



Tribunals Ontario

Landlord and Tenant Board

Tenant Agreement to Pay Directly for Electricity Costs

Instructions

Use this form if:

- You are the landlord and you are currently responsible for paying the electricity costs for the tenant's rental unit; and
- You have installed a suite meter or meter in the rental unit; and
- You want the current tenant to start paying for their own electricity costs.

You can obtain this form at the Landlord and Tenant Board office in your area or from the Board's website at tribunalsontario.ca/ltb.

November 30, 2015

Section 1: When to use this form

Use this form if:

- You are currently responsible for paying the electricity costs for the tenant's rental unit; and
- You have installed a suite meter or meter in the rental unit; and
- You want the current tenant to start paying for their own electricity costs.

Information you must give the tenant:

Before getting the tenant's written consent on the *Tenant Agreement to Pay Directly for Electricity Costs* form ("tenant consent" form), you must give the tenant the following information in writing:

- Contact information for the electricity distributor or suite meter provider.
- A statement that the distributor or suite meter provider may require a security deposit.
- A description of the types and amounts of fees that the distributor or suite meter provider will charge the tenant and a description of how the fees are calculated.
- Information about circumstances where the fees charged by the distributor or suite meter provider may increase.
- Information about planned increases to the fees charged by the distributor or suite meter provider and the amounts.
- Contact information for the Ontario Energy Board (OEB) and a statement indicating the tenant can contact the OEB about a dispute with the distributor or suite meter provider.
- The best information that is available about the date of manufacture of any refrigerator in the rental unit and any available information about its energy efficiency.

The rules also require that you give the tenant the following information. This information is already included on the tenant consent form.

- A statement that the tenant does not have to agree to the landlord's request to terminate their obligation to supply electricity to the rental unit.
- The amount of the rent reduction and how the reduction was calculated.
- A statement that the distributor or suite meter provider may shut off the electricity supply to the rental unit if an amount payable by the tenant is overdue.

Section 2: How to complete this form

Read this information over carefully before filling out the *Tenant Agreement to Pay Directly for Electricity Costs* form (“tenant consent” form).

You must also complete and attach either Schedule A or Schedule B setting out the rent reduction calculation. Instructions for choosing and completing the schedules are included later in these instructions.

On Page 1 of the form:

To: Fill in the tenant’s name. If there is more than one tenant living in the rental unit, fill in the names of all of the tenants. Other occupants, such as children or guests of the tenant, do not need to be named.

From: Fill in the landlord’s name. If there is more than one landlord, fill in the names of all of the landlords.

Address of Rental Unit:

Fill in the complete address and unit number of the rental unit.

Information in box on form:

In the main box on the middle of page one of the form, you have to fill in:

- The name of the suite meter provider who will be sending the electricity bills to the tenant. Note: if a meter has been installed and the electricity bills will be provided directly by the local electricity distributor, fill in their name on this line on the form.
- The amount by which the tenant’s rent will be reduced if they start to pay their own electricity costs. You must first complete the calculations on either Schedule A or Schedule B to determine the amount of the rent reduction.
- Fill in whether the reduction is per week, month or other period (and if other, then specify). For example, if the tenant pays rent on the first of each month, then the rent reduction amount would be “per month”.

Section 3: Choosing the method of calculating the rent reduction

The rules under the *Residential Tenancies Act, 2006* (the RTA) allow you to choose one of two methods for calculating the tenant's rent reduction.

- If a suite meter or meter was installed in the rental unit more than 12 months ago, you can choose either method for calculating the rent reduction (Schedule A or Schedule B).
- If the suite meter or meter was installed less than 12 months ago, then you can only use the method in Schedule B to calculate the rent reduction.

Schedule A – Based on actual electricity consumption for the rental unit

- Use Schedule A if you want to base the rent reduction calculation on the actual electricity costs for the rental unit.
- **Important:** If you use this method to calculate the rent reduction for one unit, you must use this same method for all other rental units in the building. You cannot change the method by which you calculate the rent reduction.

Schedule B – Based on estimated electricity consumption for the rental unit

- Use Schedule B if you want to base the rent reduction calculation for the rental unit on the actual electricity costs for the residential complex.
- **Important:** Once you have calculated the rent reduction for one or more rental units using this method, you can change and use the method set out in Schedule A for a subsequent unit. However, once you start using the method in Schedule A for one unit, you must continue to use that same method to calculate the rent reduction for all other rental units in the residential complex.

Whichever method you choose, you must complete the appropriate schedule and attach it to the tenant consent form.

Section 4: Completing Schedule A

In the box at the top of the page, you must fill in the:

- **Amount of the rent reduction** and whether it is per week, month or another period.

Fill this part of the form out **after** you have calculated the rent reduction using either Option 1 or Option 2 on Schedule A.

- **Most recent 12 month billing period.** You must choose the most recent 12 month period that ends before you give the tenant the consent form.

Example: The landlord, Tim Trusz, will be giving his tenant the tenant consent form on January 25, 2011. The most recent bill was received on January 20, 2011, for a billing period up to January 15, 2011. Therefore, in this example, the most recent 12 month billing period would be “January 16, 2010 to January 15, 2011”.

On the form, fill in the start and end date of the 12 month period.

Selecting Option 1 or Option 2:

Refer to the 12 month period that you filled in at the top of Schedule A. Was the rental unit vacant for one or more months during this period?

- If the rental unit was rented during the entire 12 month period, then shade the box beside “Option 1” and complete the information in the box that follows.
- If the rental unit was vacant for one or more months during this period, then shade the box beside “Option 2” and complete the information in the box that follows.

If you Select Option 1:

Complete sections A to D in this box on the form. The following information will assist you in understanding the information that must be completed on the form.

Option 1, Row A - Total cost of electricity use:

Refer to the invoices for the electricity charges for this rental unit for the most recent 12 month period (as shown on the top box on Schedule A). Add up the amounts charged under the heading “Your Electricity Charges” and the subheading “Electricity”. The total amount should be filled in on row A of the form.

Note: In some cases, you may not have invoices from the distributor or the suite meter provider. In these situations, refer to the information that they have given

you to determine the total cost of electricity for this rental unit for the most recent 12 month period.

Option 2, Row B - Total estimated additional charges and taxes:

A suite meter provider or distributor also charges customers for additional costs. As well, the Harmonized Sales Tax (HST) applies to these additional charges and to the electricity costs.

Additional charges **include** charges for:

- delivery of the electricity
- regulatory charges
- debt retirement charges
- billing fees
- other administrative charges
- all applicable taxes

But, these charges **exclude**:

- one-time setup fees
- penalties and charges related to late payment.

How to estimate the additional charges:

The additional charges are usually based on the kilowatt hours of electricity used.

To estimate the additional charges that the tenant will be charged, refer to the invoices for the most recent 12 month billing period to determine the total kilowatt hours of electricity used by this rental unit. Now, based on this amount, **estimate** what you believe the additional charges will be for the 12 month period that follows the most recent period shown at the top of Schedule A.

Example: At the top of the Schedule A, Tim Trusz indicated that the most recent 12 month period for this rental unit is January 16, 2010 to January 15, 2011. Now, to determine the additional charges, Tim must consider the 12 month period which follows the “most recent period”. In this example, Tim will estimate the additional charges for the period January 16, 2011 to January 15, 2012.

This is how Tim determined the additional charges amount.

- i) He looked at the bills for the most recent 12 month billing period and added up the total kilowatt hours of electricity used.
- ii) Tim then looked at the list of additional charges that the suite meter provider charges tenants. Based on the total kilowatt hours of electricity determined in step i), Tim estimated the amount for additional charges the tenant would be charged by the suite meter provider for the following 12 month period.

How to calculate taxes:

Once you have determined the additional charges, then you must calculate the taxes for the total of the electricity costs for the unit and for the estimated additional charges.

Example:

Continuing with the above example, Tim calculated the HST amount as follows: He calculated 13% of the additional charges he estimated in step ii). He also calculated 13% of the electricity charges he calculated and filled in on row A of the form. He added these two amounts to calculate the total taxes.

Finally, Tim added the estimated amount for additional charge and the total HST amount.

Once you have estimated the total amount for additional charges and taxes, fill in the amount on row B on the form.

Option 1, Row C - Total number of rental periods:

In row C of the form, fill in the number of rental periods in the 12 month period you indicated at the top of Schedule A. For example, if the tenant pays rent monthly, then enter "12" in this row.

Option 1, Row D - Amount of rent reduction:

To calculate the rent reduction, add the amounts in row A and row B, and then divide this number by the number of rental periods you put in row C.

Go back to the top of the form and put this same amount on the line "**Amount of rent reduction**". Then, copy this amount to page 1 of the tenant consent form (*Tenant Agreement to Pay Directly for Electricity Costs* form).

If you Select Option 2 (rental unit was vacant one or more months):

Complete sections A to D in this box on the form. The following information will assist you in understanding the information that must be provided in this part of the form.

Option 2, Row A - Total adjusted cost of electricity use:

To determine this amount, refer to the worksheet "**Row A - Cost calculation for adjusted electricity use**" on page 2 of Schedule A. Follow these instructions for completing the calculation

Row A - Cost calculation for adjusted electricity use:**A. Cost of electricity use:**

Refer to the invoices for the electricity charges for this rental unit for the most recent 12 month billing period. Add up the amounts charged under

the heading “Your Electricity Charges” and the subheading “Electricity”. Fill in the total amount in row A of this worksheet.

Note: In some cases, you may not have the invoices from the distributor or the suite meter provider. In these situations, refer to the information that they have given you to determine the total cost of electricity for this rental unit for the most recent 12 month period.

B. Number of full months unit was occupied during 12 month period:

How many full months was the unit occupied during the most recent 12 month billing period? Fill in this number on row B of the worksheet.

Example: On the form, Tim Trusz, the landlord, indicated that the most recent 12 month billing period is January 16, 2010 to January 15, 2011. During this period, the rental unit was vacant from March 15th to April 30th, 2010. Therefore, the number of **full** months that the rental unit was occupied during this 12 month period is **10**. So, on row B of the worksheet, Tim entered 10.

C. Total adjusted cost of electricity use:

To determine this amount, take the amount in row A and divide by the number of months in row B and then multiply by 12. Enter the resulting amount in row C of this worksheet, and copy the amount onto row A in the box under Option 2 (on page 1 of Schedule A).

Option 2, Row B - Total estimated additional charges and taxes:

To calculate this amount, refer to the worksheet “**Row B - Calculation for estimated additional taxes and charges**”. The worksheet is on page 2 of Schedule A. Follow these instructions for completing the worksheet.

Row B - Calculation for estimated additional taxes and charges:

A. Kilowatt hours of electricity used by the rental unit:

Refer to the invoices for the most recent 12 month billing period. What is the total kilowatt hours of electricity that was used by the rental unit during this period? Fill in this amount on row A of this worksheet.

B. Number of full months unit was occupied:

How many full months was the unit occupied during the most recent 12 month period you indicated at the top of page 1 on Schedule A? Fill in this number on row B of the worksheet.

Example: On the form, Tim Trusz, the landlord, indicated that the most recent 12 month billing period is January 16, 2010 to January 15, 2011. During this period, the rental unit was vacant from March 15th to April 30th, 2010. Therefore, the number of **full** months that the rental unit was

occupied during this 12 month period is **10**. So, on row B of the worksheet, Tim entered 10.

C. Total estimated kilowatt hours of electricity used:

To determine this amount, take the total kilowatts of electricity you put in row A, divide it by the number of months in row B, and then multiply by 12. Fill in the resulting number on row C of the worksheet.

D. Total estimated additional charges and taxes:

A suite meter provider or distributor also charges customers for additional costs. As well, the Harmonized Sales Tax (HST) applies to these additional charges and to the electricity costs.

Additional charges **include** charges for:

- delivery of the electricity
- regulatory charges
- debt retirement charges
- billing fees
- other administrative charges
- all applicable taxes

But, these charges **exclude**:

- one-time setup fees
- penalties and charges related to late payment.

How to estimate the additional charges:

Estimate what you believe the additional charges will be for the 12 month period that follows the most recent 12 month billing period. You should base this amount on the estimated kilowatt hours of electricity that you calculated in row C.

Example: At the top of the Schedule A, Tim Trusz indicated that the most recent 12 month billing period for this rental unit is January 16, 2010 to January 15, 2011. Now, to determine the additional charges, Tim must consider the 12 month period which follows the “most recent period”. In this example, Tim will estimate the additional charges for the period January 16, 2011 to January 15, 2012.

This is how Tim determined the additional charges amount.

- Tim looked at the list of amounts that the suite meter provider charges tenants. Based on the total kilowatt hours of electricity determined in row C of the worksheet, Tim estimated the amount for additional charges the tenant would be charged by the suite meter provider for the following 12 month period.

How to calculate taxes:

Once you have determined the additional charges, then you must calculate the taxes for the total of electricity costs and for the estimated additional charges.

Example:

Continuing with the above example, Tim calculated the HST amount as follows:

- He calculated 13% of the additional charges he estimated above. He also calculated 13% of the electricity charges he calculated and filled in on Option 2, row A of the form. He then added these two amounts to calculate the total taxes.

Finally, Tim added the estimated amount for additional charges and the total HST to arrive at the “total estimated additional charges and taxes”.

Fill in the amount you estimate for the additional charges and taxes on row D on the worksheet. Also copy this amount onto row B, in the box under Option 2 (on page 1 of Schedule A).

Option 2, Row C - Total number of rental periods in the 12 month period:

In row C on Option 2, fill in the number of rental periods in the 12 month period. If the tenant pays rent monthly, then enter 12 on this row. If the tenant pays rent other than monthly, determine the number of rental periods that fall within the 12 month period and include that number in this row.

Option 2, Row D - Amount of rent reduction per rental period:

To determine this amount, add the amounts in row A and row B, and then divide the total by the number of rental periods in row C. The result is the rent reduction amount.

Go back to the top of the form and put this same amount on the line “**Amount of rent reduction**”. Then, copy this amount to page 1 of the tenant consent form (*Tenant Agreement to Pay Directly for Electricity Costs* form).

Section 5: Completing Schedule B

Use this Schedule if the rent reduction calculation will be based on an estimate of the cost for the rental unit, based on the actual cost for electricity use in the residential complex.

Follow these instructions to complete Schedule B.

In the box at the top of the page, you must fill in the:

- **Amount of the rent reduction** and whether it is per week, month or another period.

Fill this part of the form out after you have calculated the rent reduction amount following all the steps in this schedule.

- **Most recent 12 month billing period.** You must choose the most recent 12 month period that ends before you give the tenant the *Tenant Agreement to Pay Directly for Electricity Costs* form.

Example: The landlord, Tim Trusz, will be giving his tenant the tenant consent form on January 25, 2011. The most recent bill was received on January 20, 2011, for a billing period up to January 15, 2011. Therefore, in this example, the most recent 12 month billing period would be “January 16, 2010 to January 15, 2011”. This is the period that you would fill in on the form.

Step 1 – Calculate the cost of the annual electricity use for all rental units in the residential complex:

In this step, you will be calculating the electricity consumption costs for the rental units in the residential complex.

A. Cost of electricity use for residential complex:

Refer to the invoices for the electricity consumption charges for the residential complex for the most recent 12 month billing period. Add up the amounts charged under the heading “Your Electricity Charges” and the subheading “Electricity”.

Fill in the total amount of the electricity consumption charges on row A of the Step 1 worksheet.

B. Cost of electricity use for other areas of complex:

In row B, fill in the amount of electricity consumption charges that are applicable to the portions of the residential complex other than the rental units. For example, this could include the lobby area, hallways, laundry room, etc. Note: the cost attributable to the other portions of the residential complex must be estimated by an individual who holds a licence under the *Professional Engineers Act*.

C. Total cost of yearly electricity use for rental units in residential complex:

To determine this amount, deduct the amount in row B from row A. The amount that you have calculated is the amount of electricity costs for the **rental units** in the residential complex. Fill in this amount on row C of the Step 1 worksheet.

Step 2 - Calculate the annual amount of electricity used by all rental units in the residential complex:

In this step, you will determine the total kilowatt hours of electricity that was used by the rental units in the residential complex.

A. Kilowatt hours of electricity used by the complex:

Refer to the invoices for the most recent 12 month billing period. What is the total kilowatt hours of electricity used during this period? Fill in this amount on row A of the Step 2 worksheet.

B. Kilowatt hours of electricity used in other areas of complex:

In row B, fill in the total kilowatt hours of electricity that are applicable to the portions of the residential complex other than the rental units. For example, this could include the lobby area, hallways, laundry room, etc. Note: the number of kilowatt hours attributable to the portions of the residential complex other than the rental units must be estimated by an individual who holds a licence under the *Professional Engineers Act*.

C. Yearly amount of kilowatt hours of electricity used by rental units in residential complex:

To determine this amount, subtract the amount in row B from row A. The amount that you have calculated is the total amount of kilowatt hours of electricity used by the **rental units** in the residential complex. Fill in this amount on row C of the Step 2 worksheet.

Step 3 - Determine the estimated yearly cost of electricity use for the rental unit:

In Step 1, you determined the electricity consumption costs for all rental units in the residential complex. Based on this amount, you must now determine what the electricity costs are for the rental unit.

A. Total cost of yearly electricity use for the rental units in residential complex:

In row A, copy the amount you calculated in Step 1, row C. (This is the total electricity costs for all the rental units in the residential complex.)

B. Area of the rental unit:

What is the square footage of the rental unit? Fill in this number in row B of the Step 3 worksheet.

C. Total area of all rental units in the residential complex:

What is the total square footage of all the rental units in the residential complex? Make sure you exclude the other portions of the complex (such as the lobby area, laundry room, etc.). Fill in this number on row C of the Step 3 worksheet.

D. Estimated cost of yearly electricity use for the rental unit:

To determine this amount, take the amount in row A, multiply it by the number in row B, and then divide this sum by the number in row C. The resulting number represents the estimated cost of electricity consumption charges for the rental unit.

Step 4 - Determine the estimated yearly amount of electricity used by the rental unit

In Step 2, you determined the total kilowatt hours of electricity used by all rental units in the residential complex. Based on this amount, you must now determine the estimated amount of kilowatt hours of electricity that was used by this rental unit.

A. Yearly amount of kilowatt hours of electricity used by all rental units in residential complex:

In row A, copy the amount you calculated in Step 2, row C. (This is the total kilowatt hours of electricity used by all rental units in the residential complex.)

B. Area of the rental unit:

What is the square footage of the rental unit? Fill in this number in row B of the Step 4 worksheet.

C. Total area of all rental units in the residential complex:

What is the total square footage of all the rental units in the residential complex? Make sure you exclude the portions of the complex that are not rental units (such as the lobby area, laundry room, etc.). Fill in this number on row C of the Step 4 worksheet.

D. Estimated yearly amount of kilowatt hours of electricity used by the rental unit

To determine this amount, take the amount in row A, multiply it by the number in row B, and then divide this sum by the number in row C. The resulting number represents the total amount of kilowatt hours of electricity used by the rental unit.

Step 5 - Total amount of rent reduction per rental period

In this step you will calculate the rent reduction for the rental unit. It will be based on the amounts that you have determined in Steps 1 through 4.

A. Estimated cost of yearly electricity use for the rental unit

In this row, copy the amount you calculated in Step 3, row D. (This is the total cost of electricity for the rental unit.)

B. Total estimated additional charges and taxes:

A suite meter provider or distributor also charges customers for additional costs. As well, the Harmonized Sales Tax (HST) applies to these additional charges and to the electricity costs.

Additional charges **include** charges for:

- delivery of the electricity
- regulatory charges
- debt retirement charges
- billing fees
- other administrative charges
- all applicable taxes

But, these charges **exclude**:

- one-time setup fees
- penalties and charges related to late payment.

How to estimate additional charges:

Estimate what you believe the additional charges will be for the 12 month period that follows the most recent 12 month billing period. You should base this amount on the estimated yearly kilowatt hours of electricity that you calculated in row D in the Step 4 worksheet.

Example: At the top of the Schedule A, Tim Trusz indicated that the most recent 12 month billing period for this rental unit is January 16, 2010 to January 15, 2011. Now, to determine the additional charges, Tim must consider the 12 month period which follows the “most recent period”. In this example, Tim will estimate the additional charges for the period January 16, 2011 to January 15, 2012.

This is how Tim determined the additional charges amount:

- Tim looked at the list of amounts that the suite meter provider charges tenants. Based on the total kilowatt hours of electricity determined in row D of the Step 4 worksheet, Tim estimated the amount for additional charges the tenant would be charged by the suite meter provider for the following 12 month period.

How to calculate taxes:

Once you have determined the additional charges, then you must calculate the taxes for the total of electricity costs and for the estimated additional charges.

Example:

Continuing with the above example, Tim calculated the HST amount as follows:

- He calculated 13% of the additional charges he estimated above. He also calculated 13% of the electricity charges he calculated and filled in on row D of the Step 3 worksheet. He then added these two amounts to calculate the total taxes.
- Finally, Tim added the estimated amount for additional charges and the total HST to arrive at the “total estimated additional charges and taxes”.

Fill in the amount you estimated for the “additional charges and taxes” on row B of the Step 5 worksheet.

C. Total number of rental periods:

In row C of the Step 5 worksheet, fill in the number of rental periods in the 12 month period you indicated at the top of Schedule A. If the tenant pays rent monthly, then enter “12” in this row.

D. Amount of rent reduction per rental period:

To calculate the rent reduction, add the amounts in row A and row B, and then divide this number by the number of rental periods you entered in row C. The result is the rent reduction amount. Fill in this amount in row D of the Step 5 worksheet.

Go back to the top of the form and put this same amount on the line “**Amount of rent reduction**”. Then, copy this amount to page 1 of the tenant consent form (*Tenant Agreement to Pay Directly for Electricity Costs* form).

Section 6: Giving the form and schedule to the tenant

You must give the tenant the *Tenant Agreement to Pay Directly for Electricity Costs* form and either Schedule A or Schedule B, whichever you used to calculate the tenant’s rent reduction. Make sure you keep a copy of the form and schedule.

What happens after you give this notice?

Once you give this form and the schedule to the tenant, then it is up to the tenant to decide whether or not they want to consent to your request. The tenant does not have to consent.

If the tenant does not consent, then you will continue to be responsible for paying the electricity costs for the tenant’s rental unit.

If the tenant does consent, then they will sign the form and return it to you. You will then have to give the tenant a notice setting out the date that they will start to be responsible for paying the electricity costs for their rental unit. This will also

be the same date that the tenant's rent will be reduced. The Board has a notice form for you to use called *Landlord's Notice to Terminate Obligation to Supply Electricity*. This notice must be given at least 30 days before the change takes place.

Section 7: Who to contact if you need more information

If you need more information or have any questions, you can call the Landlord and Tenant Board at 416-645-8080 or toll-free at 1-888-332-3234. Or, you can visit the Board's website at tribunalsontario.ca/lrb.