



New York State
Division of Housing and Community Renewal
Office of Rent Administration

Update Number 1 to Operational Bulletin 2003-1

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*Conversion from Master to Individual Metering of Electricity with Direct Payment by Tenant
Schedule of Rent Reductions Affecting:*

*New York City Rent Stabilization Code (RSC) New York City Rent and Eviction Regulations (CRER)
Emergency Tenant Protection Regulations (TPR) New York State Rent and Eviction Regulations (SRER)*

Introduction

On November 12, 2003 the State Division of Housing and Community Renewal (DHCR) issued Operational Bulletin 2003-1 which concerned termination of rent inclusion of electricity and conversion from master metering of electricity to individual metering of electricity with tenants paying for their electric use.

Pursuant to the Operational Bulletin and the applicable provisions of the Rent Stabilization Code, Emergency Tenant Protection Regulations, the Rent and Eviction Regulations for New York City and the State Rent and Eviction Regulations, the Operational Bulletin which includes the Schedule of Rent Reductions is to be updated subsequent to the publication of a new Housing and Vacancy Survey (HVS) by the New York City Rent Guidelines Board and thereby establish new rent reductions by which the rent of regulated housing accommodations is to be adjusted upon conversion from master metering to individual meters. This is the first update to Operational Bulletin 2003-1.

Direct Metering

Where conversion is to direct metering, the schedule of rent reductions is based upon the median monthly cost of electricity to tenants derived from data from the 2005 HVS. When applied outside New York City, the schedule of rent reductions is adjusted where appropriate to reflect differences in electric rates.

Submetering

Where the conversion is to submetering, the schedule of rent reductions is based on the median monthly cost of electricity to tenants in the 2005 HVS, adjusted to reflect the bulk rate plus a maximum reasonable service fee of \$4.00 for the cost of meter reading and billing. That fee is based on an estimated maximum charge set forth in the Residential Electrical Submetering Manual (revised October, 2001) prepared for the New York State Energy Research and Development Authority, and available on its website at www.nyserda.org. When applied outside New York City, the schedule of rent reductions is further adjusted where appropriate to reflect differences in electric rates outside New York City. Under submetering the owner or contractor retained by the owner is not permitted to charge the tenant more than the bulk rate for electricity plus a reasonable service fee to cover the cost of meter reading and billing. However, after the conversion, the cost of electricity and service fee are not part of the legal regulated rent, and billing disputes are **not under the jurisdiction of DHCR.**

This document is being reissued for informational purposes only.

The original document which contains signatures of authorization is on file at DHCR's Office of Rent Administration.

CrossWiring/Shared Meters

The wiring in master metered buildings was not always installed to strictly isolate circuits to feed only one individual apartment. In such instances, sub feeders for an area outside of an apartment may exist. Where submeters are installed in such instances a condition known as shared metering may result and a consumer in one apartment may pay for electricity used by another party.

Shared metering is an issue that has been raised by tenant groups and also in proceedings before DHCR. In an effort to ensure that such conditions are eliminated, owners who wish to submeter must provide DHCR with an affidavit from the installer of the submeters that certifies that after installation of the submeters, testing will be performed to ensure that shared meter conditions do not exist. Owners who wish to change to direct meters and have established to the satisfaction of DHCR that they do not need to rewire must also provide a certification from a licensed electrician that testing for shared metering will be performed.

Test Billing

Consumers of electricity who reside in master metered buildings have generally never had the opportunity to be informed about the amount of energy they use or the cost. In order to educate tenants as to their electric consumption and its costs, owners are required to provide educational information as follows:

Submetering - subsequent to the installation of the submeters, owners shall send each tenant two consecutive monthly summaries of their electric use and its cost. The summary may take the form of the invoice the owner intends to use for actual billing purposes. Tenants will not be required to pay for electricity for two test billing periods as its use is educational and an opportunity for tenants to learn more about, as well as implement, energy conservation. Subsequent to the completion of the test billing, owners may implement actual billing and simultaneously adjust the tenants rent.

Direct Metering - In buildings where the conversion is from master metering to direct metering, test billing is unavailable, as the utility and not the owner is the entity metering the electric use and billing the consumer. In order to provide tenants with an estimate of the energy consumption in individual apartments the owner shall provide with its application to terminate rent inclusion of electricity a notice to the tenants, which estimates the electrical usage on a per room, per month basis. The estimate shall be based on the buildings consumption of electricity divided by the number of rooms in the building. The estimates shall be prepared from the bills for the preceeding February and August billing period.

SCHEDULE OF RENT REDUCTIONS

<u>New York City</u>	Direct Metering	Submetering
1 Room	\$40.00	\$29.31
2 Rooms	\$50.00	\$38.06
3 Rooms	\$51.00	\$38.99
4 Rooms	\$60.00	\$46.99
5 Rooms	\$68.00	\$54.06
6 Rooms	\$75.00	\$60.20
Over 6 rooms add	\$ 7.00	\$ 6.18 per room

<u>Westchester</u>	Direct Metering	Submetering
1 Room	\$40.00	\$29.31
2 Rooms	\$50.00	\$38.06
3 Rooms	\$51.00	\$38.99
4 Rooms	\$60.00	\$46.99
5 Rooms	\$68.00	\$54.06
6 Rooms	\$75.00	\$60.20
Over 6 rooms add	\$ 7.00	\$ 6.18 per room

<u>Rockland</u>	Direct Metering	Submetering
1 Room	\$29.48	\$20.69
2 Rooms	\$36.68	\$26.45
3 Rooms	\$37.45	\$27.07
4 Rooms	\$44.04	\$32.34
5 Rooms	\$49.85	\$37.01
6 Rooms	\$54.90	\$41.06
Over 6 rooms add	\$ 5.08	\$ 4.07 per room

<u>Nassau</u>	Direct Metering	Submetering
1 Room	\$30.20	\$25.52
2 Rooms	\$38.68	\$32.95
3 Rooms	\$39.58	\$33.74
4 Rooms	\$47.34	\$40.54
5 Rooms	\$54.19	\$46.56
6 Rooms	\$60.14	\$51.78
Over 6 rooms add	\$ 5.99	\$ 5.25 per room

<u>Albany</u>	Metering	Direct Submetering
1 Room	\$33.81	\$21.84
2 Rooms	\$40.05	\$28.01
3 Rooms	\$40.72	\$28.67
4 Rooms	\$46.45	\$34.31
5 Rooms	\$51.51	\$39.29
6 Rooms	\$55.89	\$43.62
Over 6 rooms add	\$ 4.42	\$ 4.36 per room

<u>Erie</u>	Direct Metering	Submetering
1 Room	\$33.81	\$21.84
2 Rooms	\$40.05	\$28.01
3 Rooms	\$40.72	\$28.67
4 Rooms	\$46.45	\$34.31
5 Rooms	\$51.51	\$39.29
6 Rooms	\$55.89	\$43.62
Over 6 rooms add	\$ 4.42	\$ 4.36 per room

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