



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMERS' FAQ

Office of the Ohio Consumers' Counsel

10 West Broad Street
Suite 1800, Columbus, OH
43215-3485

EMAIL:
occ@occ.ohio.gov

WEBSITE:
www.occ.ohio.gov

SUB-METERING FAQS

UTILITY SERVICE FOR TENANTS OF AN APARTMENT OR BUILDING COMPLEX



Sub-metering basics

The tenants of many building complexes (apartments and condos) might not receive a bill from their local utility. Instead, their utility service might be sub-metered, included in the rent, or pro-rated along with other tenants.

What is sub-metering?

A landlord purchases utility service (electric, natural gas, and/or water) and then resells that service to tenants by using a sub-meter, which records usage for each individual housing unit.

Benefits of sub-metering

Before sub-metering, landlords purchased utility services and distributed the costs to all tenants evenly. Many consumers were against this practice due to the fact that tenants who used less (water, electric and/or natural gas) were paying the same amount as tenants who used more utility services. With sub-metering, tenants pay for the amount or utility services they use. This can lead

to more conservation due to the fact that consumers are able to monitor their utility usage.

Studies have shown that sub-metering can reduce utility consumption by up to 30%. When consumers are able to see how much water, natural gas, and electricity they are using, they are more likely to use less and save money.

Sub-metering risks

State law prohibits sub-meter suppliers from charging higher rates than utility companies who supply utilities directly to the consumer. However, recent investigations have shown a large amount of malpractice.

In October 2013, an investigation by the *Columbus Dispatch* discovered that the practice of sub-metering public utility services has inflated some residential utility bills by as much as 40 percent, compared to customers who are billed directly by a public utility.

Continued on next page

UTILITY SERVICE FOR TENANTS

CONSUMERS' FAQ



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

Following the newspaper series, several legislations related sub-metering utility services have been introduced in the Ohio General Assembly.

The Office of the Consumers' Counsel has been working with legislators and other stakeholders to address the concerns associated with the practice of sub-metering.

Utility service for tenants of a building complex

When living in a building complex (apartment or condo), it is important to understand how utility services (water, natural gas, and/or electric) are provided and charged. To establish utility services in a housing unit, either the landlord or the tenant must contact the utility company to connect services. Speak with your landlord for more information on whose responsibility it is to establish service.

How utility costs are calculated

Q. Can my utility service be included in the rent?

A. Yes. Utility services are usually included in the rent when the building complex has a single master-meter for all tenants.

Q. What is "master-metering" and how does it work?

A. Master-metering is when a landlord measures the use of electric, natural gas, and/or water services for the entire building complex using one meter. In this situation, each housing unit will be pro-rated. This only occurs when the utility is in the landlord's name. The rental agreement usually provides details on how residents will be pro-rated for utility services if utilities are not paid in the rent.

Q. What is "sub-metering" and how does it work?

A. Sub-metering is when a landlord measures the use of electric, natural gas, and/or water services individually for each housing unit

in a building complex using separate meters. This only occurs when the utility is in the landlord's name. The landlord purchases the utility service directly from the utility company, and then resells it to tenants based on usage of each housing unit.

Determining responsibility for utility services

Q. Who is responsible for establishing and maintaining utility service accounts?

A. Tenants should speak with their landlord for information regarding who establishes and maintains utility services. The rental agreement also explains who is responsible for establishing utility services. Normally, landlords are responsible for establishing service if utility bills are included in the monthly rent. However, if the utility bills are not included in the monthly rent, the tenant may be responsible for establishing and maintaining utility services.

Q. Who is responsible for repairs to mechanical equipment, such as a furnace, heat pump, or water heater?

A. Tenants should always refer to their landlord first when dealing with equipment maintenance. The rental agreement will provide information on who is responsible for maintenance repairs. Normally, landlords are responsible for regular maintenance.

Q. Who is responsible for repairs to the utility lines going to the building complex?

A. Tenants should contact the utility directly for specific info regarding utility line repairs. The rental agreement may also outline who is responsible for utility line repairs.

UTILITY SERVICE FOR TENANTS

CONSUMERS' FAQ

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts.

The state agency also educates consumers about electric, natural gas, telephone and water issues.

For more information, please visit the OCC website at www.occ.ohio.gov.



The Office of the Ohio Consumers' Counsel is an equal opportunity employer and provider of services.

Consumer rights and responsibilities

- Q. Is it necessary to enroll in insurance programs for electric, natural gas, telephone, and/or water service lines?**
- A. No, these plans are optional and may not be in the tenant's best interest, especially if they are not responsible for maintaining utility lines.
- Q. Can a tenant in a building complex participate in energy choice or aggregation programs?**
- A. Energy choice and aggregation are two ways consumers can choose which utility supplies their electric or natural gas. For natural gas, the rate provided by the local utility has historically been lower than that of an energy marketer. Any tenant that is enrolled in the Percentage of Income Payment Plan (PIPP) or has their utility service master-metered is not eligible for energy choice or aggregation programs. All other tenants are eligible. For more information about energy choice and aggregation, OCC provides various fact sheets available at www.occ.ohio.gov.
- Q. If a tenant moves out and does not terminate or disconnect their utility service, will this affect the next tenant?**
- A. New tenants should always consult their landlord regarding utility connection issues. This could affect the new tenant. For example, if the tenant who has moved out of the residence chose to receive service through a company other than the local utility provider, the new tenant may not be able to install service until the previous service is disconnected.
- Q. What happens if several people live in an apartment but the person whose name is on the utility bill moves out?**
- A. If the tenant whose name was on the utility bill moves out, a resident may apply for the utility service. However, if the previous tenant owes money to the utility company, they may require proof that the previous customer no longer lives at the location.