Office of the Ohio
Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMER FAQ

UTILITY SERVICE FOR TENANTS

OF AN APARTMENT OR BUILDING COMPLEX

Tenants should know how they will receive and pay for utility service. This fact sheet from the Office of the Ohio Consumers' Counsel, your residential utility consumer advocate, explains what tenants of an apartment or a building complex should know about utility service and the submetering of utility service.

Utility service for tenants

Q. Can utilities be prorated?

A. Yes. Some building complexes do not have a meter for every housing unit. Instead, utility service is prorated, meaning it is averaged out over time, or master metered. Master meters record electric, natural gas, or water usage for an entire building or complex with a single meter. Utility service could be prorated, or divided among tenants, based on square footage, the number of occupants, or other factors.

If your utilities are prorated or master metered, it may not be easy to control the cost of your bill. Even if you use more or less of your electric, gas, or water service, you may not be able to change how much your bill costs.

Q. Can utilities be included in the rent?

A. Yes. If the landlord is responsible for setting up and paying for utility service, utilities could be included in your rent payment. If the landlord has an agreement with utility companies, the utility companies could include utility charges in your rent. If your utilities are prorated or master metered, utilities can also be included in the rent.

If your utilities are not included in the rent, you are responsible for paying the utility bills. Refer to your lease or rental agreement to learn how to set up utility service and pay for your utilities.

Q. Who will be responsible for setting up utilities?

A. You or your landlord will be responsible for setting up utility service before you move in. Your rental agreement should say who is responsible for setting up utilities. Ask your landlord which utility companies serve your housing unit. If you are looking for a home or condo, ask your realtor or building manager about setting up service.

Q. If I have paid rent but the landlord has not paid the utility bills he or she is responsible for paying, can I be disconnected from my utility?

A. Yes. The utility can disconnect your service if the landlord has not paid. Before disconnecting, regulated utility companies will give the landlord a 14-day notice. The utility will also give you a 10-day notice before disconnecting service. If a payment is not made after both of these notices, the utility can disconnect your utility service.

Q. What can I do if the utility service is in my landlord's name, but my landlord fails to pay the bill?

A. Contact the utility company for your options. The utility will not disconnect you without giving you

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a 10-day notice. In the notice, the utility may explain ways you can pay and avoid disconnection.

For example, you could set up an escrow account with local courts. An escrow account is a third-party account set up in your local court to hold money on behalf of you and your landlord. If you set up an escrow account, you would make payments to your local court or court clerk instead of your landlord. The escrow account can be used to pay utility bills and prevent disconnection.

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

A. The rental agreement should explain who is responsible for repairs, but the landlord is typically responsible for regular maintenance and repairs. Refer to your rental agreement when you need repairs.

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

A. If your landlord is responsible for utility service accounts, contact your landlord if you have issues with utility lines. Do not contact the utility if you do not have an account unless it is an emergency.

If you are responsible for utility service accounts, contact your local utility about issues with the utility lines and emergencies. Your utility bill, your utility's website, or your customer service guide may give more instructions for repairing and resolving issues with utility lines.

Q. Is it necessary to enroll in insurance or warranty programs for electric, natural gas, telephone or water lines?

A. No. It may not be in your best interest to pay for insurance or warranty programs, especially if you are not responsible for your utility service or utility line repairs.

Q. If a tenant moves out and does not disconnect or transfer his or her utility service, will the next tenant be affected?

A. If the previous tenant's service was not disconnected, setting up new service could be delayed. Setting up new service could also be delayed if the previous tenant received service from a company other than the default utility company. If the previous tenant still owes money to the utility, the utility may require proof that the tenant no longer lives at the housing unit to set up service for the next tenant.

Q. What happens if several people live in a housing unit but the person whose name is on the utility bill moves out?

A. If the tenant whose name is on the utility bills moves out, new service can be set up by a remaining tenant. Utility service cannot typically be transferred from one tenant to another, so a remaining tenant should set up new service. If the tenant whose name is on the utility bill still owes money to the utility, the utility may require proof that the tenant no longer lives at the housing unit to set up service.

Submetering

Q. What is submetering?

A. Submetering is when a landlord or third party purchases utility service, electricity, water, or sewage, and resells that service to consumers by using a submeter. A submeter records the usage for each housing unit. Submetering happens in apartments and condos as well as other housing developments, affecting an estimated 30,000 Ohio households of all income levels.

Q. Who will send me a bill?

A. Your submetering company will send you a bill, not your utility. Do not send payment to your local utility; send payment to your submetering company. If you have

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questions or concerns regarding your submetering bill, contact your submetering company as soon as possible to avoid disconnection or a late payment fee.

Q. What are the benefits of submetering?

A. Submetering has the potential to give you a more accurate measure of your utility usage. If you are submetered, rather than master metered or prorated, your usage could be measured, rather than prorated or calculated.

If you know how much you are using, you could take steps to control your usage, conserve, and even manage your costs.

Q. What are the risks of submetering?

A. Some submetering companies have inflated consumers' bills. An investigation by the Columbus Dispatch in October 2013 found that some submetering companies had inflated bills by as much as 40 percent, compared to the bills paid by consumers of local utilities.

The prices of utilities from submetering companies are generally similar to prices from local utilities. However, submetering companies can earn a profit by charging a service or administrative fee to submetered consumers.

In addition, some submetered consumers have been charged for utility usage in shared, common areas. For example, some consumers have been found to be charged for power used by street lamps in outdoor common areas.

Q. What can I do to avoid these risks?

A. Ask the landlord about utility service before signing or agreeing to any sort of rental agreement. Ask which utility companies provide service to your housing unit, and who bills you for service. Research the utility companies that serve your housing unit with the Better Business Bureau, www.bbb.org.

Q. What is being done to address these risks?

A. The OCC is working with lawmakers and regulators to address concerns about submetering. Submetering legislation has been introduced by state lawmakers, and complaint cases have been brought before the state utility regulator, the Public Utilities Commission of Ohio (PUCO). These cases and bills have addressed the high costs charged to submetered consumers. Other consumer protections, such as payment plans for submetered consumers and disconnection procedures, are also being addressed.

In December 2016, a PUCO investigation found that the PUCO can regulate submetering companies in certain cases. Regulation would depend on the submetering company's business model and the amount being charged to submetered consumers. The amount of additional charges permitted by regulation has yet to be determined.

The OCC is currently assisting consumers with complaints about a utility service that is resold to you by a submetering company. Please contact OCC at occ@occ.ohio.gov or 1-877-742-5622. Renters can visit the OCC's web page for renters, at www.occ.ohio.gov/content/utility-guide-renting for a utility guide to renting. For more information on submetering legislation, visit www.occ.ohio.gov/content/submetering-0. The PUCO also answers frequently asked questions about submetering on its website, www.puco.ohio.gov.

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.

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