



# Ohio Legislative Service Commission

## Bill Analysis

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### H.B. 662

130th General Assembly  
(As Introduced)

Reps. Duffey, McGregor

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## BILL SUMMARY

### Meter requirement

- Requires each (1) manufactured home park operator, (2) condominium unit owners association, and (3) landlord to measure public utility service provided to a premises through a master meter, master meter in conjunction with a submeter, or public-utility-owned meter.
- Applies the meter requirement to public utility service provided by an electric light company, gas company, heating or cooling company, natural gas company, sewage disposal system company, and water-works company.
- Exempts public utility service provided by a municipal corporation or cooperative from the meter requirement.
- Permits a park operator, association, or landlord to enter into a contract with a third-party reseller that requires the reseller to provide public utility service to manufactured home park residents, condominium owners and tenants.
- Requires a park operator, association, landlord, or reseller to submit, at least once per calendar year, specific information to the Public Utilities Commission of Ohio (PUCO) including the rate at which the operator, association, landlord, or reseller charges the resident, owner, or tenant for public utility service.
- If the park operator, association, landlord, or reseller changes its rate charged for public utility service within the six months following the reporting of its rate to the PUCO, requires the new rate to be reported within 15 days of the effective date of the change in rate.

## **Master-metered premises**

- Permits a park operator, association, landlord, or reseller that measures public utility service to a premises through a master meter to use a formula, including a ratio utility billing system, for determining the cost of the public utility service provided to the premises.
- Requires each park operator, association, landlord, or reseller to provide a written explanation of the formula at the time a resident, owner, or tenant enters into a rental agreement, association agreement, lease, or service contract.
- Requires each reseller to also include the written explanation of the formula on each bill for public utility service to the premises.
- Prohibits a park operator, association, landlord, or reseller that measures public utility service to a premises through a master meter from doing either of the following:
  - Charging residents, owners, or tenants more, in aggregate, for public utility service than the total amount the operator, association, landlord, or reseller is charged for that service; or
  - Charging each resident, owner, or tenant for the public utility service an amount that exceeds the charge imposed for public utility service to comparable premises of other residential customers in the same service territory.
- Permits the amount charged for public utility service to exceed the limit discussed above if the charge is derived, in whole or in part, from costs incurred under a long-term supply contract, and the charge did not exceed the limit at the time the long-term supply contract was entered into.

## **Submetered premises**

- Prohibits a park operator, association, landlord, or reseller that measures public utility service through a submeter from charging for public utility service in an amount that exceeds the charge imposed to comparable premises of other residential customers in the same service territory.
- Permits the park operator, association, landlord, or reseller to charge the resident, owner, or tenant for the actual amount for the service if the charge does not exceed this limit.

- Permits the amount charged for public utility service to exceed the limit discussed above if the charge is derived, in whole or in part, from costs incurred under a long-term supply contract, and the charge did not exceed the limit at the time the long-term supply contract was entered into.
- Requires a park operator, association, landlord, or reseller that measures public utility service through a submeter, to include submeter reading and rate information in any bill to a resident.
- Requires each park operator, association, landlord, or reseller to provide an informational document from the PUCO to each prospective or actual resident, owner, or tenant regarding public utility service costs and prices.
- Requires each park operator, association, landlord, or reseller to maintain detailed submeter records, make the records available upon request, and retain the records for a minimum of three years after the termination of a lease, rental or association agreement, or contract for public utility service.

### **Administrative fees and common area and equipment costs**

- Permits a park operator, unit owners association, landlord, or reseller to impose an administrative fee, late fee, or any other fee relating to the provision of, or payment for, public utility service supplied to a resident's, owner's, or tenant's premises.
- Permits a park operator, association, landlord, or reseller to prorate or allocate the costs for public utility service that is provided to common areas and for commonly used equipment available for use by a resident, owner, or tenant.
- Prohibits the fee or prorated or allocated costs, or both, plus the charge imposed for public utility service to the premises, from exceeding the charge imposed for public utility service to comparable premises of other residential customers in the service territory.

### **Termination of public utility service**

- Permits a park operator, association, landlord, or reseller to terminate the service of facilitating public utility service for nonpayment of public utility service; but, prohibits the park operator or landlord from evicting the resident or tenant if public utility service is terminated for nonpayment.

## Contracts in conflict with the bill

- Prohibits a park operator, association, landlord, or reseller from entering into a rental agreement, association agreement, lease, or a contract for public utility service, with a resident that conflicts with the bill's provisions.

## Legal remedy available to residents

- Permits, if a park operator, association, landlord, or reseller violates any of the bill's provisions, the affected resident to (1) bring an action to recover double the amount of damages resulting from the violation, (2) obtain injunctive relief, and (3) obtain a judgment for reasonable attorney's fees.

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## CONTENT AND OPERATION

### Meter requirement

The bill requires each (1) manufactured home park operator, (2) condominium unit owners association, and (3) landlord to measure public utility service provided to a premises through a master meter, master meter in conjunction with a submeter, or



public-utility-owned meter. This requirement applies to all premises administered by a park operator, association, or landlord, on and after the bill's effective date — including property converted to a condominium property or apartment units after that date.<sup>1</sup>

The bill defines "master meter" to mean a device that collectively measures the public utility service provided to multiple residents, unit owners, or tenants by a public utility and includes a master-meter system that distributes natural gas, flammable gas, or gas which is toxic or corrosive, but excludes a submeter. The bill defines "submeter" to mean a device that measures only the amount of public utility service provided to the premises of a manufactured home park resident, condominium unit owner, or tenant, but does not include a meter of such a resident, owner, or tenant who is a customer of the public utility providing the service.<sup>2</sup>

### **Type of public utility service subject to the bill**

The public utility service subject to the bill's provisions includes: service provided by an electric light company, gas company, heating or cooling company, natural gas company, sewage disposal system company, and water-works company. The bill, however, excludes service provided by a municipal corporation or cooperative.<sup>3</sup>

### **Notification to the Public Utilities Commission of Ohio (PUCO) of submeter installation**

If a park operator, association, or landlord installs a submeter after the bill's effective date, the bill requires the operator, association, or landlord to notify the Public Utilities Commission of Ohio (PUCO) of the installation within 30 days of the installation. The notification must include (1) the address and county of each of the specific premises for which a submeter was installed, (2) the square footage of the premises, and (3) the type of public utility service to be measured by the submeter.<sup>4</sup>

### **Meter standards**

The bill requires all submeters and master meters operating under the bill to meet the same standards for public utility owned meters, as established by the PUCO.<sup>5</sup>

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<sup>1</sup> R.C. 4934.01(D), (F), (H), (I), (J), and (O) and 4934.02.

<sup>2</sup> R.C. 4934.01(G) and (M).

<sup>3</sup> R.C. 4934.01(L).

<sup>4</sup> R.C. 4934.04.

<sup>5</sup> R.C. 4934.03.



### **Third-party reseller contract**

The bill permits a park operator, association, or landlord to enter into a contract with a third-party reseller for the reseller to provide public utility service to a resident, owner, or tenant and to do so in accordance with the bill's provisions. The bill defines "third-party reseller" to mean any person, corporation, or other entity that purchases electricity, natural gas, or water from a public utility, a supplier of competitive retail electric service, a supplier of competitive retail natural gas service, municipal corporation, municipal authority, or regional water and sewer district for resale to consumers. "Third-party reseller" does not include a public utility, cooperative, municipal corporation, or municipal authority.<sup>6</sup>

### **Notification to the PUCO of utility rates**

The bill requires a park operator, association, landlord, or a third-party reseller to submit, at least once per calendar year, the following information to the PUCO:

(1) The address of each of the premises to which the operator, association, landlord, or reseller provides public utility service;

(2) The type of public utility service provided to each of the premises;

(3) The rate at which the operator, association, landlord, or reseller charges for the service, measured on the appropriate unit basis, as follows: for electricity — in kilowatt hours (Kwh) and for natural gas, water, and sewage removal — in centum cubic feet (Ccf).

If the operator, association, landlord, or reseller changes its rate within the six months following the reporting of its rate to the PUCO, it must report the new rate within 15 days of the effective date of the change in rate. The bill makes the information reported to the PUCO a public record.<sup>7</sup>

### **Master-metered premises**

#### **Use of formula for determining cost of public utility service**

The bill permits a park operator, association, landlord, or a third-party reseller that measures public utility service to a premises through a master meter to use a

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<sup>6</sup> R.C. 4934.01(N) and 4934.05.

<sup>7</sup> R.C. 4934.06.

formula, including a ratio utility billing system, for determining the cost of the public utility service provided to the premises.<sup>8</sup>

#### **Notification of formula**

A park operator, association, or landlord must do the following regarding the formula used to determine the cost of public utility service: (1) provide a written explanation of the formula at the time a resident enters into a rental agreement, association agreement, or lease, and (2) include the formula in all rental, association, and lease agreements. A park operator, association, or landlord must also include in all rental, association, and lease agreements the portion of the rental or fee charged under an agreement or lease that represents the actual cost of public utility service provided to the premises.<sup>9</sup>

The bill requires a third-party reseller to include a written explanation of the formula on any contract for public utility service to the premises between the reseller and the resident, owner, or tenant at the time the contract is entered into. The bill also requires the third-party reseller to include the written explanation of the formula on each bill for public utility service to the premises.<sup>10</sup>

#### **Limit on amount charged for public utility service**

The bill prohibits a park operator, association, or landlord, or a third-party reseller that measures public utility service to a premises through a master meter from doing either of the following:

(1) Charging residents, owners, or tenants more, in aggregate, for public utility service than the total amount the operator, association, landlord, or third-party reseller is charged for that service; or

(2) Charging each resident, owner, or tenant for the public utility service an amount that exceeds the charge imposed for public utility service to comparable premises of other residential customers in the same service territory.<sup>11</sup>

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<sup>8</sup> R.C. 4934.07(A).

<sup>9</sup> R.C. 4934.07(B) and 4934.08.

<sup>10</sup> R.C. 4934.07(B).

<sup>11</sup> R.C. 4934.09.

## **Long-term supply contract exception**

The bill permits a park operator, association, landlord, or a third-party reseller to charge an amount for public utility service that exceeds the limit (discussed above) if both of the following apply:

- (1) The charge is derived, in whole or in part, from costs incurred under a long-term supply contract;
- (2) The charge did not exceed the limit (discussed above) at the time the long-term supply contract was entered into.<sup>12</sup>

## **Submetered premises**

### **Limit on amount charged for public utility service**

The bill prohibits a park operator, association, landlord, or a third-party reseller that measures public utility service through a submeter from charging a resident, owner, or tenant for public utility service an amount that exceeds the charge imposed for public utility service to comparable premises of other residential customers in the same service territory. The bill permits the operator, association, landlord, or reseller to charge the resident, owner, or tenant for the actual amount for the service if the charge does not exceed this limit.<sup>13</sup>

## **Long-term supply contract exception**

The bill also permits a park operator, association, landlord, or a third-party reseller to charge an amount for public utility service that exceeds the limit (discussed above) if both of the following apply:

- (1) The charge is derived, in whole or in part, from costs incurred under a long-term supply contract;
- (2) The charge did not exceed the limit (discussed above) at the time the long-term supply contract was entered into.<sup>14</sup>

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<sup>12</sup> R.C. 4934.11.

<sup>13</sup> R.C. 4934.10.

<sup>14</sup> R.C. 4934.11.



## **Information to be included in public utility bill**

The bill requires a park operator, association, landlord, or a third-party reseller that measures public utility service through a submeter to include in any bill all of the following:

- (1) The beginning and ending submeter reading;
- (2) The dates the submeter was read;
- (3) The rate charged for service to the resident, owner, or tenant;
- (4) The rate charged for service to a single-family home in the same county.

The bill containing this information must be generated at least 14 days prior to the date upon which payment is due.<sup>15</sup>

## **Utility cost and price information document**

For the purpose of providing a prospective or actual resident, owner, or tenant with useful knowledge regarding the cost of submetered public utilities at an individual premises, the bill requires the PUCO to provide each operator, association, landlord, or third-party reseller, for each of the premises for which a submeter is installed, a document, or means of obtaining a document, disclosing the following information in a format that is clear and easily understood:

- (1) The price per unit, as provided to the specific premises, of any public utility service that is measured by a submeter when provided to the specific premises;
- (2) The price of the submetered public utility service as a percentage of the maximum allowable price;
- (3) The mean and median price per unit by which the submetered public utility service is provided in the county where the specific premises is located;
- (4) A dollar estimate of the predicted annual cost of the submetered public utility service provided to the specific premises, together with the predicted average annual cost in that county of the same public utility service to properties of comparable square footage.

Each park operator, association, landlord, or third-party reseller must provide utility cost and price information document to each prospective resident, owner, or

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<sup>15</sup> R.C. 4934.12.

tenant (1) prior to signing a lease, rental or purchase agreement, or service contract, (2) once per year thereafter, and (3) each time the rate for public utility service is changed. The park operator, association, landlord, and reseller must have the resident, owner, or tenant sign each of these documents and retain the documents for three years.<sup>16</sup>

### **Submeter records**

The bill requires each park operator, association, landlord, or third-party reseller, to maintain adequate records detailing all submeter measurements for public utility services provided to a premises and the charges for the services. The records must be kept for a minimum of three years after the termination of a lease, rental or association agreement, or contract for public utility service. Upon reasonable prior request, the records must be available for inspection by a resident, owner, or tenant during normal business hours.<sup>17</sup>

### **Administrative fees and common area and equipment costs**

The bill permits a park operator, association, landlord, or a third-party reseller to impose an administrative fee, late fee, or any other fee relating to the provision of, or payment for, public utility service supplied to a resident's, owner's or tenant's premises. The bill also permits a park operator, association, landlord, or a reseller to prorate or allocate the costs for public utility service that is provided to common areas and for commonly used equipment available for use by a resident, owner, or tenant. If a fee is imposed or a cost is prorated or allocated, the fee or cost or both, plus the charge imposed for public utility service to the premises, must not exceed the charge imposed for public utility service to comparable premises of other residential customers in the service territory.<sup>18</sup>

### **Disclosure of common area and equipment costs**

If a park operator, association, landlord, or third-party reseller prorates or allocates the costs for public utility service that is provided to common areas and for commonly used equipment, the operator, association, landlord, or reseller must disclose that public utility service for such areas and equipment will be so prorated or allocated and make the disclosure prior to entering into a rental agreement, association

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<sup>16</sup> R.C. 4934.13.

<sup>17</sup> R.C. 4934.14.

<sup>18</sup> R.C. 4934.15, 4934.16(A), and 4934.17.

agreement, lease, or a contract for public utility service with a resident, owner, or tenant.<sup>19</sup>

### **Termination of public utility service**

The bill permits a park operator, association, landlord, or third-party reseller to terminate the service of facilitating public utility service for nonpayment of public utility service. Service termination must be done in accordance with all rules for terminating public utility service for nonpayment established by the PUCO as are applied to electric light companies or natural gas companies. The bill prohibits a park operator or landlord from evicting a resident or tenant if public utility service is so terminated.<sup>20</sup>

### **Contracts in conflict with the bill**

The bill prohibits a park operator, unit owners association, landlord, or third-party reseller from entering into a rental agreement, association agreement, or lease, or a contract for public utility service, with a resident, owner, or tenant that conflicts with the bill's provisions.<sup>21</sup>

### **Legal remedy available to residents**

If a park operator, association, landlord, or third-party reseller violates any of the bill's provisions, the bill permits the affected resident, owner, or tenant to (1) bring an action to recover double the amount of damages resulting from the violation, (2) obtain injunctive relief to prevent the recurrence of the conduct, and (3) obtain a judgment for reasonable attorney's fees. The bill defines "damages" to mean either or both of the following, as applicable to the facts based upon which an action is brought:

(1) The total amount charged to the resident, owner, or tenant for the public utility service for the period during which a violation occurred;

(2) The total amount of administrative, late, or other fees charged to the resident in violation of the bill's provision regarding the imposition of administrative fees.<sup>22</sup>

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<sup>19</sup> R.C. 4934.16(B).

<sup>20</sup> R.C. 4934.18.

<sup>21</sup> R.C. 4934.20.

<sup>22</sup> R.C. 4934.22.



## Reselling of public utility service

The bill states it does not limit the authority of the PUCO to prohibit or limit the reselling of public utility service.<sup>23</sup>

### Rules

The bill requires the PUCO to adopt rules that establish (1) standards and other requirements for ratio utility billing systems, and (2) a method for determining the amount other residential customers in a service territory are charged for the public utility service to use for comparison when determining the limits on the amount charged for public utility service under the bill and allowable amounts of administrative fees and common area costs.<sup>24</sup>

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## HISTORY

ACTION	DATE
Introduced	11-10-14

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<sup>23</sup> R.C. 4934.21.

<sup>24</sup> R.C. 4934.24. A technical amendment is necessary in division (B) of this section to change the cross-reference from R.C. 4934.15 to R.C. 4934.17.

