

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 533
Commerce Committee Substitute Adopted 6/7/11

Short Title: Individually Metered Units/Tenant Charged.

(Public)

Sponsors:

Referred to:

April 12, 2011

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING THE UTILITIES COMMISSION TO ADOPT PROCEDURES
3 THAT ALLOW A LESSOR OF A RESIDENTIAL BUILDING OR COMPLEX HAVING
4 INDIVIDUALLY METERED UNITS FOR ELECTRIC SERVICE IN THE LESSOR'S
5 NAME TO CHARGE FOR THE ACTUAL COSTS OF PROVIDING ELECTRIC
6 SERVICE TO EACH TENANT WHEN THE LESSOR HAS A SEPARATE LEASE FOR
7 EACH BEDROOM IN THE UNIT, AND TO MAKE OTHER CONFORMING
8 CHANGES.

9 The General Assembly of North Carolina enacts:

10 SECTION 1. G.S. 42-26(b) reads as rewritten:

11 "(b) An arrearage in costs owed by a tenant for water or sewer services pursuant to
12 G.S. 62-110(g) or electric service pursuant to G.S. 62-110(g1) shall not be used as a basis for
13 termination of a lease under this Chapter. Any payment to the landlord shall be applied first to
14 the rent owed and then to charges for electric service, or water or sewer service, unless
15 otherwise designated by the tenant."

16 SECTION 2. G.S. 42-42.1 reads as rewritten:

17 "~~§ 42-42.1. Water Conservation and electricity conservation.~~

18 (a) For the purpose of encouraging water and electricity conservation, pursuant to a
19 written rental agreement, a landlord may charge for the cost of providing water or sewer service
20 to tenants who occupy the same contiguous premises pursuant to
21 ~~G.S. 62-110(g),~~ G.S. 62-110(g) or electric service pursuant to G.S. 62-110(g1).

22 (b) The landlord may not disconnect or terminate the tenant's electric service or water
23 or sewer services due to the tenant's nonpayment of the amount due for electric service or water
24 or sewer services."

25 SECTION 3. G.S. 42-51 reads as rewritten:

26 "~~§ 42-51. Permitted uses of the deposit.~~

27 Security deposits for residential dwelling units shall be permitted only for the tenant's
28 possible nonpayment of rent and costs for water or sewer services provided pursuant to
29 ~~G.S. 62-110(g),~~ G.S. 62-110(g) and electric service pursuant to G.S. 62-110(g1), damage to the
30 premises, nonfulfillment of rental period, any unpaid bills that become a lien against the
31 demised property due to the tenant's occupancy, costs of re-renting the premises after breach by
32 the tenant, costs of removal and storage of tenant's property after a summary ejection
33 proceeding or court costs in connection with terminating a tenancy. The security deposit shall
34 not exceed an amount equal to two weeks' rent if a tenancy is week to week, one and one-half
35 months' rent if a tenancy is month to month, and two months' rent for terms greater than month



1 to month. These deposits must be fully accounted for by the landlord as set forth in
2 G.S. 42-52."

3 **SECTION 4.** G.S. 62-110 is amended by adding a new subsection to read as
4 follows:

5 "**§ 62-110. Certificate of convenience and necessity.**

6 ...

7 (g1) In addition to the authority to issue a certificate of public convenience and necessity
8 and establish rates otherwise granted in this Chapter, the Commission may, consistent with the
9 public interest, adopt procedures that allow a lessor of a residential building or complex that
10 has individually metered units for electric service in the lessor's name to charge for the actual
11 costs of providing electric service to each tenant when the lessor has a separate lease for each
12 bedroom in the unit. The following provisions shall apply to the charges authorized under this
13 subsection:

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

- 1 g. A statement of the tenant's right to address questions about the bill to
2 the lessor and the tenant's right to file a complaint with, or otherwise
3 seek recourse from, the Commission if the tenant cannot resolve an
4 electric service billing dispute with the lessor.
- 5 (5) The Commission shall develop an application that a lessor must submit for
6 Commission approval to charge for electric service as provided in this
7 section. The form shall include all of the following:
- 8 a. A description of the lessor and the property to be served.
9 b. A description of the proposed billing method and billing statements.
10 c. The administrative fee and late payment fee, if any, proposed to be
11 charged by the lessor.
12 d. The name of and contact information for the lessor and the lessor's
13 agents.
14 e. The name of and contact information for the supplier of electric
15 service to the lessor's rental property.
16 f. A copy of the lease forms used by the lessor for tenants who are
17 billed for electric service pursuant to this subsection.
18 g. Any additional information that the Commission may require.
- 19 (6) The Commission shall approve or disapprove an application within 60 days
20 of the filing of a completed application with the Commission. If the
21 Commission has not issued an order disapproving a completed application
22 within 60 days, the application shall be deemed approved.
- 23 (7) A lessor who charges for electric service under this subsection shall not be
24 required to file annual reports pursuant to G.S. 62-36.
- 25 (8) The Commission shall adopt rules to implement the provisions of this
26 subsection."

27 **SECTION 5.** G.S. 143-151.42 reads as rewritten:

28 **"§ 143-151.42. Prohibition of master meters for electric and natural gas service.**

29 (a) From and after September 1, 1977, in order that each occupant of an apartment or
30 other individual dwelling unit may be responsible for his own conservation of electricity and
31 gas, it shall be unlawful for any new residential building, as hereinafter defined, to be served by
32 a master meter for electric service or natural gas service. Each individual dwelling unit shall
33 have individual electric service with a separate electric meter and, if it has natural gas,
34 individual natural gas service with a separate natural gas meter, which service and meters shall
35 be in the name of the tenant or other occupant of said apartment or other dwelling unit. No
36 electric supplier or natural gas supplier, whether regulated public utility or municipal
37 corporation or electric membership corporation supplying said utility service, shall connect any
38 residential building for electric service or natural gas service through a master meter, and said
39 electric or natural gas supplier shall serve each said apartment or dwelling unit by separate
40 service and separate meter and shall bill and charge each individual occupant of said separate
41 apartment or dwelling unit for said electric or natural gas service. A new residential building is
42 hereby defined for the purposes of this section as any building for which a building permit is
43 issued on or after September 1, 1977, which includes two or more apartments or other family
44 dwelling units. Provided, however, that any owner or builder of a multi-unit residential building
45 who desires to provide central heat or air conditioning or central hot water from a central
46 furnace, air conditioner or hot water heater which incorporates solar assistance or other designs
47 which accomplish greater energy conservation than separate heat, hot water, or air conditioning
48 for each dwelling unit, may apply to the North Carolina Utilities Commission for approval of
49 said central heat, air conditioning or hot water system, which may include a central meter for
50 electricity or gas used in said central system, and the Utilities Commission shall promptly
51 consider said application and approve it for such central meters if energy is conserved by said

1 design. This section shall apply to any dwelling unit normally rented or leased for a minimum
2 period of one month or longer, including apartments, condominiums and townhouses, but shall
3 not apply to hotels, motels, hotels or motels that have been converted into condominiums,
4 dormitories, rooming houses or nursing homes, or homes for the elderly.

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

9 **SECTION 6.** This act becomes effective October 1, 2011, and applies to leases
10 entered into on or after that date.