



Agenda Date: 6/29/16
Agenda Item: 2F

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

I/M/O OF THE PETITION OF SJP RESIDENTIAL)
PROPERTIES, LLC FOR A WAIVER OF B.P.U. NO. 15)
GAS, ORIGINAL SHEET NO. 22 STANDARD TERMS)
AND CONDITIONS NO. 8.3.1) DOCKET NO. GW16040290

Parties of Record:

Michael K. Plumb, Esq., Chiesa Shahinian & Giantomasi PC, representing SJP Residential Properties

Alex Stern, Esq., Public Service Electric & Gas Company
Stephanie A. Brand, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND:

On April 12, 2016, the Board received a petition for waiver of Public Service Electric and Gas Company's ("PSE&G") tariff, B.P.U.N.J. No. 15 Gas, Original Sheet No. 22 Standard Terms and Conditions No. 8.3.1, which requires individual meters for gas in residential buildings, with some exceptions that do not apply here. The Petitioner, SJP Residential Properties, LLC (the "Petitioner") is a developer and investor in Fort Lee Phase II Urban Renewal Associates, LLC, which is funding a project known as The Modern Phase II. The Modern Phase II is a 450-unit apartment building in a single tower currently under construction in Fort Lee, NJ. Petitioner intends to pay for all residential gas consumption for The Modern Phase II, which will only be used for cooktops.

Petitioner asserts that requiring individual metering at The Modern Phase II would cause significant hardship without any countervailing benefit. Petitioner asserts that the use of gas in The Modern Phase II is de minimis because it is only needed for cooktop gas service;¹ conservation would not be adversely affected by granting Petitioner's waiver; and there is significant cost to the Petitioner to individually meter the building. Specifically, the cost to meter each individual apartment would be approximately \$2,000 per meter while gas usage per apartment is expected to be approximately \$1.10 per month.

¹ The Modern Phase II's ovens, microwave ovens, heat, and air conditioning will be powered by electricity.

PSE&G

On April 21, 2016, PSE&G submitted a letter to the Board stating that if the Board determines that the best course of action is to grant the Petitioner's waiver request, PSE&G would be guided by such determination. Its letter did not assert any objection to the Petition.

Rate Counsel

On May 11, 2016, New Jersey Division of Rate Counsel ("Rate Counsel") submitted a letter to the Board stating its position that a waiver of the tariff provision appears appropriate. Rate Counsel cited that individual gas meters would appear to be impractical and costly for both the developer and the tenants of the building. In addition to the cost to the developer of installing meters, individual metering would subject each tenant to PSE&G's fixed customer charge, currently \$5.84 per month. The cost of providing cooktop gas to the building is expected to be about \$1.10 per unit per month. Under these specific circumstances, Rate Counsel posits that a single master meter would be the more practical approach. Additionally, in view of the minimal natural gas usage required to operate cooktops, Rate Counsel asserts it appears unlikely that individual metering for gas would result in any substantial energy savings.

DISCUSSION AND FINDINGS:

B.P.U.N.J. No. 15 Gas, Original Sheet No. 22 Standard Terms and Conditions No. 8.3.1 states that the "*service and supply of gas by Public Service for the use of owners, landlords, tenants, or occupants of residential buildings or premises will be furnished to them as customers of Public Service through Public Service individual meters, except as noted...*" Sub-metering of residential service is prohibited by the Board. See I/M/O Boards Investigation Into the Check Metering of Gas Service, Docket No. GX85090901 (September 5, 1986); See also, I/M/O Petition of Marine View Plaza Apartments for a Declaratory Ruling Permitting Check-Metering, Docket No. EO99040252, Order Denying Motion (March 30, 2001).

The circumstances of this case create a unique circumstance given that the cost to meter each individual apartment is \$2,000 for the de minimis use of gas estimated to be \$1.10 per unit per month. Additionally, as noted by Rate Counsel the monthly bill to these customers would include an additional \$5.84 customer charge, essentially charging each tenant a six fold rate for gas service.

Having reviewed this matter, the Board **FINDS** that the waiver of the above referenced Tariff is appropriate under the present circumstances. Therefore, the Board **HEREBY APPROVES** SJP Residential Property's request for waiver with the following conditions:

The Boards prohibitions on sub-metering remain in full force and are not waived by or through this order;

This waiver applies only to this Petition.

Petitioner or any subsequent owner is not permitted to install or operate any meter, measuring device or sub-meter designed to measure the gas service used by individual tenants or otherwise allocate gas usage to individual apartments;

This order shall be null and void and of no effect and any gas service permitted hereto shall be terminated if any such sub-metering or alternative measuring device is installed or usage so allocated to tenants;

This order shall be null and void and of no effect and any gas service permitted hereto shall be terminated if Petitioner or any subsequent owner attaches any appliances other than cooktop gas service as described in the petition to individual units or otherwise attach any other device using gas service to the building.

In addition, the Board **HEREBY DIRECTS** the gas distribution companies, in their next base rate proceeding, to revisit their tariffs to allow for a single meter for the supply of de minimus amounts of gas, such as for cooking gas.

The Order shall be effective on July 9, 2016.

DATED: 6/29/16

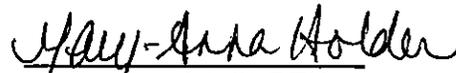
BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



JOSEPH L. FIORDALISO
COMMISSIONER



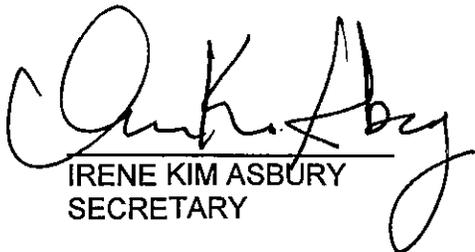
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

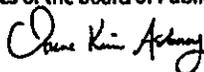


UBENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 

IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



SERVICE LIST

SJP Residential Properties:

John G. Valeri, Esq.
Chiesa Shahinian & Giantomasi PC
1 Boland Drive
West Orange, NJ 07052

Jeffrey S. Chiesa, Esq.
Chiesa Shahinian & Giantomasi PC
1 Boland Drive
West Orange, NJ 07052

Michael K. Plumb, Esq.
Chiesa Shahinian & Giantomasi PC
1 Boland Drive
West Orange, NJ 07052

DAGs:

Geoffrey R. Gersten, Esq.
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
geoffrey.gersten@dol.lps.state.nj.us

Caroline Vachier, Esq.
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
Caroline.vachier@dol.lps.state.nj.us

Rate Counsel:

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
sbrand@rpa.state.nj.us

Board of Public Utilities:

Paul Flanagan, Esq.
Executive Director
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
paul.flanagan@bpu.state.nj.us

Irene Kim Asbury, Esq.
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Irene.asbury@bpu.state.nj.us

Jerome May, Director
Division of Energy
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
jerome.may@bpu.state.nj.us

Cynthia Covie, Esq.
Chief Counsel
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
cynthia.covie@bpu.state.nj.us

Maureen Wagner, Esq.
Counsel's Office
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
maureen.wagner@bpu.state.nj.us

Brian O. Lipman
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
blipman@rpa.state.nj.us

Sarah H. Steindel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
ssteindel@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
ftthomas-friel@rpa.state.nj.us

Shelly Massey, Paralegal
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
Smassey@rpa.state.nj.us

Eric Hartsfield, Director
Division of Customer Assistance
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
eric.hartsfield@bpu.nj.gov

Stacy Peterson
Division of Energy
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Stacy.peterson@bpu.nj.gov

PSE&G:

Alexander Stern, Esq.
PSE&G Services Corp.
80 Park Plaza – T5
Post Office Box 570
Newark, NJ 07102
Alexander.stern@pseg.com

Joseph F. Accardo, Jr., Esq.
PSE&G Services Corp.
80 Park Plaza – T5
Post Office Box 570
Newark, NJ 07102
Joseph.accardo@pseg.com