

LOUISIANA PUBLIC SERVICE COMMISSION

GENERAL ORDER

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In re: Submetering of master-metered apartments.  
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For a number of years, electric public utilities have offered a service to apartment owners or managers known as "master metering." Under a plan of master metering, the utility brings the service to a single meter and the apartment owner is responsible for the distribution of energy "behind" the master meter. In previous times, the master meter arrangement had several advantages to all concerned: the utility had only one meter to read, one bill to render, and one customer to serve; the apartment owner could offer all-utilities-paid rental units which, because of master meter rates or declining rate structures, resulted in highly competitive rents when compared with individually metered apartments; and, the tenant received the benefit of the lower rate and did not have to concern himself with utility bills. The advent of the "fuel crisis" and higher costs of fuel for generation have now made master metering, in its simple form, of questionable benefit: apartment owners are faced with monthly adjustments attributable to higher fuel costs on their electric bills, and there is no assurance that these costs will level in the foreseeable future. Then too, the relative shortage of fuel is not apparent to the tenant who has no incentive to conserve energy.

Because of certain tariff provisions on file with this Commission, some utilities cannot sell electricity to be submetered. This type provision was evidently designed to keep third parties out of the utility-consumer relationship.

Interest is now being generated to submeter master meters in order to allow an apartment owner to flow electrical costs through to the user of that energy on a fairly allocated basis while retaining the master meter (lower) rate. The Commission has considered the matter and finds that submetering is not unacceptable per se, provided there are certain safeguards for the tenant. Accordingly, utilities may serve electrical energy via master meter to submetered apartment houses in accordance with the following definitions, rules, and regulations:

No electric utility company subject to the regulatory authority of this Commission shall provide electric service by means of a master meter to an apartment house, which has electric submetering facilities unless the owner of the apartment house agrees in writing to abide by the following rules and regulations and also agrees that any disputes arising out of the application of these rules and regulations are to be adjudicated by this Commission:

1. Definitions. As used in these rules, unless the context requires otherwise, the following words shall have the indicated meaning:

- (A) Apartment house: "apartment house" means a building or buildings containing more than five dwelling units all of which are rented primarily for nontransient use, with rental paid at intervals of one week or longer. Apartment houses shall include residential condominiums, whether renter or owner occupied.

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- (B) Apartment owner: for purposes of enforcement, record keeping, and reporting, "apartment owner" shall mean any owner, operator, or manager of an apartment house engaged in electrical submetering.
- (C) Bulletin: a commission publication printed twice monthly containing information about the commission, such as notices of hearings, orders, decisions, rules and other information of general interest to the public. It shall be sent to all persons and agencies requesting to be put on the bulletin mailing list and paying the applicable fee.
- (D) Commission: the Louisiana Public Service Commission.
- (E) Dwelling unit: "dwelling unit" means a room or rooms suitable for occupancy as a residence, containing kitchen and bathroom facilities.
- (F) Electric metering: individual apartment dwelling unit metering performed by a utility company.
- (G) Electric submetering: apartment dwelling unit metering performed by the apartment owner.
- (H) Hearing: any proceeding based on an application, petition, complaint or motion.
- (I) Master meter: a meter used to measure for billing purposes, all electric usage of an apartment house, including common areas, common facilities and dwelling units therein.
- (J) Month or monthly: the period between any two consecutive meter readings by the utility either actual or estimated, at approximately 30-day intervals.
- (K) Deposit: any amount of money advanced by the tenant to secure the payment of the tenant's rent, including his electric utility bill as determined by submetering.
- (L) Common Areas: areas other than dwelling units, including any facilities requiring electrical energy consumption which may be located thereon or therein, including, without limitation, swimming facilities, laundry facilities, common hallways, and the like.

2. Records and Reports.

- (A) The apartment owner shall maintain and make available for inspection by the tenant the following records:
  - 1. the billing from the utility to the apartment owner for the current month and the 12 preceding months.
  - 2. the calculation of the average cost per kilowatt hour for the current month and the 12 preceding months.

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3. all submeter readings and tenant billings for the current month and the 12 preceding months.
  4. all submeter test results for the current month and the 12 preceding months.
- (B) Records shall be made available at the resident manager's office during reasonable business hours or, if there is no resident manager, at the dwelling unit of the tenant at the convenience of both the apartment owner and tenant.
- (C) All records shall be made available to the Commission upon request.
3. Billing.
- (A) Bills shall be rendered for the same billing period as that of the utility, generally monthly, unless service is rendered for less than that period. Bills shall be rendered as promptly as possible following the reading of the submeters.
- (B) The unit of measurement shall be a kilowatt hour (KWH)
- (C) The apartment owner shall be responsible for determining that the energy billed to any dwelling unit shall be only for energy consumed within that unit.
- (D) The apartment owner shall not impose any extra charges on the tenant over and above those charges which are billed by the utility to the apartment owner.
- (E) The tenant's bill shall be calculated in the following manner: after the apartment electric bill is received from the utility, the apartment owner shall divide the total net charges for electrical consumption, plus applicable tax, by the total number of kilowatt hours to obtain an average cost per kilowatt hour. This average kilowatt hour cost shall then be multiplied by each tenant's kilowatt hour consumption to obtain the charge to the tenant. The computation of the average cost per kilowatt hour shall not include any penalties charged by the utility to the apartment owner for disconnect, reconnect, late payment, or other similar service charges.
- (F) The tenant's bill shall show all of the following information:
1. the date and reading of the submeter at the beginning and at the end of the period for which the bill is rendered.
  2. the number of kilowatt hours metered.
  3. the computed rate per kilowatt hour.

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4. the total amount due for electricity used.
  5. a clear and unambiguous statement that the bill is not from the electric utility, which shall be named in the statement.
  6. the name and address of the tenant to whom the bill is applicable.
  7. the name of the firm rendering the submetering bill and the name or title, address, and telephone number of the person or persons to be contacted in case of a billing dispute.
  8. the date by which the tenant must pay the bill.
- (G) In the event of a dispute between the tenant and the apartment owner regarding any bill, the apartment owner shall forthwith make such investigation as shall be required by the particular case, and report the results thereof to the tenant. The investigation and report shall be completed within 30 days from the date the tenant notifies the apartment owner of the dispute.
- (H) The tenants of any dwelling unit in an apartment house whose electrical consumption is submetered shall be allowed by the apartment owner to review and copy the master billing for the current month's billing period and for the 12 preceding months, and all submeter readings for the entire apartment house for the current month and for the 12 preceding months.
- (I) All rental agreements between the apartment owner and the tenants and dwelling units therein shall clearly state that the dwelling unit is submetered and that any disputes relating to the computation of the tenant's bill and the accuracy of the submetering device will be between the tenant and the apartment owner.
- (J) Estimated bills shall not be rendered unless the meter has been tampered with or is out of order, and in such case the bill shall be distinctly marked as such.
4. Submeters.
- (A) Submeter requirements:
1. Use of submeter: all electrical energy sold by an apartment owner shall be charged for by meter measurements.
  2. Installation by apartment owner: unless otherwise authorized by the commission, each apartment owner shall be responsible for providing, installing, and maintaining all submeters necessary for the measurement of electrical energy to its tenants.
  3. Common areas shall be separately submetered and the expense of providing electricity to those areas borne by the apartment owner.

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- (B) Submeter records. Each apartment owner shall keep the following records:
1. Submeter equipment record: each apartment owner shall keep a record of all of its submeters, showing the tenant's address and date of the last test.
  2. Records of submeter tests: all submeter tests shall be properly referenced to the submeter record provided for herein. The record of each test made shall show the identifying number of the submeter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.
- (C) Submeter readings. Submeter unit indication: in general, each meter shall indicate clearly the kilowatt hours for which charge is made to the tenant.
- (D) Submeter tests upon request of tenant. Each apartment owner shall, upon the request of a tenant, and, if the tenant so desires, in the tenant's presence or in that of the tenant's authorized representative, make a test of the accuracy of the tenant's submeter. The test shall be made during reasonable business hours. If the submeter tests within the accuracy standards for self-contained watt hour meters as established by the latest edition of American National Standards Institute, Incorporated, Standard C12 (American National Code for Electricity Metering), a charge of up to \$5.00 may be charged for the tenant for making the test. However, if the submeter's accuracy is not within the accuracy standards for self-contained watt hour meters as established by the latest edition of American National Standards Institute, Incorporated, Standard C12, no charge shall be made to the tenant for making the test. Following completion of any requested test, the apartment owner shall promptly advise the tenant of the results of the test.
- (E) Bill adjustment due to submeter error. If any submeter is found to be not within the accuracy standards for self-contained watt hour meters as established by the latest edition of American National Standards Institute, Incorporated, Standard C12, proper correction shall be made of previous readings for the period of one month immediately preceding the test, or from the time the submeter was in service since last tested, but not exceeding one month, as the submeter shall have been shown to be in error by such test and an adjusted bill shall be rendered. No refund is required from the apartment owner except to the tenant last served by the submeter prior to the testing. If a submeter is found not to register for any period, unless bypassed or tampered with, the apartment

owner may make a charge for units used, but not metered, for a period not to exceed one month, based on amounts used under similar conditions during periods preceding or subsequent thereto, or during the corresponding period in previous years.

(F) Location of submeters. Submeters and service switches in conjunction with the submeter shall be installed in accordance with the latest edition of American National Standards Institute, Incorporated, Standard C12, or other standards as may be prescribed by the commission, and will be readily accessible for reading, testing, and inspection, where such activities will cause minimum interference and inconvenience to the tenant.

(G) Submeter testing facilities and equipment.

1. Each apartment owner shall engage an independent qualified expert to provide such instruments and other equipment and facilities as may be necessary to make the submeter tests required by these rules. Such equipment and facilities shall generally conform to American National Standards Institute, Incorporated, Standard C12, unless otherwise prescribed by the commission, and shall be acceptable to the commission, and shall be available at all reasonable times for the inspection by its authorized representatives.
2. Portable standards: each apartment owner engaged in electrical submetering shall, unless specifically excused by the commission, provide or utilize a testing firm which provides portable test instruments as necessary for testing billing submeters.
3. Reference standards: each apartment owner shall provide or have access to suitable indicating electrical instruments as reference standards for insuring the accuracy of shop and portable instruments used for testing billing submeters.
4. Testing of reference standards: reference standards of all kinds shall be submitted once each year or on a scheduled basis approved by the commission to a standardizing laboratory of recognized standing for the purpose of testing and adjustment.
5. Calibration of test equipment: all shop and portable instruments used for testing billing submeters shall be calibrated by comparing them with a reference standard at least every 120 days during the time such test instruments are being regularly used. Test equipment shall at all times be accompanied by a certified calibration card signed by the proper authority, giving the date when it was last certified and adjusted. Records of certifications and calibrations shall be kept on file in the office of the apartment owner.

(H) Accuracy requirements for submeters.

1. No submeter that exceeds the test calibration limits for self-contained watt hour meters as set by the American National Standards Institute, Incorporated, Standard C12, shall be placed in service or left in service. Whenever on installation, periodic, or other tests, a submeter is found to exceed these limits, it shall be adjusted.
2. Adjustments: submeters shall be adjusted as close as possible to the condition of zero error. The tolerances are specified only to allow for necessary variations.

(I) Submeter tests prior to installation. No submeter shall be placed in service unless its accuracy has been established. If any submeter is removed from actual service and replaced by another submeter for any purpose whatsoever, it shall be properly tested and adjusted before being placed in service again.

(J) Unless otherwise provided by the commission, no dwelling unit may be submetered unless all dwelling units in the apartment house are submetered, after the conversion period and after the expiration of all leases in existence as of the conversion date.

(K) All submeters in an apartment house which are served by the same master meter shall be of the same type, such as induction or electronic.

(L) Compensation: the electric utility serving the apartment house shall be entitled to receive reimbursement from the apartment house owner for the electric company's actual costs reasonably incurred in answering service calls in connection with the electric submetering facilities. This provision shall not impose upon the electric utility company any obligation to service or maintain the submetering facilities, however.

5. Deposits and Disconnect.

(A) No deposit may be required of a tenant for payment of the electric portion of that tenant's rent, and no tenant shall be evicted for non-payment of the electric portion of his monthly bill until that tenant has been notified in writing at least five (5) days in advance that eviction proceedings are to be commenced.

(B) No portion of any deposit shall be withheld by the apartment owner by reason of non-payment of the electric portion of the rent.

(C) Apartment owners will not disconnect any tenant for non-payment of the electric portion of the rent, but shall pursue eviction remedies in a court of proper

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jurisdiction and pursuant to law. The contract of rent shall so specify that eviction is the sole remedy of apartment owner in the event of non-payment of the electric portion of the rent, and tenant shall signify his assent thereto.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:  
BATON ROUGE, LOUISIANA

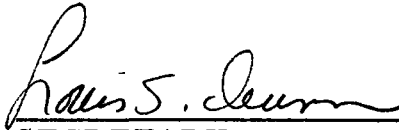
APRIL 24, 1978

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