

PENDING PETITION MEMO

Date: 9/26/2007

TO : OCS
OGC

FROM: CENTRAL OPERATIONS

UTILITY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

SUBJECT: 07-E-1141

Petition of Stellar Morrison LLC to submeter electricity at One Building Apartment Complex 1240 Morrison Avenue, Bronx NY located in the territory of Consolidated Edison Company of New York, Inc., filed in C 26998.

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PUBLIC SERVICE
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2007 SEP 26 AM 11:47

Stellar Morrison LLC
C/O Stellar Management
1240 Morrison Avenue
Bronx, NY 10472
T: 718-792-1211 x 12
F: 718-792-1244

May 17, 2007

Honorable Ms. Jaelyn Brilling
Acting Secretary of the Public Service Commission
Office of Consumer Education and Advocacy
State of New York
3 Empire State Plaza
Albany, NY 12223-1350

Re: Petition to Submeter Electricity at One Building Apartment
Complex located at 1240 Morrison Avenue, Bronx NY 10472

Dear Ms. Brilling:

Stellar Morrison, LLC as Owner of the above referenced property hereby submits this petition for Public Service Commission approval. Pursuant to Section 9.2 of the Commission's Rules and Regulations, to submeter a 154 unit residential building located within the service territory of Con Edison at 1240 Morrison Avenue, Bronx NY 10472. The submetering installation for this complex is expected to begin September 2007 and be completed during October 2007. This is a rent stabilized property that is under the jurisdiction of the New York State Department of Housing Community Renewal (DCHR).

As set forth below, Prospect's sub metering plan meets all requirements of the Commission's Rules for submetering of renovated master-metered rental units in accordance with Part 96.2c Residential Submetering (Public Service Law, §§65. 66) and Stellar Morrison, LLC respectfully requests approval of its petition.

1. Economic advantages of submetering over direct utility metering
 - The utilization of the sub-metering system will drastically reduce the overall wiring requirements for this project. Under current regulations Con Edison would only permit several remote and centralized submetering rooms where banks of meters would be located to facilitate the reading of those meters from a minimum number of locations. This requires extensive runs of wiring from each meter in the central submetering room to the apartment that it serves. By using the sub meters, which will be located at the electrical distribution panel, there is no need for these electric meter rooms. Each apartment's electrical panel may be wired at short distance, which may be the most efficient means of providing electrical distribution in multi-family residential buildings. By eliminating the submeter rooms and the vertical risers, inconvenience to residents is minimized.

- The building is interested in energy and demand conservation and in reducing building operating costs. The installation of submetering system in this building will meet the NYSERDA requirements for participation in its Comprehensive Energy Management (CEM) Program. The CEM program is designed to lower energy costs by encouraging energy efficiency. The installation of sub metering system may promote energy conservation among tenants and can create energy savings through reduced consumption.
- The submetering system to be installed will include remote reading capabilities utilizing Power Line Carrier. This communication will allow a more effective submetering system due to the elimination of control wiring. Each of the meters will communicate daily with the Power Line Carrier using a data collection device referred to as a Scan Transponder. The data that is sent to the Scan Transponder will include the hourly usage of electricity for each apartment in the building. The billing agent will obtain meter reads from its office via a computer modem located in the Quadlogic Scan Transponder. The Scan Transponder is located near the building's main switchgear. The advantages to this type of reading system are many, and most importantly include the elimination of the need for manual meter reads (and meter readers). This reduces inconvenience to the residents, manual errors, and possible security problems associated with meter readers walking through the property.
- The SC-1 residential rate that tenants would pay for electricity under a direct metering program is approximately 20% greater than the bulk rate, which will be available to the tenants in the submetered configuration. In addition, any savings in electric rates that the property realizes due to deregulation will be passed through directly to the tenants.

2. Description of the submetering system to be installed, including a validation of it's reliability and accuracy

The vendor's Corporation's Transmeter® RSM-5 Series are certified to meet the national accuracy standards as per in ANSI C12.1 1995. The meters measure usage in kilowatt-hours, Vars, Vas, Watts, Amps, and Power Factor. Other features of this meter include a non-metallic enclosure, non-volatile memory and an easy to read LCD 6-digit display. Additionally, the meter monitors and stores an apartment's hourly electric usage and retains this information for 90 days.

Remote reading capability is possible through the use of a Spread Spectrum, Frequency Hopping Power Line Carrier system, which is installed in more than 30,000 apartments units' nationwide. The system also features sophisticated self-diagnostics to ensure reliable operations. Please see attached Specifications.

3. Method to be used to calculate rates to tenants

The method and basis for calculating rates to tenants will be based on the actual bulk rate charged to the applicant by Con Edison or other Energy Services Companies (ESCOs) to establish the monthly rate for electricity to the tenants. The building's total consumption (kWh) as measured by the Con Edison master meter will be divided by the building's

total electrical charges to calculate the tenant's rate. In addition, the monthly cost of electricity to the tenants will also include a service charge for administrative cost. In no event will the total charges (including the monthly service charge) exceed the utility's tariffed residential rate for direct metered service to such tenants as specified in Part 96.2b3 Residential Submetering (Public Service Law, §§65, 66).

The meter will be read and bills processed monthly based on the actual consumption of the resident.

4. Complaint procedures and tenant protections

When a complaint is made by a resident, the following procedures will be utilized:

- The resident will submit the complaint to the property manager of the complex, which will be in written form, including the action or relief requested. The property manager shall investigate and respond to the complaint in writing within thirty (30) days of the receipt of the complaint. The property manager intends to utilize Quadlogic, where appropriate, to assist in the investigation of the complaint. If the resident is dissatisfied with the property manager's response, he or she may request a review of the outcome by filing a written protest within fourteen (14) days from the date of the response from the property manager. At that time, the property manager will submit the grievance to the New York City Bronx Borough, Landlord / Tenant Court. In no case will any apartment, regardless of category, be charged more for electricity than if the apartment were directly metered. Failure to pay for electricity will be treated as the same as failure to pay rent and the landlord will have the same legal recourse as if the rent were not paid; however, in no case will electricity be shut down in any apartment for failure to pay for electricity. Electricity shut down in any apartment shall only be done to accommodate a repair or building emergency requirement and be of temporary duration.

Additionally, no tenant of Stellar Morrison, LLC will have his or her electricity disconnected for non-payment of electric bills. Tenant electric bills from Quadlogic will contain information including opening and closing meter reads, a breakdown of dollar amounts billed, the total charge for the period and the total amount due. A sample Quadlogic electric bill is attached.

5. Procedure for notifying all tenants of the proposal to submeter

A section in the lease will notify each tenant that his or her apartment unit is submetered for electricity. The lease provision will in plain language clearly enumerate the grievance procedures for the tenants and will specify the rate calculation, rate caps, complaint procedures, and tenant protections and enforcement mechanisms and such provisions will be in compliance with the Home Energy Fair Practices Act.

6. Enforcement mechanism is available to tenants

The complaint procedure detailed in section 4 above constitutes the tenant's standard enforcement program, which are in compliance with the Home Energy Fair Practices Act.

7. Certification that the lease language shall be sufficient to describe all relevant information to the tenant

Stellar Morrison, LLC, by the undersigned, hereby certifies that the method of rate calculation, complaint procedures, tenant protections, in compliance with the Home Energy Fair Practices Act and the enforcement mechanisms, will be incorporated in plain language in all current and future lease agreements.

8. Description of an appropriate rent reduction formula

According to the utility allowance guidelines set by DHCR, once the submetering system is approved and installed and tenants begin to receive electric bills for their apartment, they will receive a reduction in their monthly rent. This reduction will be equal to the utility allowances published by the local Public Housing Agency. These reductions will vary based on apartment size and will be determined by the prevailing DHCR guidelines.

Thank you in advance for your attention to this matter. Please do not hesitate to contact me directly with any comments or questions.

Sincerely,



Signature

Michael Kim

Name

Operations Manager

Title

Stellar Morrison, LLC

Company Name


AFFIDAVIT

Re: Stellar Morrison, LLC
1240 Morrison Avenue, Bronx NY 10472

Affidavit of Delivery:

Notice to Submeter Electricity

I, Michael Kim being the legal Operations Manager for Stellar Management the Building Owner and Manager, do hereby testify that on May 10, 2007 the attached notice was hand delivered to each apartment, at Stellar Morrison, LLC located at 1240 Morrison Avenue, Bronx NY 10472, having a tenant in residence. The tenant in residence list is herein attached.



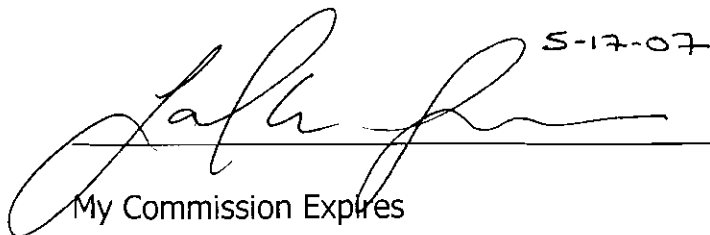
Michael Kim
Operations Manager
Stellar Morrison, LLC
Stellar Management
156 William Street
New York, NY 10038

MAY 17, 2007

Date

Subscribed and sworn to before me

On this day **May 17, 2007**



My Commission Expires

Notary Public

July 5, 2009

LATRISHA JONES
Notary Public, State of New York
No. 01JO6129971
Qualified in New York County
Commission Expires July 5, 2009

**Stellar Morrison LLC
C/O Stellar Management
2010 / 2040 Bruckner Boulevard
Bronx, NY 10473
T: 718-792-1211 x 12
F: 718-792-1244**

May 10, 2007

Dear Resident,

Stellar Management is pleased to inform you that we expect to upgrade the electrical metering system in the building over the next several months. This anticipated upgrade would result in a new Electrical Submetering System to save costs and promote energy conservation. This notice is to provide general information regarding electric submetering and how this new system will affect you as a resident of **Stellar 1240 Morrison**.

What are some of the benefits of submetering?

- ***Saves energy.*** Submetering promotes conservation because residents pay only for the electric that they use.
- ***Saves money.*** Lower energy consumption will mean lower energy bills for the residents and for the building owners. In addition, a monthly statement showing electric usage serves as a reminder that residents have control over their energy usage.
- ***Enhances safety.*** The submetering system is remotely read. No meter readers are required to be on the property to read the meters.

How does submetering work?

A submeter is installed for each apartment and measures each apartment's electric consumption. The consumption information is communicated to the Billing Services Providers' computer system via a telephone line. **With a submetering system, each apartment only pays for the electricity that it consumes.**

Who will provide electricity for the building?

Con Edison will continue to provide electricity for your building.

Who will provide my electric bills?

An independent electric billing service provider will generate your electric bills and respond to questions you may have regarding your electric bills. Once the submetering system is approved and installed, the management office will provide the contact information for your billing services provider.

What rate will I be charged for my electric?

Under New York State Public Service Law (Part 96.2b3 Residential Submetering, Public Service Law, 65. 66) and the Home Energy Fair Practices Act (HEFPA), you can't be charged more than your utility's tariffed residential rate for direct metered service.

Will submetering affect my rent payments?

Once the submetering system is approved and installed, you will receive a separate electric charge on your bill. A separate invoice will be sent to your attention on a monthly basis. Rent will be reduced according to DHCR regulations.

What if I have a question regarding the electric bills I receive?

If you have any questions about your electric bill or believe your bill is inaccurate, you can contact the management office.

What can I do to save on my electric costs?

The Con Edison website (www.coned.com) offers energy savings tips and other helpful information. Some of the tips are simple and relatively inexpensive to implement:

- Look for drafts that may make your heat or air conditioning systems less efficient
- Replace incandescent bulbs with new compact fluorescent ones
- Turn your air conditioner off when no one is home
- Choose Energy Star appliances for maximum efficiency

Where can I get more information?

For general questions regarding the submetering plan or electric billing, you should contact the building's management office.

For more information about energy savings visit:

www.coned.com or www.getenergysmart.org

For more information regarding submetering laws and regulations visit:

<http://www.dps.state.ny.us>

Thank you.

Stellar Morrison Tenant List

154

1240 Morrison Avenue
Bronx, NY 10472

5/10/2007

154 UNITS	Name
01B 1-br	VACANT
01C 1-br	Pier McCarthy
01D 2-br	Virginia Goodwin
01E 2-br	Helena Lewis
01F 1-tv	VACANT
01G 3-br	Super
01H 1-br	Jose Flores
01J 2-br	Stilling Sambo
01K 2-br	Jose Rivera
01L 1-br	Sigfredo Machado
01M 1-br	Daniel Osei-Owusu
02A studio	John Johnson
02B 1-br	ManlynJohn
02C 1-br	Alfred Pnnee
02D 2-br	Arthur & Carrie Brown
02E 2-br	Cora Lewis
02F 1-br	Olympe Rey
02G 3-br	Samantha Boyd
02H 1-br	Omary Gonzalez
02J 2-br	Eliose Spears
02K 2-br	Emma & George
02L 1-br	Mary Pearson
02M 1-br	Latanya Carter
02N studio	Derick Phillip
03A studio	Nada Hendricks
03B 1-br	Isabel Caraballo
03C 1-br	Earlene Steward
03D 2-br	Samuel Licon Vilma Pagoada
03E 2-br	Gladys Hermengildo
03F 1-br	Maurice Green
03G 3-br	Jesse/Rodesia Clark/Mcbeth
03H 1-br	Shirley Williams
03J 2-br	Rosa Hernandez
03K 2-br	Grace Guzman
03L 1-br	Lilian Rolon
03M 1-br	Frankely/Elizabeth Veras
03N studio	Eugenia Lincoln
04A studio	Andres Figueroa
04B 1-br	Cynthia Wilder
04C 1-br	Stacey Gibbs
04D 2-br	Michael Taylor
04E 2-br	Carol Smith
04F 2-br	Vaugh Lopez
04G 1-br	Anthony Hall
04H 1-br	VACANT
04J 1-br	Glenda Edwards
04K 2-br	Virginia Colon
04L 2-br	Leon Byas
04M 1-br	Rosem Singleton
04N studio	VACANT
05A studio	VACANT
05B 1-br	Anisha Franklin
05C 1-br	Herberto & Marina Marquez
05D 2-br	Alexis Crumbley
05E 2-br	Carmen Santiago
05F 1-br	Michael/Ellen Koonce
05G 3-br	Vidal & Hilda Perez
05H 1-br	Merle Urling
05J 2-br	Hilda Cabra
05K 2-br	Martina Coats
05L 1-br	Verdeli Evans
05M 1-br	Stephanie Wilson
05N studio	Raida Tirado Wilma Soto
06A studio	William D. Hayes Jr
06B 1-br	Victor Rodriguez
06C 1-br	Ingrid Gardner Duvall, Pinkney
06D 2-br	Jacqueline Hancock
06E 2-br	Raul Morales
06F 1-br	Lamassa & Rhonda Williams
06G 3-br	Valerie Palmer
06H 1-br	Flor Ascencio
06J 2-br	Karen & Janardan Chowdey
06K 3-br	Mass & Cora Wilson
06L 1-br	Alicia Sanchez
06M 1-br	Valerie Patterson
06N studio	Elba Cruz
07A studio	Mary Wright
07B 1-br	Nelson Rodriguez
07C 1-br	Kara Stevens
07D 2-br	Marcella Spinner

Stellar Morrison Tenant List

154

1240 Morrison Avenue
Bronx, NY 104725/10/2007

07E 2-br	Jennifer Sanders
07F 1-br	Lorraine Linder
07G 3-br	Mattis Morris
07H 1-br	Kam Wooden
07J 2-br	Yoa Koli Adja Koli
07K 2-br	VACANT
07L 1-br	Madelle Amans
07M 1-br	Wilma Johnson
07N studio	Virna Davis
08A studio	Tiffany Morrison
08B 1-br	Fred Pearson Mary Torres
08C 1-br	Lakesha Coleman
08D 2-br	Renee Miller
08E 2-br	Michelle Marcus
08F 1-br	Flor Mercado
08G 3-br	Emay Millington-Lee
08H 1-br	Greg Brooks
08J 2-br	Carlos Diaz
08K 2-br	Janis Anscombe
08L 1-br	General Jackson
08M 1-br	Miranda Hayes
08N studio	Shaneen Green
09A studio	Nelson & Yeny Rosado
09B 1-br	VACANT
09C 1-br	Herschel Bolden
09D 2-br	Victor & Vicki Mitchell
09E 2-br	Julian & Vanessa Leseqane
09F 1-br	Marcelina Gonzalez
09G 3-br	Cheryl Robinson
09H 1-br	Ada & David Morton-Jones
09J 2-br	Jose Perez
09K 2-br	Shirley Payne
09L 1-br	Miguel Mendez Jessica Ramos
09M 1-br	Gene Ballard
09N studio	Lucas Rizo
10A studio	Stephanie Perez
10B 1-br	Paula Nazano
10C 1-br	Mike Rodriguez
10D 2-br	Milagros Alicea
10E 3-br	Rafael Verdejo
10F 1-br	Antonio Arthur
10G 3-br	Nancy Day
10H 1-br	Conrad Rochester
10J 2-br	Sebastian & Louise Cerezo
10K 2-br	Emanuel Jennings
10L 1-br	Walter Hatcher
10M 1-br	Mary Fields
10N studio	Demetrio Oleveras
11A studio	Yugo Pittman
11B 1-br	Gil Holman
11C 1-br	Rita Haynes
11D 2-br	Nelson Williams
11E 2-br	Elizabeth Ayala
11F 1-br	Celestine Richardson
11G 3-br	Ladima Johnson
11H 1-br	Frank Alston
11J 2-br	Virginia Williams
11K 2-br	Hector & Doris Martoral
11L 1-br	Aura Encarnacion
11M 1-br	Jaime Torres
11N studio	Bertha Jackson
12A studio	Isaac Smith Jr
12B 1-br	Jennie Woodbury
12C 1-br	VACANT
12D 2-br	Marta Rodriguez
12E 2-br	Mozell Jamison
12F 1-br	Kamine Gollandpersaud
12G 3-br	Charlie & Annie Sabb
12H 1-br	Emory Johnson
12J 2-br	Dedrea Tisdale
12K 2-br	Shaquan Moore
12L 1-br	Necole Simons
12M 1-br	Nicholas Cruz
12N studio	Daryl Serrano