

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 799  
Committee Substitute Favorable 4/26/17  
Senate Agriculture/Environment/Natural Resources Committee Substitute Adopted  
5/24/17

Short Title: Utility Billing by Lessors.

(Public)

Sponsors:

Referred to:

April 13, 2017

A BILL TO BE ENTITLED

AN ACT TO ALLOW FOR LANDLORDS TO CHARGE INDIVIDUAL TENANTS FOR  
SHARED COST OF NATURAL GAS SERVICE PROVIDED TO LEASED PREMISES.

The General Assembly of North Carolina enacts:

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

"§ 42-42.1. ~~Water and electricity~~ **Water, electricity, and natural gas conservation.**

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

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

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

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

...

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

...

(1a) If the leased premises are contiguous dwelling units built prior to 1989, and the lessor determines that the measurement of the ~~tenant's-lessee's~~ tenant's-lessee's total water usage is impractical or not economical, the lessor may allocate the cost for water and sewer service to the ~~tenant-lessee~~ tenant-lessee using equipment that measures the ~~tenant's-lessee's~~ tenant's-lessee's hot water usage. In that case, each ~~tenant-lessee~~ tenant-lessee shall be billed a percentage of the ~~landlord's-landlord's~~ landlord's-landlord's water and sewer costs for water usage in the dwelling units based upon the hot water used in the ~~tenant's~~ tenant's ~~lessee's~~ lessee's dwelling unit. The percentage of total water usage allocated for each dwelling unit shall be equal to that dwelling unit's individually submetered hot water usage divided by all submetered hot water usage in all dwelling



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

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

1 each ~~tenant when the lessor has a separate lease for each bedroom in the unit.~~lessee. The  
2 following provisions shall apply to the charges authorized under this subsection:

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

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

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

48   **SECTION 3.** This act is effective when it becomes law.