

Filed Session of August 24, 2005  
Approved as Recommended  
and so Ordered  
by the Commission

---

JACLYN A. BRILLING

Secretary

Issued and Effective August 29, 2005

STATE OF NEW YORK  
DEPARTMENT OF PUBLIC SERVICE

August 9, 2005

TO: THE COMMISSION

FROM: OFFICE OF CONSUMER SERVICES

SUBJECT: CASE 05-E-0621 – Petition of Octagon Development LLC to Submeter Electricity at Octagon Park Apartments, 888 Main Street, Roosevelt Island, New York 10044, Located in the Territory of Consolidated Edison Company of New York, Inc., filed in C 26998.

RECOMMENDATION: Staff recommends that the Commission approve the petition of Octagon Development LLC to submeter electricity at Octagon Park Apartments, 888 Main Street, Roosevelt Island, New York and that the case be closed.

The Application

By a letter dated May 5, 2005, Octagon Development LLC (Owner) requested permission to submeter electricity at Octagon Park Apartments, 888 Main Street, Roosevelt Island, New York (Octagon Park). The renovated building (formerly a hospital) will consist of 501 residential rental apartments. Octagon Park will be master-metered by Consolidated Edison Company of New York, Inc. (Con Edison), and each apartment will be submetered.

In accordance with the State Administrative Procedure Act (SAPA) §202(1), the petition was noticed in the State Register on June 22, 2005. No comments were received.

Commission Approval Required

The petition involves the submetering of electricity at a newly renovated master-metered rental apartment building owned by a private entity and Commission approval is required in accordance with 16 NYCRR §96.2 (c).

The Submetering Plan

Electric usage for Octagon Park will be measured by a utility master-meter. Each apartment's electric consumption will be monitored by Quadlogic Controls Corporation's (Quadlogic) Transmeter® RSM-5 Series which, according to Quadlogic, meets or exceeds standards for reliability and accuracy of the American National Standard Institute Code for Electricity Metering, ANSI C-12.

A. Benefits of Submetering

The Owner states that the economic advantage of submetering Octagon Park is that the elimination of meter rooms, electrical closets, and the related wiring will reduce construction costs. In addition, more living space will be available in the tenants' apartments. Data from the meters will be collected through a Scan Transponder operated by Quadlogic's computer system. The building will be master-metered at a single point and billed at Consolidated Edison's Bulk Residential Redistribution rate (SC-8). Submetering will also reduce security problems by eliminating the need for meter readers to access to the building.

B. Tenant Submetered Rates

The Owner asserts that in no case will a tenant be billed at a rate greater than Con Edison's residential rate for directly metered customers. Billings for each unit will be generated by Quadlogic based on monthly readings of each unit's submeter. The electric consumption data will be retained for ninety (90) days. Bills will be provided in a plain language format.

C. Tenant Protections and Complaint Procedures

In the event there is a question or complaint regarding electric service, a written inquiry by the tenant, including the relief or action requested, should be made to the property manager. The property manager, with the assistance of Quadlogic where appropriate, will investigate and provide a written response to the tenant within ten (10) days of receipt of the inquiry or complaint. If dissatisfied, the tenant may request a review of the determination by filing a written protest within fourteen (14) days. The property manager will submit the grievance to an independent arbitrator selected from the American Arbitration Association or equivalent. According to the Owner, arbitration expenses will be paid by the building management, and the tenant will receive notice of the arbitration procedures. Tenants who are not satisfied with the decision of the arbitrator may file a complaint with the Commission pursuant to the Home Energy Fair Practices Act (HEFPA).<sup>1</sup> According to the Owner, tenants will not have their electricity disconnected for non-payment of electric charges.

D. Tenant Notification

There are no existing tenants at Octagon Park. All prospective tenants will receive full disclosure in the lease agreement that the building is submetered, including information on the rate cap, consumer protections, and complaint procedures.

Discussion

The Owner's application to submeter Octagon Park meets the Commission's requirements for the submetering of newly renovated master-metered residential buildings. Submetering is economically advantageous because of reduced wiring and construction costs. In addition, more living space will be available to the tenants than if the building were directly metered. The Owner also asserts that the submetering equipment to be employed at Octagon Park meets or exceeds ANSI C-12 standards for accuracy and reliability. The submetering plan provides for a rate cap,

---

<sup>1</sup> Public Service Law (PSL) Article 2.

residential consumer protections, and grievance procedures. All tenants will be notified, prior to occupancy, of the Owner's intention to submeter each apartment.

The Owner also certifies that information concerning rates, complaint procedures, residential consumer protections, and enforcement mechanisms will be available to all prospective tenants, and will be included in the lease agreement. The Owner will also disclose that a new §53 to the PSL took effect on June 18, 2003, imposing the requirements of PSL Article 2 on any entity that sells or facilitates the sale of electricity to residential customers.<sup>2</sup>

Conclusion

The submetering proposal, as described in the Owner's application, appears to be adequate and reasonable, is in compliance with applicable Commission regulations and should be approved.

Respectfully submitted,

HONOR MARIE KENNEDY  
Utility Consumer Program Specialist III  
Office of Consumer Services

Reviewed by:

PATRICE O'CONNOR  
Utility Consumer Program Specialist IV  
Office of Consumer Services

STEVEN J. KRAMER  
Assistant Counsel  
Office of General Counsel

---

<sup>2</sup> Prior to the amendment of HEFPA by addition of PSL §53, HEFPA only applied to the provision of residential service by natural gas, electric or steam corporations and municipalities.

CASE 05-E-0621

Approved by:

**RICHARD J. GIFFORD**  
Chief, Consumer Advocacy and Education  
Office of Consumer Services