.

**13:21-9.21 Fee for driver licenses issued on emergent basis**

(a) The fee for the expedited issuance of a license, non-driver identification card, or any renewal thereof on an emergent basis at an agency shall be as follows:

1. Standard Driver License - \$99.00
2. REAL ID Driver License - \$110.00
3. Commercial Driver License - \$117.00 plus the costs of any additional endorsements, if applicable
4. Commercial Learner's Permit - \$200.00
5. Non-Driver Identification Card - \$99.00
6. Motorcycle License-\$99.00
7. Boat Operator License - \$99.00

**(a)**

**MOTOR VEHICLE COMMISSION**

**Commercial Driver Licensing**

**Adopted Amendments: N.J.A.C. 13:21-23.1, 23.2, 23.12, 23.24, and 23.28**

Proposed: July 20, 2020, at 52 N.J.R. 1399(a).

Adopted: October 15, 2020, by the Motor Vehicle Commission, B. Sue Fulton, Chair and Chief Administrator.

Filed: October 30, 2020, as R.2020 d.125, **without change**.

Authority: N.J.S.A. 39:3-10.27; and 49 U.S.C. §§ 31310(d) and 31311.

Effective Date: December 7, 2020.

Expiration Date: September 9, 2027.

**Summary of Public Comments and Agency Responses:**  
**No comments were received.**

**Federal Standards Statement**

The adopted amendments at N.J.A.C. 13:21-23.2 clarify that a person operating in intrastate commerce must meet the physical requirements of 49 CFR Part 391 and must meet the requirements of Federal law, at 49 U.S.C. § 31311, the Commercial Motor Vehicle Safety Act. The adopted amendments meet the requirements of Federal regulations and are limited to clarifying existing requirements; they do not impose any new requirements for the operation of commercial motor vehicles.

The adopted amendments clarifying the requirements for a passenger endorsement at N.J.A.C. 13:21-23.12, also meet the Federal requirements set forth above. In addition, the adopted amendments are limited to clarifying existing requirements and do not impose any new requirements for passenger endorsements. Requirements for passenger endorsements are set forth at both N.J.A.C. 13:21-14.5 and 23.12.

The adopted amendments at N.J.A.C. 13:21-23.24 meet the requirements of Federal regulations relating to the lifetime ban on the