

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

SESSION LAW 2017-172
HOUSE BILL 799

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~~ lessor may charge for the cost of providing water or sewer service to ~~tenants~~ lessees pursuant to ~~G.S. 62-110(g) or G.S. 62-110(g)~~, electric service pursuant to G.S. 62-110(h), or natural gas service pursuant to G.S. 62-110(i).

(b) The ~~landlord~~ lessor may not disconnect or terminate the ~~tenant's lessee's electric service or service, water or sewer services~~ services, or natural gas service due to the ~~tenant'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~~ total water usage is impractical or not economical, the lessor may allocate the cost for water and sewer service to the ~~tenant~~ lessee using equipment that measures the ~~tenant's lessee's~~ hot water usage. In that case, each ~~tenant~~ lessee shall be billed a percentage of the ~~landlord's lessor's~~ water and sewer costs for water usage in the dwelling units based upon the hot water used in the ~~tenant'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 units. The following conditions apply to billing for water and sewer service under this subdivision:

a. A lessor shall not utilize a ratio utility billing system or other allocation billing system that does not rely on individually submetered hot water usage to determine the allocation of water and sewer costs.



- b. The lessor shall not include in a ~~tenant's-lessee's~~ bill the cost of water and sewer service used in common areas or water loss due to leaks in the lessor's water mains. A lessor shall not bill or attempt to collect for excess water usage resulting from a plumbing malfunction or other condition that is not known to the ~~tenant-lessee~~ or that has been reported to the lessor.
 - c. All equipment used to measure water usage shall comply with guidelines promulgated by the American Water Works Association.
 - d. The lessor shall maintain records for a minimum of 12 months that demonstrate how each ~~tenant's-lessee's~~ allocated costs were calculated for water and sewer service. Upon advanced written notice to the lessor, a ~~tenant-lessee~~ may inspect the records during reasonable business hours.
 - e. Bills for water and sewer service sent by the lessor to the ~~tenant-lessee~~ shall contain all the following information:
 - 1. The amount of water and sewer services allocated to the ~~tenant-lessee~~ during the billing period.
 - 2. The method used to determine the amount of water and sewer services allocated to the ~~tenant-lessee~~.
 - 3. Beginning and ending dates for the billing period.
 - 4. The past-due date, which shall not be less than 25 days after the bill is mailed.
 - 5. A local or toll-free telephone number and address that the ~~tenant-lessee~~ can use to obtain more information about the bill.
- (2) The lessor may charge a reasonable administrative fee for providing water or sewer service not to exceed the maximum administrative fee authorized by the Commission.
- (3) The Commission shall adopt rules to implement this subsection.
- (4) The Commission shall develop an application that lessors must submit for authority to charge for water or sewer service. The form shall include all of the following:
- a. A description of the applicant and the property to be served.
 - b. A description of the proposed billing method and billing statements.
 - c. The schedule of rates charged to the applicant by the supplier.
 - d. The schedule of rates the applicant proposes to charge the applicant's customers.
 - e. The administrative fee proposed to be charged by the applicant.
 - f. The name of and contact information for the applicant and its agents.
 - g. The name of and contact information for the supplying water or sewer system.
 - h. Any additional information that the Commission may require.
- (4a) The Commission shall develop an application that lessors must submit for authority to charge for water or sewer service at single-family ~~homes dwellings~~ that allows the applicant to serve multiple ~~homes-dwellings~~ in the ~~State-State~~, subject to ~~single-Commission-approval-an approval by the Commission~~. The form shall include all of the following:
- a. A description of the applicant and a listing of the address of all the properties to be served, ~~which shall be updated annually with the Commission-served~~. An updated listing of addresses served by the applicant shall be provided to the Commission annually.

- b. A description of the proposed billing method and billing statements.
 - c. The administrative fee proposed to be charged by the applicant.
 - d. The name and contact information for the applicant and its agents.
 - e. Any additional information the Commission may require.
- (5) The Commission shall approve or disapprove an application within 30 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 30 days, the application shall be deemed approved.
- (6) A provider of water or sewer service under this subsection may increase the rate for service so long as the rate does not exceed the unit consumption rate charged by the supplier of the service. A provider of water or sewer service under this subsection may change the administrative fee so long as the administrative fee does not exceed the maximum administrative fee authorized by the Commission. In order to change the rate or administrative fee, the provider shall file a notice of revised schedule of rates and fees with the Commission. The Commission may prescribe the form by which the provider files a notice of a revised schedule of rates and fees under this subsection. The form shall include all of the following:
- a. The current schedule of the unit consumption rates charged by the provider.
 - b. The schedule of rates charged by the supplier to the provider that the provider proposes to pass through to the provider's customers.
 - c. The schedule of the unit consumption rates proposed to be charged by the provider.
 - d. The current administrative fee charged by the provider, if applicable.
 - e. The administrative fee proposed to be charged by the provider.
- (7) A notification of revised schedule of rates and fees shall be presumed valid and shall be allowed to become effective upon 14 days notice to the Commission, unless otherwise suspended or disapproved by order issued within 14 days after filing.
- (8) Notwithstanding any other provision of this Chapter, the Commission shall determine the extent to which the services shall be regulated and, to the extent necessary to protect the public interest, regulate the terms, conditions, and rates that may be charged for the services. Nothing in this subsection shall be construed to alter the rights, obligations, or remedies of persons providing water or sewer services and their customers under any other provision of law.
- (9) A provider of water or sewer service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36 or to furnish a bond pursuant to G.S. 62-110.3.

(h) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of a single-family dwelling, residential building, or multiunit apartment complex that has individually metered units for electric service in the lessor's name to charge for the actual costs of providing electric service to each ~~tenant when the lessor has a separate lease for each bedroom in the unit.~~lessee. The following provisions shall apply to the charges authorized under this subsection:

- (1) The lessor shall equally divide the actual amount of the individual electric service bill for a unit among all the ~~tenants.~~lessees in the unit and shall send one bill to each ~~tenant.~~lessee. The amount charged shall be prorated when a ~~tenant~~lessee has not leased the unit for the same number of days as the other

~~tenants-lessees~~ in the unit during the billing period. Each bill may include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission. The lessor shall not charge the cost of electricity from any other unit or common area in a ~~tenant's-lessee's~~ bill. The lessor may, at the lessor's option, pay any portion of any bill sent to a ~~tenant-lessee~~.

- (2) A lessor who charges for electric service under this subsection is solely responsible for the prompt payment of all bills rendered by the electric utility providing service to the ~~residential building or complex-leased premises~~ and is the customer of the electric utility subject to all rules, regulations, tariffs, riders, and service regulations associated with the provision of electric service to retail customers of the utility.
- (3) The lessor shall maintain records for a minimum of 36 months that demonstrate how each ~~tenant's-lessee's~~ allocated costs were calculated for electric service. A ~~tenant-lessee~~ may inspect these records, including the actual per unit public utility billings, during reasonable business hours and may obtain copies of the records for a reasonable copying fee.
- (4) Bills for electric service sent by the lessor to the ~~tenant-lessee~~ shall contain all of the following information:
 - a. ~~The~~ When the lessor of a residential building or multiunit apartment complex has a separate lease for each bedroom in the unit, the bill charged by the electric supplier for the unit as a whole and the amount of charges allocated to the ~~tenant-lessee~~ during the billing period.
 - b. The name of the electric power supplier providing electric service to the ~~unit-leased premises~~.
 - c. Beginning and ending dates for the usage period and, if provided by the electric supplier, the date the meter was read for that usage period.
 - d. The past-due date, which shall not be less than 25 days after the bill is mailed to the ~~tenant-lessee~~.
 - e. A local or toll-free telephone number and address of the lessor that the ~~tenant-lessee~~ can use to obtain more information about the bill.
 - f. The amount of any administrative fee and late fee approved by the Commission and included in the bill.
 - g. A statement of the ~~tenant's-lessee's~~ right to address questions about the bill to the lessor and the ~~tenant's-lessee's~~ right to file a complaint with, or otherwise seek recourse from, the Commission if the ~~tenant-lessee~~ cannot resolve an electric service billing dispute with the lessor.
- (5) The Commission shall develop an application that ~~a-lessor-lessors~~ must submit for Commission approval to charge for electric service as provided in this section. The form shall include all of the following:
 - a. A description of the lessor and the property to be served.
 - b. A description of the proposed billing method and billing statements.
 - c. The administrative fee and late payment fee, if any, proposed to be charged by the lessor.
 - d. The name of and contact information for the lessor and the lessor's agents.

- e. The name of and contact information for the supplier of electric service to the lessor's rental property.
 - f. A copy of the lease forms used by the lessor for ~~tenants-lessees~~ who are billed for electric service pursuant to this subsection.
 - g. Any additional information that the Commission may require.
- (6) The Commission shall approve or disapprove an application within 60 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 60 days, the application shall be deemed approved.
 - (7) A lessor who charges for electric service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36.
 - (7a) An applicant may submit for authority to charge for electric service for more than one property in a single application. Information relating to all properties covered by the application need only be provided once in the application.
 - (8) The Commission shall adopt rules to implement the provisions of this subsection.

(i) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of single-family dwelling, a residential building, or multiunit apartment complex that has individually metered units for natural gas service in the lessor's name to charge for the actual costs of providing natural gas service to each lessee. The following provisions shall apply to the charges authorized under this subsection:

- (1) The lessor shall equally divide the actual amount of the individual natural gas service bill for a unit among all the lessees in the unit and shall send one bill to each lessee. The amount charged shall be prorated when a lessee has not leased the unit for the same number of days as the other lessees in the unit during the billing period. Each bill may include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission. The lessor shall not charge the cost of natural gas service from any other unit or common area in a lessee's bill. The lessor may, at the lessor's option, pay any portion of any bill sent to a lessee.
- (2) A lessor who charges for natural gas service under this subsection is solely responsible for the prompt payment of all bills rendered by the natural gas utility providing service to the leased premises and is the customer of the natural gas utility subject to all rules, regulations, tariffs, riders, and service regulations associated with the provision of natural gas service to retail customers of the utility.
- (3) The lessor shall maintain records for a minimum of 36 months that demonstrate how each lessee's allocated costs were calculated for natural gas service. A lessee may inspect these records, including the actual per unit public utility billings, during reasonable business hours and may obtain copies of the records for a reasonable copying fee.
- (4) Bills for natural gas service sent by the lessor to the lessee shall contain all of the following information:
 - a. When the lessor of a residential building or multiunit apartment complex has a separate lease for each bedroom in the unit, the bill

- charged by the natural gas supplier for the unit as a whole and the amount of charges allocated to the lessee during the billing period.
- b. The name of the natural gas supplier providing natural gas service to the leased premises.
 - c. Beginning and ending dates for the usage period and, if provided by the natural gas supplier, the date the meter was read for that usage period.
 - d. The past-due date, which shall not be less than 25 days after the bill is mailed to the lessee.
 - e. A local or toll-free telephone number and address that the lessee can use to obtain more information about the bill.
 - f. The amount of any administrative fee and late fee approved by the Commission and included in the bill.
 - g. A statement of the lessee's right to address questions about the bill to the lessor and the lessee's right to file a complaint with, or otherwise seek recourse from, the Commission if the lessee cannot resolve a natural gas service billing dispute with the lessor.
- (5) The Commission shall develop an application that lessors must submit for Commission approval to charge for natural gas service as provided in this section. The form shall include all of the following:
- a. A description of the lessor and the property to be served.
 - b. A description of the proposed billing method and billing statements.
 - c. The administrative fee and late payment fee, if any, proposed to be charged by the lessor.
 - d. The name of and contact information for the lessor and the lessor's agents.
 - e. The name of and contact information for the supplier of natural gas service to the lessor's rental property.
 - f. A copy of the lease forms used by the lessor for lessees who are billed for natural gas service pursuant to this subsection.
 - g. Any additional information that the Commission may require.
- (6) The Commission shall approve or disapprove an application within 60 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 60 days, the application shall be deemed approved.
- (7) A lessor who charges for natural gas service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36.
- (7a) An applicant may submit for authority to charge for natural gas service for more than one property in a single application. Information relating to all properties covered by the application need only be provided once in the application.
- (8) The Commission shall adopt rules to implement the provisions of this subsection."

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

In the General Assembly read three times and ratified this the 29th day of June,
2017.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Roy Cooper
Governor

Approved 11:46 a.m. this 21st day of July, 2017