119th & Third Tenants' Association

c/o 181 East 119th Street
Apartment 5D
New York, NY 10035
Email: musstenants@gmail.com
Telephone: 917-576-2753

March 8, 2010

VIA FACSIMILE TO 212-417-2223

Public Service Commission 90 Church Street – 4th Floor New York, NY 10007 ATTN: Submetering Agent

Re: 119th & Third Tenants' Association

Request for Order Suspending Electricity Submetering Plan

Sir/Madam:

I am the head of the 119th & Third Tenants' Association (hereinafter the "Tenants"). I am writing on behalf of the Tenants to ask that you suspend our landlord's electricity submetering plan in our apartment building pending further investigation. Our landlord is Muss Properties d/b/a Third Avenue North LLC (hereinafter "Landlord").

A field inspector from ConEdison visited the property last week and gave a verbal estimate of \$250 or more (per month) for electricity in a sample apartment (the field inspector indicated that ConEdison does not provide written estimates). The sample apartment in question currently pays \$148 per month for electricity as a flat fee to the Landlord; accordingly, the new estimate represents a 69% increase. ConEdison indicated that the reason the electricity bills may be high is due in part to poor insulation, particularly surrounding the A/C units, and inefficiencies in the units themselves.

With respect to insulation, Tenants have found that the windows, A/C units and some kitchen cabinets are drafty, to the extent that many Tenants have sealed off areas of their apartment with blankets and towels and/or have purchased space heaters.

With respect to inefficiencies in the A/C units: they are programmable wall units, which let in a fair amount of outside air. This is compounded by the fact that each unit's programming has a variable, according to the Landlord, of 2-3 degrees. What this means, practically speaking, is: if you program the temperature on one of your units to 68 degrees, it will cool or heat the apartment until it senses that it has reached 68 degrees (or 65 degrees, or 71 degrees—and whether it reaches too high or too low a temperature appears to be random). After it reaches 68 degrees, it turns itself off; then, approximately 2 minutes later—due to the outside air coming in all around the unit—it correctly senses that the temperature immediately around the unit has changed...and

promptly turns on again to heat/cool to 68 degrees. What the Tenants have found is that the units will cycle on/off multiple times each hour, as described above, which—according to ConEdison—likely utilizes more energy than would otherwise be required to heat or cool the apartment.

We understand from the *New York Times* article attached that we are entitled to receive sample bills, among other things, which we have not received. We also understand that you can put a hold on the submetering plan until the problems outlined in this letter are addressed. Would it be possible for you to investigate the matter further? We would be happy to arrange for an inspection of any of the occupied apartments, as you see fit.

When I called your offices last week, I was informed that my letter on behalf of the Tenants' Association would suffice as a complaint on behalf of all Tenants; however, if that is not the case, please let me know as soon as possible. We look forward to your response.

Sincerely,

Katherine M. DePasquale

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For the 119th & Third Tenants' Association

The New York Times



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February 15, 2009

State Freezes Plan to Have Tenants Pay Electric Bills

By MANNY FERNANDEZ

A landlord's plan to have hundreds of tenants pay for their own electricity at an apartment complex on Roosevelt Island has been put on hold by a state utility commission, after tenants and elected officials complained that the plan was flawed and too costly for low-income families.

For years, tenants in the complex, formerly known as Eastwood and now called Roosevelt Landings, never paid separately for electricity because it was included in the rent. The landlord, Urban American, was preparing to charge tenants for the electricity they use starting in April, part of a growing trend, called submetering, among property owners.

Proponents say residential submeters encourage tenants to reduce their energy consumption by making households that never had to worry about electricity costs take financial responsibility for the power they use. But sample bills sent by Urban American to tenants in the 1,003-unit complex set off outrage. Several tenants received sample bills of \$800, \$900 or \$1,000 for a 33-day period from November to December.

On Thursday, the State <u>Public Service Commission</u> issued an order suspending the submetering plan. The commission approved the plan in November, but it temporarily rescinded that approval in response to a petition from Assemblyman Micah Z. Kellner, whose district includes Roosevelt Island, and other elected officials.

Mr. Kellner and several tenants said the high sample bills stemmed from the complex's inefficient baseboard electric heaters, poor insulation and drafty windows. A number of tenants say the heating system is so problematic that they rely on space heaters. One tenant, Missy Feliciano, 39, said she used her oven to heat her four-bedroom apartment one day in December. Her sample bill was \$815.51.

"Until management takes responsibility for the building repairs, it's unconscionable for

them to dump their responsibility onto the backs of their tenants," said Joyce S. Mincheff, president of the residents' association at the complex.

Joe DePlasco, a spokesman for Urban American, said the company intended to work with tenants, government agencies and elected officials to make the plan a success. "The submetering program is intended to help conserve energy, which is something that we remain committed to," he said.

In an earlier interview, Urban American executives said the sample bills were an accurate reflection of tenants' electricity use and not indicative of widespread heating problems. They said that they had offered to winterize apartments in December by checking heaters, windows and doors, but that tenants in only 75 of the 1,003 units responded.

The order on Thursday states that the commission was not informed about the complaints regarding poor energy efficiency before granting approval to the plan. It also raised concerns that Urban American might use unpaid electricity bills to evict tenants.

The commission is reviewing the elected officials' petition, and Urban American must now wait for further action by the commission before proceeding. Urban American's submetering plans at three of its other complexes in Manhattan were also put on hold by the commission on Thursday.

"We are concerned about the potential impacts on tenants, and we want to take a close look at this issue," James Denn, a spokesman for the commission, said of Roosevelt Landings.

Many of the tenants at Roosevelt Landings, which was once part of the state's middle-income Mitchell-Lama housing program, are elderly or disabled, or receive a federal housing subsidy. The state's housing agency, the Division of Housing and Community Renewal, will offset the costs of electricity bills for tenants who receive subsidies by reducing the rent by as much as \$300 an apartment. Tenants, however, say the rent reduction falls short of covering bills that reach as high as \$1,000.

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