

**14:3-4.3 Access**

Access to meters shall be in accordance with N.J.A.C.  
14:3-3.8.

Amended by R.1997 d.39, effective February 3, 1997.  
See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).



**14:3-4.4 Equipment for testing**

Test equipment and facilities shall be satisfactory to and approved by the Board, and shall be available at all reasonable times for the inspection by and the use of any authorized representative of the Board.

**14:3-4.5 Tests by utility on request**

(a) Each utility shall, without charge, make a test of the accuracy of a meter upon request of a customer, provided such customer does not make a request for test more frequently than once in 12 months.

(b) A report giving results of such tests shall be made to the customer, and a complete record of such tests shall be kept on file at the office of the utility in accordance with N.J.A.C. 14:3-4.9 Meter records.

(c) When a billing dispute is known to exist, the electric, gas or water utility shall, prior to removing the meter, advise the customer that the customer may have the meter tested by the utility or may have the Board either conduct a test of the meter or witness a testing of the meter by the utility, and that in any event the customer may have the test witnessed by a third party.

(d) A meter test arising from a billing dispute may be appropriate in instances which include, but are not limited to, unexplained increased consumption, crossed meters, consumption while account is vacant or any other instance where the meter's accuracy might be an issue in a bill dispute.

Amended by R.1991 d.146, effective May 6, 1991.  
See: 22 N.J.R. 617(a), 23 N.J.R. 1448(a).

New provisions at (c) and (d) require utility to inform customer of the option of a Board witnessed or conducted test of the customer's meter.

**14:3-4.6 Tests by Board on request**

Upon application by any customer to the Board, a test shall be made of the customer's meter by an inspector of the Board. Such test shall be made as soon as practicable after receipt of the application and upon notice to the customer and the utility as to the time and place of such test. For such test a fee, in accordance with N.J.S.A. 48:2-56, shall be paid by the customer at the time application is made for the test. This fee is to be retained if the meter is found to be slow or correct within the allowable limits. If the meter is found to be fast beyond the allowable limits, that is, more than two percent, or in the case of water meters, more than one one and one half percent, the utility shall reimburse the customer for the test fee paid.

Amended by R.1997 d.39, effective February 3, 1997.  
See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

Inserted allowable limits percentages.

**14:3-4.7 Adjustment of charges**

(a) Whenever a meter is found to be registering fast by more than two percent, or in the case of water meters, more than one and one half percent, an adjustment of charges shall be made in accordance with the following:

1. If the date when the meter had first become inaccurate can be definitely ascertained, then the adjustment shall be such percentage as the meter is found to be in error at the time of test adjusted to 100 percent on the amount of the bills covering the entire period that the meter had registered inaccurately.

2. In all other cases the adjustment shall be such percentage as the meter found to be in error at the time of test on one-half of the total amount of the billing affected by the fast meter adjusted to 100 percent since the previous test, but not to exceed a period of six years for electric, gas and water meters subject to testing by an approved scientific sampling technique.

(b) No adjustment shall be made for a period greater than the time during which the customer has received service through that meter.

(c) No adjustment shall be made for a meter that is found to be registering less than 100 percent except in the case of meter tampering, non-registering meters or in circumstances in which the customer should reasonably have known that the bill did not reflect the actual usage.

1. In cases of a debit adjustment to a customer's account, except in cases of theft or tampering, the customer shall be allowed to amortize the payments for a period of time equal to that period of time in which the charges were adjusted. Debit adjustments shall be limited to a maximum period of six years.

Amended by R.1991 d.221, effective May 6, 1991.  
See: 22 N.J.R. 1112(a), 23 N.J.R. 1439(b).

Reference to gas as well as electric meters added.

Amended by R.1991 d.147, effective May 6, 1991.  
See: 22 N.J.R. 618(a), 23 N.J.R. 1449(a).

Reduced the measurement of accuracy for water meters from two percent to one and one half percent, thereby conforming the standard of accuracy in these rules to the uniform standards of the American Water Works Association; also prohibited a utility from re-billing a customer for consumption previously not billed for due to a slow meter.  
Amended by R.1997 d.39, effective February 3, 1997.

See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

In (a)2, inserted reference to water meters; and added (c)1.

**Case Notes**

Customers not entitled to be billed on basis of 1,136 ccf of gas usage, rather than 11,136 ccf, for eight year period. *Thomas v. New Jersey Natural Gas Company*, 93 N.J.A.R.2d (BRC) 145.

Homeowner not entitled to credit to sewerage bill for water utilized in swimming pool and sprinkler system; no application for water diversion meter. *Perelman v. Atlantic City Sewerage Company*, 93 N.J.A.R.2d (BRC) 138.

No showing of water meter defect; no refund for overbilling. *Aabdollah v. New Jersey American Water Company*, 93 N.J.A.R.2d (BRC) 73.

Record established that meter readings and billings reflected water consumption; no overcharges. *Presidential Apartments v. Hackensack Water Company*, 93 N.J.A.R.2d (BRC) 68.

Record established that confusing billing procedures and malfunctioning remote register warranted elimination of adjusted bill. *Magley v. New Jersey—American Water Company*. 93 N.J.A.R.2d (BRC) 13.

#### 14:3-4.8 Meter test reports

A report shall be made to the Board giving a summary of all meter tests. Each utility having 500 or more meters shall report quarterly. Utilities having less than 500 meters shall report annually. Blank forms on which reports are to be made will be furnished by the Board.

#### 14:3-4.9 Meter records

(a) Complete records on all utility meters shall be kept in the utility's office and shall be available for examination at any time by inspectors of the Board. Such records shall include the following information:

1. Owning utility's number, or manufacturer's name and number;
2. Type, size, and so forth;
3. Date and location of each installation, and dates of removal and test;
4. The accuracy of the meter;
5. A record of the tests of each meter and action taken regarding same.

(b) All the records required in this Section shall be kept for a period of six years or to the date of the last test, whichever period is the longer.

#### 14:3-4.10 Meter replacement

(a) A utility shall not make any charge for replacing a meter where such replacement is requested by a customer, unless the meter first referred to has been in use less than two years, in which case a charge, which shall not exceed the cost of making the replacement, may be made. No charge shall be made for replacing a meter for test purposes, or for replacing a meter necessitated by a change in service characteristics which conform to the provisions of these regulations, or for replacing a defective meter, unless the defect is due to the negligence of the customer in which case a charge which shall not exceed the cost of making the replacement may be made.

(b) A meter of a customer who has a complaint filed with the Board reflecting on the accuracy or performance of the meter shall not be removed from service by the utility during the pendency of said complaint or during the following 30 days unless otherwise authorized by the Board's staff.

Amended by R.1997 d.39, effective February 3, 1997.  
See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

### SUBCHAPTER 5. OFFICES

#### 14:3-5.1 Location

(a) Each utility shall maintain in its service area an office, the current location of which shall be furnished to the Board, where applications for service, complaints, service inquiries, bill payments, and so forth, will be received.

(b) Each utility shall furnish the Board with the current location of the offices where maps and records covering the various service areas are available to supply, upon reasonable request, information to customers, governmental bodies, other utilities and contractors.

(c) In the event that a utility desires to close or relocate an office, the utility shall comply with the following procedures:

1. At least 60 days prior to the closing or relocation of an office described in (a) or (b) above, a utility shall apply for approval with the Board, demonstrating that such closure or relocation is not unreasonable and will not unduly prejudice the public interest, and setting forth the means, upon Board approval of the application, by which customers and other interested parties will be adequately notified of the closing or relocation and alternatives available in the case of a closed office.

2. The utility shall simultaneously notify its customers and the clerk of each affected municipality of the pending application for permission to relocate or close the subject office by means of posting notice at the office location and, within three days of application, by placing notice of the office closing or relocation in the newspaper(s) serving the affected area.

- i. The notice shall inform customers of their right to present to the Board, in writing, any objections they may have to the office closure or relocation; and

- ii. The notice shall specify a date certain for submission of comments which date shall not be less than 20 nor more than 30 days after publication and posting.

3. An office shall not be closed or relocated until the utility has been informed, in writing, that the Board has approved such request.

(d) Utilities shall maintain and provide toll free or local exchange telephone numbers for use by the general public and customers affected by an office closing or relocation for billing, service and sales inquiries. This toll free number or local exchange number shall be posted on any notice at the office location as well as in the notice placed in the newspaper(s), pursuant to (c) above, serving the affected area.

Amended by R.1993 d.298, effective June 21, 1993.

See: 24 N.J.R. 2132(a), 25 N.J.R. 2699(a).

Amended by R.1997 d.39, effective February 3, 1997.

See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

In (a), deleted "or within reasonable proximity of" following "shall maintain in".

**14:3-13.1 Scope**

The rules contained in this subchapter shall apply to deferred balances which result from the operation of Levelized Energy Adjustment Clauses, Levelized Gas Adjustment Clauses, Purchased Water Adjustment Clauses and Purchased Sewerage Treatment Adjustment Clauses.

**14:3-13.2 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise:

“Applicable period” means the period or timeframe in which any adjustment clause is in effect, usually 12 months, or any other period as authorized by the Board.

“Base cost of energy” means the cost of energy produced, purchased and interchanged as established in the most recent base rate or adjustment clause case of an electric utility and collected via the base rates of that electric utility.

“Base cost of gas” means the cost of gas produced and/or purchased as established in the most recent base rate or adjustment clause case of a gas utility and collected via the base rates of that gas utility.

“Base cost of purchased sewerage treatment” means the cost of contractually purchased sewerage treatment as established in the most recent base rate or adjustment clause case of a sewer utility and collected via the base rates of that sewer utility. Actual cost shall be reflected as cost per 1,000 gallons or cost per 1,000,000 gallons unless otherwise specifically approved by the Board. (See N.J.A.C. 14:9-8.2.)

“Base cost of purchased water” means the cost of contractually purchased water as established in the most recent base rate or adjustment clause case of a water utility and collected via the base rates of that water utility. Actual cost shall be reflected as cost per 1,000 gallons or cost per 1,000,000 gallons unless otherwise specifically approved by the Board. (See N.J.A.C. 14:9-7.2.)

“Deferred accounting treatment” means the deferring on the books and records of a water or sewer utility the difference between the expense imposed upon it by a water purveyor for purchased water or by a sewerage treatment purveyor for purchased sewerage treatment, and, as effective at the time of the imposition of the expense, the amount of expense approved by the Board for inclusion in rates for recovery of this expense. (See N.J.A.C. 14:9-7.2 and 8.2.)

“Deferred balance” means the difference between the cost of energy or gas collected via an electric or gas utility’s rates and the actual cost incurred by the electric or gas utility for the applicable period.

“Levelized Energy Adjustment Clause” or “LEAC” means the mechanism employed by electric utilities whereby

a charge or credit is made when the estimated average cost of energy produced, purchased, and interchanged for the applicable period is above or below the base cost of energy; or its successor clause.

“Levelized Gas Adjustment Clause” or “LGAC” means the mechanism employed by gas utilities whereby a charge or a credit is made when the estimated average cost of gas purchased and or produced for the applicable period is above or below the base cost of gas; or its successor clause.

“Purchased Sewerage Treatment Adjustment Clause” or “PSTAC” means the methodology by which a sewer utility obtains recognition in its rates of an increase or decrease in the cost of sewerage treatment purchased by it from a sewerage treatment purveyor (see N.J.A.C. 14:9-8.2); or its successor clause.

“Purchased Water Adjustment Clause” or “PWAC” means the methodology by which a water utility obtains recognition in its rates of an increase or decrease in the cost of water purchased by it from a water purveyor (see N.J.A.C. 14:9-7.2); or its successor clause.

**14:3-13.3 Interest rate**

The interest rate to be used should reflect the utility’s Board-approved overall rate of return, effective at the time of interest rate calculation. That rate, divided by 12 and rounded to four decimal places, shall be applied monthly on the average of the current and prior months’ positive or negative cumulative deferred ending balances, except for Class B, C and D water and sewer utilities which have the option to calculate the interest, at the annual overall rate of return on the deferral balance, at the end of the clause period.

**14:3-13.4 Interest calculation**

(a) The clause cost adjustment will be effective on a 12-month basis, unless otherwise specified by the Board within the context of an appropriate rate proceeding.

(b) The difference between actual clause costs and the utility’s recovery amount of the base clause cost and the clause cost adjustment charge shall be determined monthly. If actual clause costs exceed the amount of recovery of the base clause cost and the clause adjustment charge, an underrecovery or a negative balance will result. If the amount of recovery of the base clause cost and the clause adjustment charge exceed actual clause costs, an overrecovery or a positive balance will result.

(c) Interest shall be applied monthly to the average monthly cumulative deferred balance, positive or negative, from the beginning to the end of the clause period.

(d) Monthly interest on negative deferred balances (underrecoveries) shall be netted against monthly interest on positive deferred balances (overrecoveries) for the clause period.

(e) A cumulative net positive interest balance at the end of the clause period is owed to customers and shall be returned to customers in the next clause period. A cumulative net negative interest balance shall be zeroed out at the end of the clause period.

(f) The sum of the calculated monthly interests shall be added to the overrecovery balance or subtracted from the underrecovery balance at the end of the clause period. The positive interest balance shall be rolled into the beginning over-underrecovery balance of the subsequent clause period.

**14:3-13.5 Tariff language requirement**

The utility's tariff shall include the language provided in N.J.A.C. 14:3-13.4.