

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**PENNSYLVANIA PUBLIC
UTILITY COMMISSION,
BUREAU OF INVESTIGATION
AND ENFORCEMENT**

**PUBLIC MEETING OF JAN. 8, 2025
3030251-OSA
DOCKET NO. C-2022-3030251, *et al.***

v.

**WESTOVER PROPERTY
MANAGEMENT COMPANY, L.P.**

STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK

Before the Commission for consideration are the Exceptions filed by Westover Property Management Company, L.P. (Westover) in response to the Recommended Decision (RD) issued by the Office of Administrative Law Judge. This matter began when the Commission's Bureau of Investigation and Enforcement (I&E) responded to a report of a natural gas leak and service outage occurring at an apartment complex managed by Westover. Upon ensuring the safety of gas utility service of the residents of the apartment complex, the I&E Safety Division examined whether the pipeline facilities operated by Westover constitute "master meter systems," as defined by federal law and therefore subject to Commission regulation through Act 127, the Gas and Hazardous Liquid Pipelines Act.

Subsequently, I&E filed a formal complaint on the matter and Westover filed a Petition for a Declaratory Order. Following litigation of those consolidated dockets, the ALJ issued the RD being considered today recommending that the Commission adopt a Joint Petition for Partial Settlement without modification as being in the public interest. The RD also recommended that several of the Westover apartment complexes be considered "master meter systems" as defined by federal law and therefore subject to Commission jurisdiction under Act 127.

This is a complicated matter that presents a matter of first impression for the Commission. I am voting today to adopt the RD and deny Westover's second and third

Exceptions because the RD is well reasoned and applies the law to the specific facts presented on the record of this matter.¹

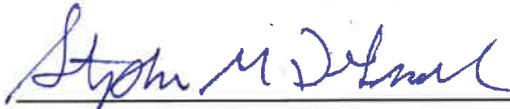
The four-part test established in the RD for determining when the Commission has jurisdiction over a particular property is consistent with federal law. In fact, the four-part test is identical to the federal definition of a “master meter system.” The four-part test is reasonable and can be applied in future situations going forward. Furthermore, the partial settlement that is being considered today includes safety provisions for the residents of these apartment complexes in the event our decision is appealed. If the Commission does not have such jurisdiction of these apartment complexes, it is unclear what entity would. Significantly, the RD finds that the Commission has jurisdiction over 17 of Westover’s apartment complexes to ensure the safety of those residents.

I recognize the potential concerns regarding application of the four-part test in matters going forward. I do not believe that the actions we take today are overly broad or intrusive. In fact, the Presiding Officer specifically did not find that the Commission had jurisdiction over all of the apartment complexes over which I&E argued. The RD was narrowly tailored and found that that the Commission should not have jurisdiction over seven of the apartment complexes. The RD being considered today is balanced and not overly broad but is tailored to conform to the law governing master meters.

Furthermore, this discussion of master meter systems does not end here. It is incumbent upon the Commission to further examine the matter to ensure public safety beyond the four corners of this case. As a matter of first impression though, and as the parties’ settlement itself portends appellate review, it would be prudent to await such further appellate examination, if any, before undertaking a deeper analysis, including accepting input from interested stakeholders, on the impact of this decision on future matters.

The RD is reasonable and Westover’s Exceptions 2 and 3 should be denied. I welcome continued discussion of this matter outside the confines of this particular proceeding and am confident that the Commission will fulfill its duties and obligations going forward on this issue. Doing so ensures that we are correctly meeting our public safety responsibilities.

January 8, 2025
Date



Stephen M. DeFrank
Chairman

¹ Westover’s first Exception corrects an error in the RD’s Ordering Paragraphs to be consistent with the parties stipulated language in the settlement and is unopposed.