

Agenda Date: 10/26/22

Agenda Item: 6A

RELIABILITY & SECURITY

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, New Jersey 08625-0350

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IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY'S REQUEST FOR WAIVER OF N.J.A.C. 14:3-4.6 ENFORCEMENT))))	ORDER DENYING REQUEST FOR WAIVER OF N.J.A.C. 14:3-4.6 DOCKET NO. EW20060469

Parties of Record:

Margaret Comes, Esq., Rockland Electric Company Brian O. Lipman, Esq., Director, Division of Rate Counsel

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board") has jurisdiction to oversee the metering of the New Jersey electric utilities, including, but not limited to, meter testing requirements and customer charge adjustments, if necessary. By this Decision and Order, the Board considers Rockland Electric Company's ("RECO" or "Company") petition seeking a waiver of N.J.A.C 14:3-4.6, requiring adjustment of customer charges in cases of meter error, concerning 15 metered RECO accounts ("Petition").

BACKGROUND AND PROCEDURAL HISTORY

On August 23, 2017, the Board approved RECO's Advanced Metering Infrastructure ("AMI") program, and directed the Company, pursuant to N.J.A.C. 14:3-4.7(c)(6), to test all legacy meters removed and retired during the AMI rollout.²

The Company began its AMI rollout in May 2018, and tested all meters removed from service. The Company provided the test results to Board Staff ("Staff") in a report entitled, "2019 Electric Meter Retirement Report" ("2019 Meter Report"). The 2019 Meter Report concluded that 20 legacy meters "tested high," thereby failing the tests. The Company discovered that five (5) of the 20 legacy meters reflected usage inconsistent with the meter readings and credited those five (5) accounts. However, according to the Company, it did not credit the remaining 15 accounts.

¹ <u>See</u> N.J.A.C. 14:3-4.6.

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² In re the Petition of Rockland Electric Company for Approval of an Advanced Metering Program; and for Other Relief, BPU Docket No. ER16060524, Order dated August 23, 2017 ("RECO AMI Order").

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By letter dated May 29, 2020, Staff notified RECO that crediting only five (5) of the 20 accounts was inconsistent with N.J.A.C. 14:3-4.6(c), and therefore, constituted a deficient remedy that Staff could not approve. Staff directed RECO to provide each of the 20 customer accounts with the appropriate account adjustment on or before June 15, 2020, and file a certification of the effectuated adjustments with Staff on or before June 30, 2020. As of the date of this Order, RECO has not submitted the certification.

THE PETITION

In its Petition dated June 24, 2020, RECO admitted that it missed the June 15, 2020 deadline, but claims it has good cause for a waiver of N.J.A.C. 14:3-4.6. According to the Company, RECO contracted with The Eastern Specialty Company ("TESCO"), a company specializing in meter design and development, to perform testing on retired legacy meters pursuant to the RECO AMI Order. A transportation company hired by TESCO picked up the legacy meters and transported them to TESCO's warehouse, and TESCO tested the meters for accuracy. However, the 15 meters in question were damaged after removal and during transit to TESCO's facility, and RECO noted, in discovery, that it no longer has the meters or pictures of the meters. As a result, the Company argued that it cannot show evidence of damage other than through usage reports and test results. The Company argued that a waiver of the crediting requirement is necessary because crediting the 15 accounts would result in providing the customers with a bill that is inconsistent with their usage, and strip the Company of revenue.

DISCUSSION AND FINDINGS

The Board appreciates the importance of equity among ratepayers and utility providers when evaluating billing and meter reading practices. Ratepayers should only pay for services used, and utilities should receive fair compensation for services rendered. The Board established rules governing meter reading and testing practices to ensure fairness to ratepayers and utility providers alike. Included in these rules are provisions requiring utilities to credit ratepayers in the event of meter inaccuracy. By taking action on these rules, the Board seeks to ensure fair compensation in accordance with established testing and crediting requirements.

The Board may relax its rules if enforcement would result in unfairness to the parties or the general public in accordance with N.J.A.C. 14:1-1.2. Additionally, N.J.A.C. 14:1-1.2(b)(1) provides, "[t]he Board shall, in accordance with the general purposes and intent of its rules, waive section(s) of its rules if full compliance with the rule(s) would adversely affect the ratepayers of a utility or other regulated entity, the ability of said utility or other regulated entity to continue to render safe, adequate, and proper service, or the interests of the general public."

In this matter, relaxation and/or waiver of N.J.A.C. 14:3-4.6 could provide the opposite outcome; instead of resulting in fairness, it could adversely affect ratepayers. There is no data before the Board to verify RECO's claim that credits are prejudicial to the Company. Additionally, Staff cannot conduct its own independent tests because RECO no longer has the meters or pictures of the meters in its possession. There also is no evidence that the NJ Office of Weights and Measures certified TESCO's equipment pursuant to N.J.A.C. 14:3-4.4(b), and without such certification, the accuracy of TESCO's findings cannot be confirmed. Therefore, as there is no means to verify the data behind RECO's request, the Board must follow its rules.

Therefore, the Board <u>HEREBY FINDS</u> that waiver of N.J.A.C. 14:3-4.6 may result in unfairness to, and/or adversely affect, the ratepayers, and as such, the Board <u>HEREBY DENIES</u> the Company's request to waive N.J.A.C. 14:3-4.6 regarding the 15 RECO accounts at issue herein.

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The Board <u>HEREBY ORDERS</u> RECO to comply with the terms of N.J.A.C. 14:3-4.6, and <u>FURTHER ORDERS</u> RECO to file a certification demonstrating compliance, including data and calculations, with the Board Secretary within three weeks from the effective date of this Order.

This Order shall be effective on November 2, 2022.

DATED: October 26, 2022

BOARD OF PUBLIC UTILITIES

DR. ZENON CHRISTOPOULOU

BY:

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COMMISSIONER

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PRESIDENT

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ATTEST:

CARMEN D. DIAZ ()
ACTING SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

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