

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 799  
PROPOSED COMMITTEE SUBSTITUTE H799-PCS40565-TS-3

Short Title: Utility Billing by Lessors.

(Public)

Sponsors:

Referred to:

April 13, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW FOR LANDLORDS TO CHARGE INDIVIDUAL TENANTS FOR  
3 SHARED COST OF NATURAL GAS SERVICE PROVIDED TO LEASED PREMISES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 42-42.1 reads as rewritten:

6 "**§ 42-42.1. Water and electricity conservation.**

7 (a) For the purpose of encouraging ~~water and electricity~~ water, electricity, and natural  
8 gas conservation, pursuant to a written rental agreement, a ~~landlord-landlord~~ landlord-landlord may charge for the  
9 cost of providing water or sewer service to ~~tenants who occupy the same contiguous premises~~  
10 lessees pursuant to G.S. 62-110(g) or G.S. 62-110(g), electric service pursuant to ~~G.S.~~  
11 62-110(h)-G.S. 62-110(h), or natural gas service pursuant to G.S. 62-110(i).

12 (b) The ~~landlord-landlord~~ landlord-landlord may not disconnect or terminate the ~~tenant's-lessee's~~ tenant's-lessee's electric  
13 service or service, water or sewer ~~services-services~~ services-services, or natural gas service due to the ~~tenant's~~  
14 lessee's nonpayment of the amount due for electric ~~service or service~~ service or service, water or sewer  
15 ~~services-services~~ services-services, or natural gas service."

16 **SECTION 2.** G.S. 62-110 reads as rewritten:

17 "**§ 62-110. Certificate of convenience and necessity.**

18 ...

19 (g) In addition to the authority to issue a certificate of public convenience and necessity  
20 and establish rates otherwise granted in this Chapter, for the purpose of encouraging water  
21 conservation, the Commission may, consistent with the public interest, adopt procedures that  
22 allow a lessor to charge for the costs of providing water or sewer service to persons who  
23 occupy the ~~same contiguous~~ leased premises. The following provisions shall apply:

24 ...

25 (1a) If the ~~contiguous-leased~~ contiguous-leased premises ~~were~~ are contiguous dwelling units built  
26 prior to ~~1989-1989~~ 1989, and the lessor determines that the measurement of the  
27 ~~tenant's-lessee's~~ tenant's-lessee's total water usage is impractical or not economical, the lessor  
28 may allocate the cost for water and sewer service to the ~~tenant-lessee~~ tenant-lessee using  
29 equipment that measures the ~~tenant's-lessee's~~ tenant's-lessee's hot water usage. In that case,  
30 each ~~tenant-lessee~~ tenant-lessee shall be billed a percentage of the landlord's water and  
31 sewer costs for water usage in the dwelling units based upon the hot water  
32 used in the ~~tenant's-lessee's~~ tenant's-lessee's dwelling unit. The percentage of total water  
33 usage allocated for each dwelling unit shall be equal to that dwelling unit's  
34 individually submetered hot water usage divided by all submetered hot water  
35 usage in all dwelling units. The following conditions apply to billing for  
36 water and sewer service under this subdivision:



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- 1 a. A lessor shall not utilize a ratio utility billing system or other  
2 allocation billing system that does not rely on individually  
3 submetered hot water usage to determine the allocation of water and  
4 sewer costs.
- 5 b. The lessor shall not include in a ~~tenant's-lessee's~~ bill the cost of water  
6 and sewer service used in common areas or water loss due to leaks in  
7 the lessor's water mains. A lessor shall not bill or attempt to collect  
8 for excess water usage resulting from a plumbing malfunction or  
9 other condition that is not known to the ~~tenant-lessee~~ or that has been  
10 reported to the lessor.
- 11 c. All equipment used to measure water usage shall comply with  
12 guidelines promulgated by the American Water Works Association.
- 13 d. The lessor shall maintain records for a minimum of 12 months that  
14 demonstrate how each ~~tenant's-lessee's~~ allocated costs were  
15 calculated for water and sewer service. Upon advanced written notice  
16 to the lessor, a ~~tenant-lessee~~ may inspect the records during  
17 reasonable business hours.
- 18 e. Bills for water and sewer service sent by the lessor to the ~~tenant~~  
19 lessee shall contain all the following information:
- 20 1. The amount of water and sewer services allocated to the  
21 ~~tenant-lessee~~ during the billing period.
- 22 2. The method used to determine the amount of water and sewer  
23 services allocated to the ~~tenant-lessee~~.
- 24 3. Beginning and ending dates for the billing period.
- 25 4. The past-due date, which shall not be less than 25 days after  
26 the bill is mailed.
- 27 5. A local or toll-free telephone number and address that the  
28 ~~tenant-lessee~~ can use to obtain more information about the  
29 bill.
- 30 (2) The lessor may charge a reasonable administrative fee for providing water or  
31 sewer service not to exceed the maximum administrative fee authorized by  
32 the Commission.
- 33 (3) The Commission shall ~~issue-adopt~~ rules to ~~define contiguous premises and to~~  
34 ~~implement this subsection. In issuing the rule to define contiguous premises,~~  
35 ~~the Commission shall consider contiguous premises where manufactured~~  
36 ~~homes, as defined in G.S. 143-145(7), or spaces for manufactured homes are~~  
37 ~~rented.~~
- 38 (4) The Commission shall develop an application that lessors must submit for  
39 authority to charge for water or sewer service. The form shall include all of  
40 the following:
- 41 a. A description of the applicant and the property to be served.
- 42 b. A description of the proposed billing method and billing statements.
- 43 c. The schedule of rates charged to the applicant by the supplier.
- 44 d. The schedule of rates the applicant proposes to charge the applicant's  
45 customers.
- 46 e. The administrative fee proposed to be charged by the applicant.
- 47 f. The name of and contact information for the applicant and its agents.
- 48 g. The name of and contact information for the supplying water or  
49 sewer system.
- 50 h. Any additional information that the Commission may require.

- 1           (4a) The Commission shall develop an application that lessors must submit for  
2 authority to charge for water or sewer service at single-family dwellings that  
3 allows the applicant to serve multiple dwellings in the State, subject to an  
4 approval by the Commission. The form shall include all of the following:  
5           a. A description of the applicant and a listing of the addresses of all the  
6 properties to be served. An updated listing of addresses served by the  
7 applicant shall be provided to the Commission annually.  
8           b. A description of the proposed billing method and billing statements.  
9           c. The administrative fee proposed to be charged by the applicant.  
10          d. The name and contact information for the applicant and its agents.  
11          e. Any additional information the Commission may require.  
12          (5) The Commission shall approve or disapprove an application within 30 days  
13 of the filing of a completed application with the Commission. If the  
14 Commission has not issued an order disapproving a completed application  
15 within 30 days, the application shall be deemed approved.  
16          (6) A provider of water or sewer service under this subsection may increase the  
17 rate for service so long as the rate does not exceed the unit consumption rate  
18 charged by the supplier of the service. A provider of water or sewer service  
19 under this subsection may change the administrative fee so long as the  
20 administrative fee does not exceed the maximum administrative fee  
21 authorized by the Commission. In order to change the rate or administrative  
22 fee, the provider shall file a notice of revised schedule of rates and fees with  
23 the Commission. The Commission may prescribe the form by which the  
24 provider files a notice of a revised schedule of rates and fees under this  
25 subsection. The form shall include all of the following:  
26           a. The current schedule of the unit consumption rates charged by the  
27 provider.  
28           b. The schedule of rates charged by the supplier to the provider that the  
29 provider proposes to pass through to the provider's customers.  
30           c. The schedule of the unit consumption rates proposed to be charged  
31 by the provider.  
32           d. The current administrative fee charged by the provider, if applicable.  
33           e. The administrative fee proposed to be charged by the provider.  
34          (7) A notification of revised schedule of rates and fees shall be presumed valid  
35 and shall be allowed to become effective upon 14 days notice to the  
36 Commission, unless otherwise suspended or disapproved by order issued  
37 within 14 days after filing.  
38          (8) Notwithstanding any other provision of this Chapter, the Commission shall  
39 determine the extent to which the services shall be regulated and, to the  
40 extent necessary to protect the public interest, regulate the terms, conditions,  
41 and rates that may be charged for the services. Nothing in this subsection  
42 shall be construed to alter the rights, obligations, or remedies of persons  
43 providing water or sewer services and their customers under any other  
44 provision of law.  
45          (9) A provider of water or sewer service under this subsection shall not be  
46 required to file annual reports pursuant to G.S. 62-36 or to furnish a bond  
47 pursuant to G.S. 62-110.3.  
48          (h) In addition to the authority to issue a certificate of public convenience and necessity  
49 and establish rates otherwise granted in this Chapter, the Commission may, consistent with the  
50 public interest, adopt procedures that allow a lessor of a single-family dwelling, residential  
51 building—building, or multiunit apartment complex that has individually metered units for

1 electric service in the lessor's name to charge for the actual costs of providing electric service to  
2 each ~~tenant when the lessor has a separate lease for each bedroom in the unit.~~lessee. The  
3 following provisions shall apply to the charges authorized under this subsection:

- 4 (1) The lessor shall equally divide the actual amount of the individual electric  
5 service bill for a unit among all the ~~tenants-lessees~~ in the unit and shall send  
6 one bill to each ~~tenant-lessee.~~ The amount charged shall be prorated when a  
7 ~~tenant-lessee~~ has not leased the unit for the same number of days as the other  
8 ~~tenants-lessees~~ in the unit during the billing period. Each bill may include an  
9 administrative fee up to the amount of the then-current administrative fee  
10 authorized by the Commission in Rule 18-6 for water service and, when  
11 applicable, a late fee in an amount determined by the Commission. The  
12 lessor shall not charge the cost of electricity from any other unit or common  
13 area in a ~~tenant's-lessee's~~ bill. The lessor may, at the lessor's option, pay any  
14 portion of any bill sent to a ~~tenant-lessee.~~
- 15 (2) A lessor who charges for electric service under this subsection is solely  
16 responsible for the prompt payment of all bills rendered by the electric utility  
17 providing service to the ~~residential building or complex leased premises~~ and  
18 is the customer of the electric utility subject to all rules, regulations, tariffs,  
19 riders, and service regulations associated with the provision of electric  
20 service to retail customers of the utility.
- 21 (3) The lessor shall maintain records for a minimum of 36 months that  
22 demonstrate how each ~~tenant's-lessee's~~ allocated costs were calculated for  
23 electric service. A ~~tenant-lessee~~ may inspect these records, including the  
24 actual per unit public utility billings, during reasonable business hours and  
25 may obtain copies of the records for a reasonable copying fee.
- 26 (4) Bills for electric service sent by the lessor to the ~~tenant-lessee~~ shall contain  
27 all of the following information:
- 28 a. ~~The~~ When the lessor of a residential building or multiunit apartment  
29 complex has a separate lease for each bedroom in the unit, the bill  
30 charged by the electric supplier for the unit as a whole and the  
31 amount of charges allocated to the tenant-lessee during the billing  
32 period.
- 33 b. The name of the electric power supplier providing electric service to  
34 the ~~unit.~~leased premises.
- 35 c. Beginning and ending dates for the usage period and, if provided by  
36 the electric supplier, the date the meter was read for that usage  
37 period.
- 38 d. The past-due date, which shall not be less than 25 days after the bill  
39 is mailed to the ~~tenant-lessee.~~
- 40 e. A local or toll-free telephone number and address that the ~~tenant~~  
41 lessee can use to obtain more information about the bill.
- 42 f. The amount of any administrative fee and late fee approved by the  
43 Commission and included in the bill.
- 44 g. A statement of the ~~tenant's-lessee's~~ right to address questions about  
45 the bill to the lessor and the ~~tenant's-lessee's~~ right to file a complaint  
46 with, or otherwise seek recourse from, the Commission if the ~~tenant~~  
47 lessee cannot resolve an electric service billing dispute with the  
48 lessor.
- 49 (5) The Commission shall develop an application that ~~a lessor-lessors~~ must  
50 submit for Commission approval to charge for electric service as provided in  
51 this section. The form shall include all of the following:

- 1 a. A description of the lessor and the property to be served.
- 2 b. A description of the proposed billing method and billing statements.
- 3 c. The administrative fee and late payment fee, if any, proposed to be
- 4 charged by the lessor.
- 5 d. The name of and contact information for the lessor and the lessor's
- 6 agents.
- 7 e. The name of and contact information for the supplier of electric
- 8 service to the lessor's rental property.
- 9 f. A copy of the lease forms used by the lessor for ~~tenants~~-lessees who
- 10 are billed for electric service pursuant to this subsection.
- 11 g. Any additional information that the Commission may require.
- 12 (6) The Commission shall approve or disapprove an application within 60 days
- 13 of the filing of a completed application with the Commission. If the
- 14 Commission has not issued an order disapproving a completed application
- 15 within 60 days, the application shall be deemed approved.
- 16 (7) A lessor who charges for electric service under this subsection shall not be
- 17 required to file annual reports pursuant to G.S. 62-36.
- 18 (7a) An applicant may submit for authority to charge for electric service for more
- 19 than one property in a single application. Information relating to all
- 20 properties covered by the application need only be provided once in the
- 21 application.
- 22 (8) The Commission shall adopt rules to implement the provisions of this
- 23 subsection.
- 24 (i) In addition to the authority to issue a certificate of public convenience and necessity
- 25 and establish rates otherwise granted in this Chapter, the Commission may, consistent with the
- 26 public interest, adopt procedures that allow a lessor of single-family dwelling, a residential
- 27 building, or multiunit apartment complex that has individually metered units for natural gas
- 28 service in the lessor's name to charge for the actual costs of providing natural gas service to
- 29 each lessee. The following provisions shall apply to the charges authorized under this
- 30 subsection:
- 31 (1) The lessor shall equally divide the actual amount of the individual natural
- 32 gas service bill for a unit among all the lessees in the unit and shall send one
- 33 bill to each lessee. The amount charged shall be prorated when a lessee has
- 34 not leased the unit for the same number of days as the other lessees in the
- 35 unit during the billing period. Each bill may include an administrative fee up
- 36 to the amount of the then-current administrative fee authorized by the
- 37 Commission in Rule 18-6 for water service and, when applicable, a late fee
- 38 in an amount determined by the Commission. The lessor shall not charge the
- 39 cost of natural gas service from any other unit or common area in a lessee's
- 40 bill. The lessor may, at the lessor's option, pay any portion of any bill sent to
- 41 a lessee.
- 42 (2) A lessor who charges for natural gas service under this subsection is solely
- 43 responsible for the prompt payment of all bills rendered by the natural gas
- 44 utility providing service to the leased premises and is the customer of the
- 45 natural gas utility subject to all rules, regulations, tariffs, riders, and service
- 46 regulations associated with the provision of natural gas service to retail
- 47 customers of the utility.
- 48 (3) The lessor shall maintain records for a minimum of 36 months that
- 49 demonstrate how each lessee's allocated costs were calculated for natural gas
- 50 service. A lessee may inspect these records, including the actual per unit

- 1                    public utility billings, during reasonable business hours and may obtain  
2                    copies of the records for a reasonable copying fee.  
3                    (4)                Bills for natural gas service sent by the lessor to the lessee shall contain all  
4                    of the following information:  
5                    a.                When the lessor of a residential building or multiunit apartment  
6                    complex has a separate lease for each bedroom in the unit, the bill  
7                    charged by the natural gas supplier for the unit as a whole and the  
8                    amount of charges allocated to the lessee during the billing period.  
9                    b.                The name of the natural gas supplier providing natural gas service to  
10                    the leased premises.  
11                    c.                Beginning and ending dates for the usage period and, if provided by  
12                    the natural gas supplier, the date the meter was read for that usage  
13                    period.  
14                    d.                The past-due date, which shall not be less than 25 days after the bill  
15                    is mailed to the lessee.  
16                    e.                A local or toll-free telephone number and address that the lessee can  
17                    use to obtain more information about the bill.  
18                    f.                The amount of any administrative fee and late fee approved by the  
19                    Commission and included in the bill.  
20                    g.                A statement of the lessee's right to address questions about the bill to  
21                    the lessor and the lessee's right to file a complaint with, or otherwise  
22                    seek recourse from, the Commission if the lessee cannot resolve a  
23                    natural gas service billing dispute with the lessor.  
24                    (5)                The Commission shall develop an application that lessors must submit for  
25                    Commission approval to charge for natural gas service as provided in this  
26                    section. The form shall include all of the following:  
27                    a.                A description of the lessor and the property to be served.  
28                    b.                A description of the proposed billing method and billing statements.  
29                    c.                The administrative fee and late payment fee, if any, proposed to be  
30                    charged by the lessor.  
31                    d.                The name of and contact information for the lessor and the lessor's  
32                    agents.  
33                    e.                The name of and contact information for the supplier of natural gas  
34                    service to the lessor's rental property.  
35                    f.                A copy of the lease forms used by the lessor for lessees who are  
36                    billed for natural gas service pursuant to this subsection.  
37                    g.                Any additional information that the Commission may require.  
38                    (6)                The Commission shall approve or disapprove an application within 60 days  
39                    of the filing of a completed application with the Commission. If the  
40                    Commission has not issued an order disapproving a completed application  
41                    within 60 days, the application shall be deemed approved.  
42                    (7)                A lessor who charges for natural gas service under this subsection shall not  
43                    be required to file annual reports pursuant to G.S. 62-36.  
44                    (7a)              An applicant may submit for authority to charge for natural gas service for  
45                    more than one property in a single application. Information relating to all  
46                    properties covered by the application need only be provided once in the  
47                    application.  
48                    (8)                The Commission shall adopt rules to implement the provisions of this  
49                    subsection."

50                    **SECTION 3.** This act becomes effective October 1, 2017.