

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

S

1

SENATE BILL 533

Short Title: Individually Metered Units/Tenant Charged. (Public)

Sponsors: Senators Hunt; Allran, Bingham, Blake, Brown, Brunstetter, Clary, Forrester, Newton, Preston, Rabon, and Stevens.

Referred to: Commerce.

April 12, 2011

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THE UTILITIES COMMISSION TO ADOPT PROCEDURES THAT ALLOW A LESSOR OF A RESIDENTIAL BUILDING OR COMPLEX HAVING 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.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62-110 is amended by adding a new subsection to read as follows:

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

...

(g1) 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 residential building or 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. 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 in the unit and shall send one bill to each tenant. The amount charged shall be prorated when a tenant has not leased the unit for the same number of days as the other tenants 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 bill. The lessor may, at the lessor's option, pay any portion of any bill sent to a tenant.
- (2) The lessor shall maintain records for a minimum of 36 months that demonstrate how each tenant's allocated costs were calculated for electric service. A tenant 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.
- (3) Bills for electric service sent by the lessor to the tenant shall contain all of the following information:



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

41 **SECTION 2.** G.S. 143-151.42 reads as rewritten:

42 **"§ 143-151.42. Prohibition of master meters for electric and natural gas service.**

43 (a) From and after September 1, 1977, in order that each occupant of an apartment or
44 other individual dwelling unit may be responsible for his own conservation of electricity and
45 gas, it shall be unlawful for any new residential building, as hereinafter defined, to be served by
46 a master meter for electric service or natural gas service. Each individual dwelling unit shall
47 have individual electric service with a separate electric meter and, if it has natural gas,
48 individual natural gas service with a separate natural gas meter, which service and meters shall
49 be in the name of the tenant or other occupant of said apartment or other dwelling unit. No
50 electric supplier or natural gas supplier, whether regulated public utility or municipal
51 corporation or electric membership corporation supplying said utility service, shall connect any

1 residential building for electric service or natural gas service through a master meter, and said
2 electric or natural gas supplier shall serve each said apartment or dwelling unit by separate
3 service and separate meter and shall bill and charge each individual occupant of said separate
4 apartment or dwelling unit for said electric or natural gas service. A new residential building is
5 hereby defined for the purposes of this section as any building for which a building permit is
6 issued on or after September 1, 1977, which includes two or more apartments or other family
7 dwelling units. Provided, however, that any owner or builder of a multi-unit residential building
8 who desires to provide central heat or air conditioning or central hot water from a central
9 furnace, air conditioner or hot water heater which incorporates solar assistance or other designs
10 which accomplish greater energy conservation than separate heat, hot water, or air conditioning
11 for each dwelling unit, may apply to the North Carolina Utilities Commission for approval of
12 said central heat, air conditioning or hot water system, which may include a central meter for
13 electricity or gas used in said central system, and the Utilities Commission shall promptly
14 consider said application and approve it for such central meters if energy is conserved by said
15 design. This section shall apply to any dwelling unit normally rented or leased for a minimum
16 period of one month or longer, including apartments, condominiums and townhouses, but shall
17 not apply to hotels, motels, hotels or motels that have been converted into condominiums,
18 dormitories, rooming houses or nursing homes, or homes for the elderly.

19 (b) The provisions of this section requiring that service and meters for each individual
20 dwelling unit be in the name of the tenant or other occupant of the apartment or other dwelling
21 unit shall not apply in cases where the Utilities Commission has approved an application under
22 G.S. 62-110(g1)."

23 **SECTION 3.** This act becomes effective October 1, 2011, and applies to leases
24 entered into on or after that date.