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March 12, 2012

Mr. Remo A. Hammid
[REDACTED]
[REDACTED]

Mr. Bill Funaro
National Grid-Long Island
15 Park Drive
Melville, NY 11747

Subject: Complaint #162662 – Remo A. Hammid
[REDACTED]
[REDACTED]

Service classification

Dear Mr. Hammid and Mr. Funaro:

An informal hearing concerning the above case was held on February 28, 2012, at 90 Church St., New York, NY. Mr. Remo A. Hammid, the customer/complainant, attended the hearing. Mr. Bill Funaro represented the company, National Grid-Long Island (National Grid). Based on all the information presented, I uphold staff's initial determination that the customer's account was billed on the correct service classification and that a billing adjustment is not warranted.

Complainant's Position

The customer contacted the Office of Consumer Services (OCS) on July 11, 2011. He stated that he resides in a two-family house and there are two meters on the property. The customer asked for an explanation as to why he is being billed on a commercial rate for one of the meters. He claims he made a request to National Grid to change the service classification to residential and rebill the account retroactively to 2006. During the hearing, the customer submitted his position in a 16-page document and his statement, main arguments, and conclusion are summarized verbatim below:

Statement

I am appealing an incorrect determination by National Grid regarding the billing for gas delivery to my home, the real property known as and by [REDACTED] (purchased on May 30, 2006).

Said residence is classified for use as a legal one or two-family dwelling and has two gas meters: Meter #1014749 (servicing heat, hot water and a stove) and Meter #1287347 (servicing a stove and clothes dryer).

The property is currently being used as single-family residence and is shared by my immediate family, to wit, my spouse, infant daughter, my parents and myself. I have no tenants. Accordingly, all utility bills reflect only my name.

The property was purchased on May 30, 2006 and all National Grid Bills since then have incorrectly classified my meters by deeming one meter to be for "commercial" gas use and the other "residential" gas use instead of classifying both as residential.

Argument 1

The property is being used as a one-family dwelling. The property's certificate of occupancy allows for use as a one or two-family dwelling. A review of the bills from National Grid makes clear that only one meter is being used; the charge for Meter # 1287347 barely registers each month (usage is primarily for a gas dryer). Such minimal usage by Meter #1287347 is insufficient to provide service to a separated unit. Accordingly, Meter # 1014749, which supplies the heat, hot water and cooking to my home, should be classified as a residential meter.

Argument 2

Strict reading of the tariff mandates residential classification. Furthermore, should National Grid insist upon a strict interpretation of the Tariff, Section 7C.2.1.2. states that residential classification shall be granted "for all residential purposes in: ...An individually separately metered flat or apartment, occupied by one family, in a two family dwelling..."

This property is used for residential purposes and each unit is individually metered; the property should therefore be classified, in its entirety, as a residential use property.

Argument 3

Residential rates must apply to heating and cooking gas. In the alternative, should it be necessary for one meter to be classified at the commercial rate, the current designations are incorrect. Pursuant to 7C.4 a portion of the multiple dwelling shall be classified as residential. In this case, clearly Meter # 1014749 should be deemed the residential meter

since it supplies heat, hot water and cooking gas to the home. Furthermore, this was also how National Grid classified the Meter #1014749 for the prior owner (who had a tenant for over ten years).

Argument 4

Utilities with similar tariffs correctly classify the property as residential. All other utilities treat the property as residential in its entirety. Of particular note is that the two meters provided by Long Island Power, whose tariffs are substantially similar to National Grid are both deemed residential.

Conclusion

In this case, I am paying twice the residential rate for my heat, hot water and cooking; therefore, my meters should be classified as residential, effective the first date of service (June 3, 2006).

Utility's Position

On May 23, 2011, the customer contacted the utility and disputed being billed on a commercial rate for account [REDACTED]. The utility records show two customer accounts: account [REDACTED] billed on the residential rate 127 and account # [REDACTED] on the nonresidential rate 177. The utility conducted two field inspections one on May 31, 2011 and one on October 27, 2011. The May 31, 2011 field report indicated that one family, a father and a son, occupied the entire house and the correct rate should be 147. On June 24, 2011, National Grid changed the rates on both accounts. Account [REDACTED] was changed to nonresidential rate 257 and account [REDACTED] was changed to residential rate 147.

On August 10, 2011, the utility contacted the customer and advised him that, based on prevailing regulations, the previous rate changes were incorrect and that they will be reversed to the original billed rates. The October 27, 2011 field report indicated that the property in question is a two-family dwelling with the father on the first floor and the son on the second floor. Meter #1014749 supplies heat and hot water to both dwellings. The utility provided OCS with a current tariff leaf that specifically states how an account would be eligible for the residential rate. The utility determined that rate 177 is correct and should remain as it was assigned to the account [REDACTED] at the time of turn on in 2006.

Analysis

The issue to be addressed is whether the customer's account was billed on the correct service classification. On December 15, 2011, OCS wrote to the customer that his home is a two-family dwelling and the occupancy of the home has no bearing on its definition. As such, the utility billed customer correctly on the nonresidential rate.

On October 27, 2011, the utility's inspection found a two-family dwelling with gas meter # 1014749 supplying heat and hot water to entire dwelling. The second gas meter #1287347 supplies gas to the stove and dryer and its service classification is not in dispute.

National Grid's approved tariff (PSC No. 1, leaf No. 66) defines the applicability for the residential service classification as "An individual separately metered flat or apartment, occupied by one family, in a two family dwelling, apartment house or other building..."

The criterion of this provision is interpreted to mean that a two family dwelling **must** have a separately metered unit in order to meet the requirement for the residential service classification.

The following is in response to the customer's aforementioned arguments:

The customer states that his property is used exclusively as a one-family dwelling. According to company field reports, the property in question has two separate living units; therefore, no matter how many families live in it, the structure is a two-family dwelling. Furthermore, customer's reference to a meter's usage is not an issue since the tariff is silent about recorded meter consumption.

The customer argues that each unit is separately metered. Having two meters in the house does not mean separate metering. The house is piped to heat an entire two-family dwelling and there is only one meter serving this purpose.

The customer's reference to how a portion of multiple dwelling should be defined as residential is not accurate for two reasons:

- a) The tariff defines multiple dwelling (PSC No. 1, leaf No. 126) under a higher service classification (SC3) and his property does not fall into this definition.
- b) The section 7C.4 (PSC No. 1, leaf No. 67) refers to a portion of combined service "Where a building or premises is used for both residential and nonresidential purposes..." This interpretation contradicts the customer's contention that his service is residential. The fact that a prior owner had meter #1014749 classified as residential is not relevant. We do not know all circumstances surrounding the prior customer's account and even if the situation was exactly the same, it is possible that the company made an error at that time.

The customer maintains that Long Island Power Authority (LIPA) deemed his two electric meters as residential. While this may be the case, National Grid is obligated to follow its current approved tariff. LIPA's electric tariffs cannot be used to determine service classification for National Grid gas service.

Lastly, the customer contends that he pays twice the residential rate. The charges illustrated below represent the delivery portion of the bill since customer buys his gas from an ESCO.

Heating Service	Nonresidential	Residential
• Bill Date 02/11/12	Rate 177 - \$207.93	Rate 147 - \$144.96
• Bill Date 01/17/12	Rate 177 - \$284.96	Rate 147 - \$201.61
• Bill Date 02/13/11	Rate 177 - \$222.60	Rate 147 - \$153.67

- Bill Date 02/11/12 Rate 177 - \$163.78 Rate 147 - \$102.43
 Total \$879.27 Total \$602.67

The rates for the gas delivery portion taken from the tariff presented in the table below.

Rate 170	Per Therm	Rate 140	Per Therm
First 3 Therms	\$25.30	First 3 Therms	\$14.90
Next 87 Therms	\$1.19	Next 47 Therms	\$0.86
next 2,910 Therms	\$0.35	excess of 50 Therm	\$0.28
Excess of 3,000	\$0.25		

The difference between rate 177 and rate 147 for four months is \$276.60. Although the commercial rate is higher than the residential rate, it does not double the actual billing. Furthermore, higher billing alone cannot be used as a basis to change a rate.

Decision

The documentation and information presented lead me to uphold staff’s initial decision and find that the account in question was billed on the correct service classification. Accordingly, the billing is sustained at this time. If either party disagrees with this decision, an appeal may be filed with the Commission. The appeal procedures are set forth below.

APPEAL PROCEDURE

If you believe that this decision is incorrect, you may appeal to the Commission. The basis for an appeal to the Commission is limited to one or more of the following grounds:

- (1) The hearing officer made a mistake in the facts in the case or in the laws or regulations which affected his or her decision; or
- (2) The hearing officer did not consider evidence presented at the hearing or review, which resulted in an unfavorable decision; or
- (3) New facts or evidence, not available at the time of the hearing, have become available, and could affect the decision on the complaint.

If you choose to appeal, your appeal must be in writing and must contain an explanation of the facts or conclusions in the decision with which you disagree, the reasons for your disagreement, the relief or remedy sought from the Commission, and documentation of your position or legal arguments supporting your position.

The appeal should be filed within fifteen (15) days after the informal hearing or review decision is mailed, and may be filed electronically or by regular mail. To file

electronically, e-mail your appeal to the Secretary of the Public Service Commission, Jaclyn A. Brillling, at:

Secretary@dps.ny.gov.

If you are using regular mail, send your appeal letter to:

Jaclyn A. Brillling, Secretary
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

A copy of the appeal letter should also be sent to the opposing party. Appeals of Informal Hearing Decisions become a matter of public record and are listed on the Commission's website. Both your appeal letter and the informal hearing decision will be available to members of the general public (subject to limited redaction in the case of residential customers)

The Commission may make a determination on your appeal, reject it, return the case to the informal hearing officer for additional consideration, order a formal evidentiary hearing on the complaint or take such other action as it deems appropriate.

Sincerely,

Tatyana Benyaguyeva
Informal Hearing Officer
Office of Consumer Services