

# UTILITY COST PASS-THROUGH

A Landlord may pass along Public Utility Costs to a Tenant under very specific rules established by the Residential Rent Stabilization Ordinance (RRSO). A Public Utility Costs Pass-Through is not considered rent. Here is a look at the Public Utility Cost Pass-Through process, Landlord requirements and Tenant's rights.

**Public Utility Costs include the following services:**



Electric



Water



Gas



Garbage



Sewer

**1 The Landlord may pass utility costs along to the Tenant only if ALL of the following conditions apply:**

- A.** The written lease provides that the Tenant will pay utility costs separate from rent; **AND**
- B.** If there are no individual meters, the landlord must use a system (formula) to divide costs between tenants such as a Ratio Utility Billing System (RUBS)

**2 When the utility costs increase more than 1% of the Tenant's rent or there is a rate increase, the Tenant can request documentation.**

Within 2 months of the receipt of a utility cost increase the Tenant can request ...

...supporting documentation from the Landlord, to verify the level of increase.

**3 The Landlord must provide documentation at a minimum:**

- Rate Increase notices from utility provider
- Proof of 12 months Utility Service cost for the entire building
- Formula for determining cost for each unit.
- Amounts charged to each unit per month

**4 The Tenant can challenge the Utility rate increase** if the Landlord does not provide documentation OR if the utility rate increase is greater than 1% of the Tenant's rent. To challenge the increase the tenant files a Petition with the Rent Review Office.

**5** Rent Review Office reviews the petition and the required verification documents from the Landlord.

**Once the Review process is completed:**

- 6a** Pass-Through confirmed
- or
- 6b** Pass-Through modified

**The Utility Cost Pass-Through goes to the Tenant**