

ASSEMBLY, No. 1252

STATE OF NEW JERSEY

217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Assemblywoman MARLENE CARIDE

District 36 (Bergen and Passaic)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

SYNOPSIS

Allows use of master meter system in residential dwellings under certain conditions.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning natural gas metering in multiple dwellings and
2 supplementing Title 48 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 "Board" means the Board of Public Utilities.

10 "Condominium" shall have the same meaning as provided in
11 section 3 of P.L.1969, c.257 (C.46:8B-3).

12 "Cooperative" shall have the same meaning as provided in
13 section 3 of P.L.1987, c.381 (C.46:8D-3).

14 "Customer" means the owner of a multiple dwelling which
15 operates a master meter system.

16 "Gas utility" means a public utility, as that term is defined in
17 R.S.48:2-13, that transmits and distributes natural gas to end users
18 within this State.

19 "Master meter system" means any gas pipeline system operated
20 by a residential or commercial customer of a gas utility which is
21 utilized for the distribution of gas to tenants of a multiple dwelling,
22 in which the customer purchases metered gas from a gas utility for
23 resale to the tenants through the master meter system which is
24 beyond the control of the gas utility and is owned or operated by
25 another entity.

26 "Multiple dwelling" means any privately-owned or publicly-
27 financed or government-owned building consisting of residential
28 housing of at least four units, and including any apartment,
29 cooperative, or condominium, that completed construction or
30 rehabilitation on or after the effective date of P.L. , c. (C.)
31 (pending before the Legislature as this bill).

32 "Owner" means the proprietor, operator, lessor, or sublessor of a
33 multiple dwelling, the owner's agent, or any other person authorized
34 by the owner to manage the multiple dwelling, or to receive rent
35 from a residential tenant under a rental agreement.

36 "Rehabilitation" means an undertaking by means of extensive
37 repair, reconstruction, or renovation of an existing multiple
38 dwelling, with or without the introduction of new construction or
39 the enlargement of the existing multiple dwelling. "Rehabilitation"
40 shall include any energy conservation and efficiency upgrades as
41 required by the State Uniform Construction Code, adopted pursuant
42 to the "State Uniform Construction Code Act," P.L.1975, c.217
43 (C.52:27D-119 et seq.), for work undertaken at an existing multiple
44 dwelling.

45 "Tenant" means a household that legally occupies a dwelling
46 unit in a multiple dwelling.

1 2. a. A gas utility in this State shall provide gas service to a
2 customer of the gas utility that has installed a master meter system
3 at a multiple dwelling, pursuant to the provisions of 49 C.F.R.
4 s.192.1 et seq., all applicable safety requirements, including any
5 applicable board rule or regulation providing for the certification,
6 inspection, and compliance of the operation of a master meter
7 system.

8 b. Every tenant of a dwelling unit within a multiple dwelling
9 served by a master meter system shall purchase gas through that
10 master meter system directly from the customer of a gas utility.

11

12 3. a. The apportionment of the costs of gas service to a tenant
13 of a multiple dwelling utilizing a master meter system shall be
14 consistent with the provisions of P.L.1991, c.453 (C.55:13A-7.8 et
15 seq.).

16 b. The rate applicable for transmission and distribution gas
17 service to a tenant of a multiple dwelling utilizing a master meter
18 system shall not exceed either the rate of gas transmission and
19 distribution service to any other residential customer of a gas utility
20 or the rate paid by the customer to the gas utility, whichever is less.

21 c. A tenant shall not be charged for gas service to the common
22 area of the multiple dwelling.

23 d. Any dispute between the customer and the tenant that can
24 not be resolved between the parties, as to the apportionment of the
25 costs of gas service to a tenant of a multiple dwelling utilizing a
26 master meter system, shall be referred to the Division of Codes and
27 Standards in the Department of Community Affairs or to a court of
28 competent jurisdiction. During the pendency of the resolution of a
29 dispute filed with the Division of Codes and Standards or in a court
30 of competent jurisdiction, an eviction action shall not be undertaken
31 by the customer against a tenant over the apportionment of gas
32 costs, limited to the amount in dispute. Nothing in P.L. ,
33 c. (C.) (pending before the Legislature as this bill) shall
34 affect any eviction action against a tenant for other amounts due
35 and owing under a lease agreement during the period of dispute.
36 Upon the resolution of the dispute by either the Division of Codes
37 and Standards or a court of competent jurisdiction, any gas charge
38 amounts found to be due and owing by a tenant to the customer
39 shall then entitle the customer to proceed with a collection action
40 for the resolved gas charge costs up to and including an eviction
41 action or proceeding.

42 e. Nothing in this section shall relieve the customer of the
43 customer's liability for payment for gas service to the gas utility.

44 f. Sub-metering, including the use of a volumetric metering
45 device, for use in measuring gas consumption within a unit of a
46 multiple dwelling, shall be permitted in a multiple dwelling
47 utilizing a master meter system, in addition to any other approved

1 device or method for measurement under P.L.1991, c.453
2 (C.55:13A-7.8 et seq.).

3

4 4. Nothing in P.L. , c. (C.) (pending before the
5 Legislature as this bill) shall supersede any municipal rent control,
6 stabilization or leveling ordinance, or any other municipal rent
7 regulation in effect or adopted hereafter.

8

9 5. Nothing in P.L. , c. (C.) (pending before the
10 Legislature as this bill) shall impair a tenant's eligibility for both
11 electric and gas service payments from the Universal Service Fund,
12 established by the board pursuant to subsection b. of section 12 of
13 P.L.1999, c.23 (C.48:3-60). For the purposes of P.L. ,
14 c. (C.) (pending before the Legislature as this bill), all gas
15 costs metered by a customer's sub-metering and charged to a tenant
16 shall be treated as an eligibility documented gas service in lieu of
17 gas utility service. Under the authority provided to the board
18 pursuant to subsection b. of section 12 of P.L.1999, c.23 (C.48:3-
19 60), the board shall promulgate rules within 120 days following the
20 operative date of P.L. , c. (C.) (pending before the
21 Legislature as this bill) entitling a tenant eligible for Universal
22 Service Fund benefits the same payments as if those payments were
23 made directly to the gas utility for similarly metered gas service.

24

25 6. The Director of the Division of Codes and Standards in the
26 Department of Community Affairs, within 120 days following the
27 operative date of P.L. , c. (C.) (pending before the
28 Legislature as this bill), shall adopt rules and regulations, pursuant
29 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
30 1 et seq.), to effectuate the purposes of P.L. , c. (C.)
31 (pending before the Legislature as this bill).

32

33 7. This act shall take effect immediately but remain inoperative
34 for 120 days following the date of enactment.

35

36

37

STATEMENT

38

39 This bill requires a gas public utility (utility) in this State to
40 provide gas service to a customer of the utility that has installed a
41 master meter system at a multiple dwelling, pursuant to the
42 provisions of the federal pipeline safety code, requiring that all
43 applicable safety requirements, including any applicable Board of
44 Public Utilities rule or regulation providing for the certification,
45 inspection, and compliance of the operation of the system have been
46 met. Under a master meter system, tenants of the dwelling units
47 within the multiple dwelling served by the system are to purchase
48 gas directly from the utility customer. The bill defines "master

1 meter system” as any gas pipeline system operated by a residential
2 or commercial customer of a utility which is utilized for the
3 distribution of gas to tenants of a multiple dwelling, in which the
4 customer purchases metered gas from a utility for resale to the
5 tenants through the master meter system which is beyond the
6 control of the utility and is owned or operated by another entity.
7 “Multiple dwelling” is defined in the bill as any privately-owned or
8 publicly-financed or government-owned building consisting of
9 residential housing of at least four units, and including any
10 apartment, cooperative, or condominium, that completed
11 construction or rehabilitation on or after the effective date of the
12 bill.

13 The bill provides that apportionment of the costs of gas service
14 to the tenants of a multiple dwelling utilizing a master meter system
15 is to be consistent with the provisions of P.L.1991, c.453
16 (C.55:13A-7.8 et seq.). Under that law, any method or device used,
17 or intended to be used, for the indirect apportionment of heating
18 costs in a multiple dwelling is subject to approval by the
19 Commissioner of Community Affairs.

20 The bill provides that the rate applicable for gas service to a
21 tenant of a multiple dwelling utilizing a master meter system is not
22 to exceed either the rate of gas service to any other residential
23 customer of a gas utility or the rate paid by the customer to the gas
24 utility, whichever is less. Any dispute between the utility customer
25 and the tenant that can not be resolved between the parties, as to the
26 apportionment of the costs of gas service to the tenant of a multiple
27 dwelling utilizing a master meter system, is to be referred to the
28 Division of Codes and Standards in the Department of Community
29 Affairs, or to a court of competent jurisdiction.

30 The bill further provides that, during the pendency of the
31 resolution of a dispute between the customer and tenant on gas
32 service cost apportionment filed with the Division of Codes and
33 Standards (division) in the Department of Community Affairs or in
34 a court of competent jurisdiction, an eviction action is not to be
35 undertaken by the dwelling’s owner over the apportionment of gas
36 costs, limited to the amount in dispute, and that, upon the resolution
37 of the dispute by either the division or a court of competent
38 jurisdiction, any gas charge amounts found to be due and owing by
39 a tenant to the dwelling owner shall then entitle the owner to
40 proceed with normal collection actions for the resolved gas costs up
41 to and including an eviction action or proceeding against the tenant.

42 The bill also permits the use of sub-metering, including the use
43 of a volumetric metering device, for use in measuring gas
44 consumption within a unit of a multiple dwelling, in addition to any
45 other approved device or method for measurement under P.L.1991,
46 c.453 (C.55:13A-7.8 et seq.).

47 In addition, the bill provides that an eligible tenant will continue
48 to be eligible for both electric and gas service benefits under the

A1252 CARIDE, WIMBERLY

6

1 “Universal Service Fund” (USF) and that gas costs metered by a
2 customer’s sub-metering and charged to a tenant is to be treated as
3 an eligibility documented gas service in lieu of gas utility service.

4 Nothing in this bill relieves the customer of the customer’s
5 liability for payment for gas service to the utility. Further, nothing
6 in the bill is to supersede any municipal rent control, stabilization or
7 leveling ordinance, or any other municipal rent regulation.