

CHAPTER 24.
PROVISION OF NATURAL GAS SERVICE BY LESSORS.

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Rule R24-1. APPLICATION.

Pursuant to G.S. 62-110(i), this Chapter governs the resale of natural gas by a lessor of a single-family dwelling, residential building, or multiunit apartment complex that has individually metered units for natural gas service in the lessor's name, where the lessor charges the actual costs of providing natural gas service to each lessee.

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Rule R24-2. DEFINITIONS.

- (a) *Lessee.* A person who purchases natural gas service from a provider.
- (b) *Lessor.* A person, entity, corporation, or agency who owns a residential building, single-family dwelling, or multiunit apartment complex which is available for lease.
- (c) *Multiunit apartment complex.* Premises where one or more buildings containing multiple residential dwelling units under common ownership are available for rent to lessees. One or more multiunit apartment complexes may be known as the leased premises.
- (d) *Provider.* A lessor who purchases natural gas service from a supplier and charges for the costs of providing the service to lessees. A provider must be the owner of the premises served.
- (e) *Residential building.* A townhouse, row house, condominium, mobile home, building, or other structure used for residential purposes. One or more residential buildings may be known as the leased premises.
- (f) *Single-family dwelling.* An individual, freestanding, unattached dwelling unit, typically built on a lot larger than the structure itself, resulting in an area surrounding the house known as a yard, which is rented or available for rental as a residence. One or more single-family dwellings may be known as the leased premises.
- (g) *Supplier.* A public utility or an agency or organization exempted from regulation from which a provider purchases natural gas service.
- (h) *Supplier's Unit Natural Gas Service Bill.* The actual amount charged by the supplier for the unit as a whole less any amount charged by the supplier that is not recoverable from the lessees, such as connection or disconnection charges, provider late fees, or amounts attributed to excess usage as provided in Rule R24-7(f).
- (i) *Common Area.* The parts of the rental property that are not otherwise leased to tenants and that are available to or otherwise accessible to all tenants.

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Rule R24-3. UTILITY STATUS; CERTIFICATE.

(a) Every provider is a public utility as defined by G.S. 62-3(23)a.1. and shall comply with and be subject to all applicable provisions of the Public Utilities Act and all applicable rules and regulations of the Commission, except as hereinafter provided.

(b) A provider who charges for natural gas service under this Rule:

(1) is solely responsible for the prompt payment of all bills rendered by the supplier and is the retail customer of the supplier subject to all rules, regulations, tariffs, riders, and service regulations associated with the provision of residential natural gas service to retail customers of the supplier; and

(2) is not considered a wholesale customer of the supplier.

(c) No provider shall begin charging for the costs of providing natural gas service prior to applying for and receiving a certificate of authority from the Commission.

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Rule R24-4. APPLICATION FOR AUTHORITY.

(a) Every application for authority to charge for the costs of providing natural gas service shall be in such form and detail as the Commission may prescribe and shall include:

- (1) a description of the lessor, who is the applicant, including legal name and type of business entity, and a description of the property to be served, including business or marketing name, if any, street address, and number of units;
- (2) a description of the proposed billing method and billing statements;
- (3) the proposed method of allocating the supplier's charges to the lessees;
- (4) the administrative fee per lessee, returned check charge, and late payment charge, if any, proposed to be charged by the applicant, and the number of days after the bill is mailed or otherwise delivered when the late payment fee would begin to be applied;
- (5) the applicant's plans for retention and availability of records;
- (6) the name of and contact information for the applicant and its agents, including mailing address, email address, and telephone number;
- (7) the name of and contact information for the supplier of natural gas service to the applicant's rental property;
- (8) the current schedule of charges from the supplier;
- (9) a copy of the lease forms to be used by the applicant for lessees who are billed for natural gas service pursuant to this Chapter;
- (10) a statement indicating the particular provisions of the lease forms pertaining to billing for natural gas service;
- (11) the verified signature of the applicant or applicant's authorized representative;
- (12) the required filing fee;
- (13) one (1) original and seven (7) collated copies of the application; and
- (14) any additional information that the Commission may require.

(b) An applicant may submit for authority to charge for natural gas service for more than one property in a single application. Information relating to all properties covered by the application need only be provided once in the application. However, if any of the information required by the application differs for different properties, the differences must be clearly explained.

(c) The Commission shall approve or disapprove an application within 60 days of the filing of a completed application with the Commission. If the Commission has not issued an Order disapproving a completed application within 60 days, the application shall be deemed approved; provided, however, no person or entity may charge for natural gas service in a manner inconsistent with Chapter 62 of the North Carolina General Statutes.

(d) An approved certificate of authority from the Commission to charge for the costs of providing natural gas service under these rules shall be delivered to the supplier from which the provider purchases natural gas service and include information in Rule R24-4(a)(1) and (6).

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Rule R24-5. BILLS OF THE PROVIDER.

(a) Bills for natural gas service sent by the provider to the lessee shall contain all of the following information:

- (1) the Supplier's Unit Natural Gas Service Bill for the unit as a whole and the amount of charges allocated to the lessee during the billing period;
- (2) the name of the supplier;
- (3) the beginning and ending dates for the usage period and, if provided by the supplier, the date the meter for the unit was read for that usage period;
- (4) the past-due date, which shall not be less than 25 days after the bill is mailed or otherwise delivered to the lessee;
- (5) the name of the provider and a local or toll-free telephone number and address of the provider that the lessees can use to obtain more information about the bill;
- (6) the amount of administrative fee, returned check charge, and the late payment charge approved by the Commission and included in the bill, if any; and
- (7) a statement of the lessee's right to address questions about the bill to the provider and the lessee's right to file a complaint with, or otherwise seek recourse from, the Commission if the lessee cannot resolve a natural gas service billing dispute with the provider.

(b) The provider or the provider's billing agent shall equally divide the actual amount of the Supplier's Unit Natural Gas Service Bill for a unit among all the lessees in the unit and shall send one bill to each lessee.

(c) The amount charged shall be prorated when a lessee has not leased the unit for the same number of days as the other lessees in the unit during the billing period.

(d) Each bill may include an administrative fee no greater than the amount authorized in Rule R18-6 for water service and, when applicable, a late payment charge no greater than the amount authorized in Rule R12-9(d) and a returned check charge no greater than the amount authorized in G.S. 25-3-506.

(e) A late payment charge may be applied to the balance in arrears after the past-due date.

(f) The provider may impose a returned check charge, not to exceed the maximum authorized by G.S. 25-3-506, for a check on which payment has been refused by the payor bank because of insufficient funds or because the lessee did not have an account at that bank.

(g) The provider shall not charge the cost of natural gas from any other unit or common area in a lessee's bill.

(h) No provider shall charge or collect any greater compensation for the costs of providing natural gas service than the rates approved by the Commission.

(i) The provider may, at the provider's option, pay any portion of any bill sent to a lessee, in accordance with the provisions of the lease; provided, however, that (1) the provider must still send each lessee bills in accordance with the other provisions in Rule R24-5; (2) the provider must credit lessee bills or otherwise refund to lessees the amount, if any, by which the amount specified in the lease exceeds the amount actually owed by the lessee for natural gas usage in the immediately preceding month; and (3) the provider must comply with G.S. 62-140 regarding non-discrimination in billing for utility service.

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Rule R24-6. RECORDS, REPORTS AND FEES.

(a) The provider shall maintain for a minimum of 36 months records that demonstrate how each lessee's allocated costs were calculated for natural gas service, as well as any other natural gas service-related fees charged to each lessee.

(b) All records required to be maintained by the provider pursuant to section (a) shall be kept at the onsite management office or office(s) of the provider in North Carolina, or shall be made available at its onsite management office in North Carolina upon request, and shall be available during regular business hours for examination by the Commission or Public Staff or their duly authorized representatives. Within three business days after a written request to the provider, a lessee may examine the records pertaining to the lessee's account during regular business hours and may obtain a copy of those records at a reasonable cost, which shall not exceed 25¢ per page. However, if a provider does not have an onsite management office at the multi-unit complex or in close proximity to the leased single-family dwelling, then the provider shall in good faith, upon written request, establish with the lessee a mutually-acceptable arrangement for the lessee to examine the records pertaining to the natural gas service for the leased dwelling unit occupied or previously occupied by the lessee. In the event that a provider and lessee are unable to reach agreement within 10 business days, the lessee may contact the Public Staff – North Carolina Utilities Commission, Consumer Service Division, at (866) 380-9816 (toll-free) or (919) 733-9277, or may write to the Public Staff – North Carolina Utilities Commission, Consumer Services Division, at 4326 Mail Service Center, Raleigh, North Carolina 27699-4300 for assistance in resolving the dispute. If the Public Staff determines that it cannot reasonably resolve the disagreement, the matter shall be referred to the Commission.

(c) Providers shall not be required to file an annual report to the Commission as required by Rule R1-32.

(d) Providers shall pay a regulatory fee and file a regulatory fee report as required by Rule R15-1.

(e) Special reports shall also be made concerning any particular matter upon request by the Commission.

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Rule R24-7. DISCONNECTION; BILLING PROCEDURE.

- (a) Any payment to the provider shall be applied first to the rent owed and then to charges for natural gas service, unless otherwise designated by the lessee.
- (b) No charge for connection or disconnection or late fee or deposit paid by the provider to the supplier shall be allowed, and no provider may terminate a lease for nonpayment of natural gas service.
- (c) No provider may disconnect or request the supplier to disconnect natural gas service for the lessee's nonpayment of a bill.
- (d) Bills shall be rendered at least monthly.
- (e) The date after which a bill for natural gas service is due (the past-due date) shall be disclosed on the bill and shall not be less than twenty-five (25) days after the bill is mailed or otherwise delivered to the lessee.
- (f) A provider shall not bill for or attempt to collect for excess usage resulting from a meter malfunction or other natural gas condition in appliances such as water heaters, HVAC systems, or ranges furnished by the provider to the lessee, when the malfunction is not known to the lessee or when the malfunction has been reported to the provider.
- (g) Every provider shall provide to each lessee at the time the lease agreement is signed, and shall maintain in its business office, in public view, near the place where payments are received, the following:
 - (1) A copy of the rates, rules, and regulations of the provider applicable to the premises served from that office, with respect to natural gas service;
 - (2) A copy of these rules and regulations (Chapter 24); and
 - (3) A statement advising lessees that they should first contact the provider's office with any questions they may have regarding bills or complaints about service, and that in cases of dispute, they may contact the Commission either by calling the Public Staff - North Carolina Utilities Commission, Consumer Services Division, at (866) 380-9816 (toll-free) or (919) 733-9277, or by appearing in person or writing to the Public Staff - North Carolina Utilities Commission, Consumer Services Division, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300.
- (h) Each provider shall adopt a means of informing its lessees initially and on an annual basis as to the provider's method of allocating bills to the individual lessees and its administrative fee, returned check charge, and late fee, if any. A copy of the supplier's current schedule of charges shall also be included in these disclosures.
- (i) Every provider shall promptly notify the Commission in writing of any change in the information required in Rule R24-4(a), except for changes in the rates and charges of the supplier (Rule R24-4(a)(8)).

(j) If a provider anticipates that it will not pay a supplier's bill on time, or if the provider receives notice from the supplier of pending disconnection, whichever comes first, the provider must within 24 hours provide written notice to the Commission and all of the provider's affected lessees of the anticipated nonpayment or disconnection notice. A provider may not abandon or cease providing natural gas service to its lessees without advance permission from the Commission.

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