



Agenda Date: 12/12/16
Agenda Item: 1A

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

IN THE MATTER OF UNITED METRO ENERGY)
CORPORATION D/B/A UNITED METRO ENERGY)
SERVICES CORPORATION)
)
) DOCKET NO. EO16090855

Parties of Record:

John T. Ambrosio, Esq., on behalf of United Metro Energy Service Corporation
Anthony Valente, Vice President, General Counsel, Secretary, on behalf of United Metro Energy Service Corporation

BY THE BOARD:

This matter involves United Metro Energy Corporation d/b/a United Metro Energy Services Corporation ("United"), and more specifically, the issue of whether United should continue to service three customers in New Jersey or whether those customers should be returned back to the Gas Distribution Company's default gas service, Basic Gas Supply Service.

BACKGROUND

The New Jersey Board of Public Utilities ("Board"), pursuant to the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 et seq., specifically, N.J.S.A. 48:3-78 and 48:3-79, has authority and jurisdiction over all electric power suppliers and gas suppliers (collectively, "third party suppliers" or "TPS") in New Jersey. Among other things, the Board licenses third party suppliers. N.J.S.A. 48:3-79(a) provides that "a person shall not offer to provide or provide gas supply service to retail customers in this State unless that person has applied for and obtained from the board, a gas supplier license." See also, N.J.A.C. 14:4-5.1(d)(1). Moreover, pursuant to N.J.S.A. 48:3-79(b), "a license shall expire one year from the date of issuance unless the holder thereof pays to the board, within 30 days before the expiration date, a renewal fee accompanied by a renewal application on a form prescribed by the board." See also, N.J.A.C. 14:4-5.6.

In addition, pursuant to EDECA, the Board requires that a TPS provide evidence of financial integrity, meet all reliability standards, and maintain a surety bond. See N.J.S.A. 48:3-79(c), N.J.S.A. 48:3-79(f), N.J.A.C. 14:4-5.2, and N.J.A.C. 14:4-5.4. Pursuant to EDECA, the Board, among other things, is vested with investigative power, N.J.S.A. 48:3-81, alternative disciplinary power, N.J.S.A. 48:3-82, and authority to assess civil penalties, N.J.S.A. 48:3-83.

Relevant to the issue before the Board herein, pursuant to N.J.A.C. 14:4-5.1(d), a person without a gas supplier license cannot: (1) provide gas supply service or offer to provide gas supply service; (2) advertise or market gas supply service; (3) enroll customers for gas supply service; or (4) contract or otherwise assume legal responsibility for gas supply service. Moreover, no TPS may submit a change order to a local distribution company ("LDC") unless the change order is transmitted through an EDI system. See N.J.A.C. 14:4-2.3(g) and N.J.A.C. 14:2-3(b).

On September 23, 2016, the Board issued an Order to Show Cause alleging, among other things, that United had not filed an application to become a gas supplier in New Jersey and had not provided a surety bond to the Board. In addition, it was alleged that United had no valid Electronic Data Interchange ("EDI") account.

In its November 14, 2016 response to the Order to Show Cause ("Response"), United admitted that it acquired the assets of Metro Energy Group, LLC ("Metro")¹ through a bankruptcy proceeding in 2013. United also admitted that it has yet to file an application for a gas supplier license and that it has not provided a surety bond to the Board. (Response at ¶¶ 5, 6.) In addition, United admitted that it is presently servicing three gas customers, two of which are residential and one is commercial. Id. at ¶ 8.

DISCUSSION AND FINDINGS

Having reviewed the Order to Show Cause and United's response, it is undisputed that United is in violation of the statutes and rules as cited above. As of the November 14, 2016 Response, United admitted that it is serving three customers even though it had not applied to be a gas supplier in the State of New Jersey. In addition, United admitted that it has not submitted a surety bond. While United has since submitted an initial application and a surety bond on December 9, 2016, this submission does not alter the fact that it is currently still not licensed by the Board as a gas supplier.

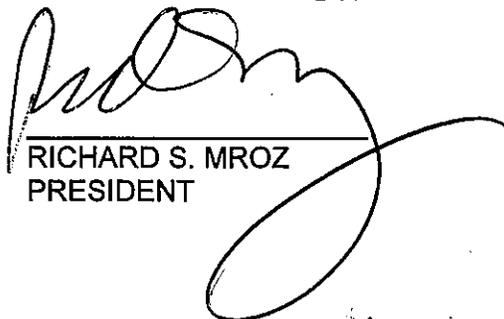
Based on these uncontested facts, the Board **HEREBY FINDS** that United has violated N.J.S.A. 48:3-79(a), N.J.S.A. 48:3-79(b), N.J.S.A. 48:3-79(c), N.J.A.C. 14:4-5.1(d), and N.J.A.C. 14:4-5.4 and **HEREBY ORDERS** United to advise its customers by December 19, 2016 that they will be returned to the local Gas Distribution Company, who in this case is Public Service Electric and Gas Company ("PSE&G"). The Board **FURTHER DIRECTS** PSE&G to accept the customers and to return them to PSE&G's default Basic Gas Supply Service by December 20, 2016. Any decision to assess penalties on United pursuant to their failure to comply with the statutes and rules or to address the other allegations in the Order to Show Cause will be dealt with in a separate Order.

¹ Metro's Gas Supplier License No. GSL-0041 had expired on February 9, 2012 and its surety bond expired on March 17, 2012.

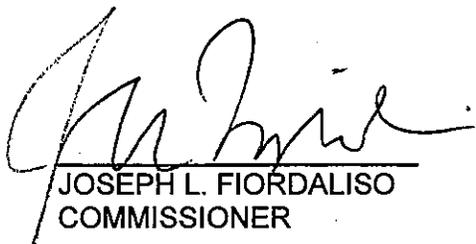
This Order shall be effective on December 12, 2016.

DATED: 12/12/16

BOARD OF PUBLIC UTILITIES
BY:



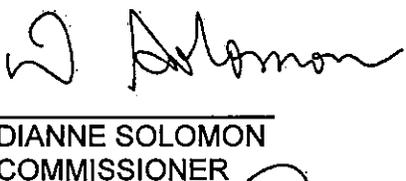
RICHARD S. MROZ
PRESIDENT



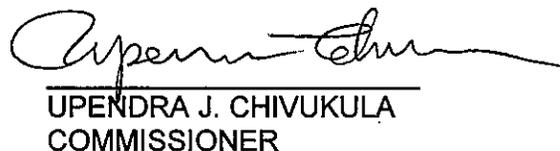
JOSEPH L. FIORDALISO
COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER

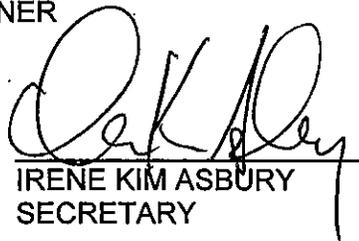


DIANNE SOLOMON
COMMISSIONER



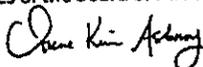
UPENDRA J. CHIVUKULA
COMMISSIONER

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



[Faint, illegible text]

IN THE MATTER OF UNITED METRO ENERGY CORP. d/b/a UNITED METRO ENERGY SERVICES CORP.

DOCKET NO. EO16090855

SERVICE LIST

John T. Ambrosio, Esq.
Ambrosio & Associates, LLC
8 Hillside Avenue, Suite 103
Montclair, NJ 07042
jta@ambrosiolawllc.com

Anthony F. Valente, Esq.
United Metro Energy Corp.
500 Kingsland Avenue
Second Floor
Brooklyn, New York 11222
anthonyvalente@umecny.com

Steven Huber
Public Service Electric and Gas Company
80 Park Plaza, T-13
Newark, NJ 07101
Steven.Huber@pseg.com

Terrence J. Moran
Public Service Electric and Gas Company
80 Park Plaza, T-13
Newark, NJ 07101
Terrence.Moran@pseg.com

Hesser McBride, Esq.
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, NJ 07102
Hesser.Mcbride@pseg.com

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

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, New Jersey 08625-0350
Irene.asbury@bpu.nj.gov

Alice Bator, Director
Division of Audits
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
Alice.bator@bpu.nj.gov

William Foley, Chief
Bureau of Management Audits
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
william.foley@bpu.nj.gov

Valencia Hunt, Auditor 2
Division of Audits
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
Valencia.hunt@bpu.nj.gov

Dante Cusi, Auditor 3
Division of Audits
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
Dante.cusi@bpu.nj.gov

Andrew Kuntz, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
andrew.kuntz@dol.lps.state.nj.us

Caroline Vachier, DAG
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

Emma Yao Xiao, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
Emma.xiao@dol.lps.state.nj.us