



The Ohio Apartment Association

Chairman Steve Wilson
Senate Energy and Public Utilities Committee
Senate Building
1 Capitol Square
1st Floor
Columbus, OH 43215

Re: Senate Bill 86 – utility submetering

Dear Chairman Wilson and members of the Senate Energy and Public Utilities Committee:

The Ohio Apartment Association (OAA) is a federation of nine local apartment associations. OAA members own or manage about 500,000 rental units across the state of Ohio. OAA has been involved in the debate regarding the various legislative and regulatory proposals advanced to address the submetering of utilities since 2013. OAA was also an interested party to the PUCO proceeding that addressed submetering.

Many of our members routinely utilize submetering and Ratio Utility Billing Systems (RUBS) to bill residents for utility services, as opposed to including it as a set proportion of the rent. Water sub-metering is the most common, but gas and electric utilities can also be handled by sub-metering companies. There have been national studies that show when the energy and water costs are the responsibility of the resident, substantial conservation occurs.

OAA has espoused the same four positions on submetering since 2013:

1. Landlords are not utilities and should not be regulated as such. Landlords are merely the purchasers of services from third-party providers.
2. Submetering allows landlords to allocate costs based on actual usage - low users are not penalized with the costs of high users and high users do not get services without paying for them. Regulation of the third-party providers is fine but elimination of submetering is not.
3. It is critical that Ratio Utility Billing Systems (RUBS) remain legal. For those properties where infrastructure does not allow the installation of individual meters, RUBS allows landlords to provide for a fairer allocation of utility costs per unit or tenant.
4. The provision of water is different from the provision of electricity. There are different rules and costs for the provision of water. Further, in many cases, separate, direct meters are not

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possible, even for new construction. Submetering is particularly important for allocating the costs of this utility.

As currently drafted, OAA does not believe that our members would be considered a “reseller” and thus would not be subject to regulation under this bill. OAA members employ two methods to allocate utility bills (1) by using RUBS, which does not involve submeters, a key part of the definition of “reseller;” and (2) by contracting with submetering companies that in turn charge residents. This is in line with our first position that landlords should not be the entity subject to regulation.

However, OAA would prefer that any legislation be focused on the electric utility market, where the alleged abuses have occurred. In that Senate Bill 86 goes beyond electric to include natural gas, water and sewage, those provisions are in contradiction to our fourth position and OAA does not support those provisions.

As noted above, it is when a resident is aware of and responsible for their individual use of utilities that conservation occurs. One of the main reasons we employ submetering is to lower utility costs. Any model that disconnects cost from usage eliminates the usefulness of submetering and is a detriment to landlords and tenants alike.

Please feel free to reach out if you have any questions or would like to discuss this issue in more detail.

Sincerely,

Laura Swanson
Executive Director