

## **Instructions for Completing the “Information from your Landlord about Utility Costs” Form**

**Read this information over carefully before filling out the *Information from your Landlord about Utility Costs* form.**

You must complete this form and give it to your tenant if:

- The Landlord and Tenant Board issued an order under subsection 126(10) of the *Residential Tenancies Act, 2006* (the Act) increasing the rent above the guideline (AGI order); and
- The increase was in whole or in part due to an extraordinary increase in the cost of utilities; and
- You increased the tenant’s rent pursuant to the order, and the amount of the rent increase included an increase related to utilities.

**Note:** If the rent increase taken by the landlord is *less than* the maximum increase permitted by the order, then the increase is considered to be taken in the following order: first the amount ordered for municipal taxes and charges; then the amount for capital expenditures; then the amount related to utilities; and lastly any amount ordered to operating costs for security services.

### **Who must receive this form?**

This form must be given to each tenant whose rent was increased pursuant to the AGI order, as long as the tenant is still occupying the same rental unit.

### **When must you give this form to your tenant?**

This form must be given to each tenant on or before the anniversary of the “First Effective Date of Rent Increase” (FED) set out in the AGI order.

You must continue to complete this form and give it to the affected tenants for 5 years following the FED.

**Important:** If you have previously given the tenant this form and their rent was reduced because the utility costs had decreased, you do not have to continue to provide this form if the amount of the tenant’s rent reduction was equal to or greater than the actual rent increase the tenant received based on the increase allowed in the order for utilities.

*For example:*

*In the AGI order, the rent increase for Unit 1 was 4% (2% for utilities and 2% for capital expenditures). The tenant’s rent was increased by 4% above the guideline. The following year, the utility costs decreased and, as a result, the tenant’s rent was reduced by 2%. Since the tenant’s rent has been reduced by the full increase taken pursuant to the order for **utilities**, the landlord is no longer required to give the tenant this form.*

**What information do you need before completing this form?**

- The prior above guideline rent increase order that was issued under s.126 of the Act. This order contains information that you will need in order to complete the form. Most of the information will usually appear in a schedule attached to the order called *Information related to the Extraordinary Increase for Utilities*.
- Your current utility bills for the period that is described below under “12-Month Period for Current Utility Costs”.

**Completing the Form...**

Complete all sections of the form and Schedule A, if applicable. The following information will assist you in understanding the information that must be provided on the form.

**Total Adjusted Base Year Utility Costs:**

Refer to the AGI order that was issued. The “Total Adjusted Base Year Utility Costs” will be set out in this order. Record the amount on the form.

**Note:** If the tenant’s rent was previously reduced because of a utility costs decrease after the AGI order was issued, then use the “current utility costs” that resulted in the decrease instead of the total adjusted base year utility costs in the order.

**Base Year Period for Utilities:**

Refer to the AGI order that was issued. The “Base Year Period for Utilities” will be set out in this order. Write down the 12-month period on the form.

**Current Utility Costs:**

Utilities are defined under the Act as heat, electricity and water. Add up the total costs for each of these categories, excluding any taxes, for the 12-month period indicated below. These must be the costs that were incurred for the entire residential complex or building.

**Note:** If these costs relate to non-residential components of the complex or other residential complexes, then you must allocate out the costs associated with these other parts. For example, if the utility bills are for the entire complex, including a commercial space on the ground floor, then the costs related to the commercial space must be allocated out of the utility amount. To do this, multiply the total current utility costs by the “Allocation Factor” that is set out in the AGI order.

If the order is based on an application filed before July 1, 2010, include any taxes paid with respect to utilities.

If the order is based on an application filed after July 1, 2010, the Board will not consider any Goods and Services Tax (GST), or Provincial Sales Tax (PST) you paid with respect to utilities.

**12-Month Period for Current Utility Costs:**

This 12-month period is based on the “Base Year Period for Utilities” that was set out in the AGI order – that is, this period must start and end on the same dates as the base year period for utilities.

*For example:*

*The Base Year Period for Utilities in the AGI order is May 1, 2007 to April 30, 2008.*

*The first year that you complete this form, the 12-Month Period for Current Utility Costs will be May 1, 2008 to April 30, 2009.*

**Rent Reduction Required?**

Check the appropriate box on the form to indicate if the tenant’s rent may have to be reduced. If the current utility costs are less than the adjusted base year utility costs, then you will have to complete and attach Schedule A to determine the amount, if any, of a rent reduction that the tenant may be entitled to.

**Schedule A – Determining whether a Rent Reduction is Required**

Complete the information required in rows a) through f) of the schedule.

After determining the percentage amount of the rent reduction in row f), check the appropriate box under the heading **Explanation of the Rent Reduction**.

- If you check the first box, no rent reduction is required. Attach Schedule A to the form and give it to the tenant.
- If you check off one of the other boxes, then a rent reduction is required. Make sure to also complete the information in the box “Tenant’s Rent Reduction”. Attach Schedule A to the form and give it to the tenant.

**Tenant’s Rent Reduction:**

Fill in the following information in this part of the form:

**Dollar amount of the rent reduction:**

To determine the dollar amount of the rent reduction, multiply the tenant’s rent by the percentage rent reduction set out in row f) above.

*For example:*

*The tenant’s rent is \$800 per month. In row f) of the schedule, you calculated that the tenant was entitled to a rent reduction of 1.05%. The amount of the rent reduction is calculated as follows:*

$$\$800 \times 1.05\% = \$8.40$$

Also indicate on the form whether the reduction is per month, or week, etc.

**Effective date of rent reduction:**

Include on the form the date the rent reduction will take effect. This must be one year after the date the tenant's rent was last increased.