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Landlord Submetering

Q: My landlord pays the utility bill, but then charges me for the usage at a higher rate. Would this make my landlord a utility company, to be regulated by the PSC?

A: This situation is sometimes loosely referred to as “master metering” or “sub-metering.” It can arise when the landlord is involved in distribution or sub-distribution of water, electricity, gas, or other utility commodity. It can occur when the original source of the commodity is a public utility, a municipality, or other “generator,” or sometimes even self-generation by the landlord. The situation can exist when the tenant is renting an apartment, trailer park, or like area. It does not matter whether the service is metered or unmetered. The policy customarily conveyed by the PSC staff in response to inquiries has been the landlord is a PSC regulated public utility unless: (1) the main meter bill is passed through to the tenants pro rata (if the tenant is unmetered) or per meter (if the tenant is metered), with no profit, but a reasonable administrative charge can be assessed (for bookkeeping, postage, etc.); or (2) the utility charge is included in the rent, as rent, not a separate charge. There are no statutes or rules on this policy (except the landlord does meet the definition of public utility).

