

Electrical Submetering Addendum

Date of Lease: _____
(when the lease is filled out)

1. **Addendum.** This is an addendum to the TAA Lease Contract for Apt. No. _____ in the _____

Apartment(s) in _____, Texas

OR

the house, duplex, etc. located at (street address) _____

_____ in _____, Texas.

2. **Electrical Submetering.** Your dwelling unit is submetered for electricity. You'll receive electricity bills monthly, based on how many kilowatt-hours (KWHs) you use as recorded on the submeter for the dwelling unit described above.

3. **Coverage and Cost.** Your monthly bill for electricity for your dwelling unit will cover only electricity consumed within your dwelling unit. The submeter bill will not include any electricity for common areas or common facilities. Your per-KWH cost will be what the electric utility company charges us for an average KWH, that is, our total bill divided by the apartment community's total KWH consumption. There will be no extra charge of any kind for electrical consumption through your submeter. Billing calculations are governed by Rule 25.142 of the Public Utility Commission of Texas.

4. **Your Payment Due Date.** You must pay your monthly electric submeter bill within 16 days after the date when we issue it. If you don't pay it within 16 days, you'll be liable for a late payment charge of 5 percent of the bill. You must pay your bill directly to [check one] us at the same place where you pay your rent or the address specified in your submeter bill. If your electric service is disconnected for nonpayment, we can charge you up to \$10 for a reconnection fee. The Public Utility Commission regulates electric submetering rules. A summary of the rules is set forth on the reverse side of this page.

5. **Late Payment.** If you are late in paying the electric bill, we may cut off your electricity pursuant to statutory procedures. We may also exercise all other lawful remedies, including eviction. If your electric service must be re-established after it is disconnected for nonpayment, we will also charge you a \$_____ reconnection fee (not to exceed \$10, based on our average cost to reconnect service.)

Resident or Residents (all sign below)

Owner or Owner's Representative (sign below)

Name of Resident _____ Date Signed _____

Name of Resident _____ Date Signed _____

Date Signed _____

Name of Resident _____ Date Signed _____

Name of Resident _____ Date Signed _____

Name of Resident _____ Date Signed _____

Name of Resident _____ Date Signed _____

A CHECKLIST OF ELECTRICITY CONSERVATION IDEAS FOR YOUR DWELLING

1. Keep doors and windows closed when running your air conditioning unit for cooling or heating.
2. When you're inside your dwelling, set all thermostats at 78 degrees in the summer and use fans to make it feel cooler.
3. When you'll be gone more than four hours, change the thermostat to 80 degrees when cooling and 55 degrees when heating.
4. In the winter, keep the temperature at 68 during the day and lower the thermostat temperature to 55 degrees at night.
5. Adjust window blinds or drapes to keep out direct sunlight in the summer and let in direct sunlight in the winter.
6. Use a microwave instead of using an oven, whenever possible.
7. Take showers rather than tub baths to conserve hot water heated by electricity.
8. Make sure your air conditioner is clean. Changing dust filters on your air conditioning unit is important. Filters are essential to keep airborne dust from gathering on the cooling coils and preventing the air conditioning compressor from using more electricity. Also, when a filter is dirty it loses its dust-gathering capacity, and it will then use more electricity in circulating air because of the accumulation of dust in the filter.
9. Turn off lights, TVs, computers and other electrical equipment when leaving a room.
10. Close vents and doors to unused rooms.
11. Use energy settings on dishwashers, washing machines and clothes dryers. Run when fully loaded. Use at night.
12. Consider using compact fluorescent light bulbs rather than standard incandescent bulbs.

SUMMARY OF TEXAS PUBLIC UTILITY COMMISSION SUBMETERING RULES FOR ELECTRICITY

The Texas Public Utility Commission (PUC) has adopted comprehensive submetering rules for electricity. Those rules (or a summary of those rules approved by the PUC) must be attached to your Lease Contract. PUC Substantive Rules §25.141 and §25.142, relating to submetering, may be found on the PUC website at [www.puc.state.tx.us]. Specific questions about the PUC rules may be directed to the PUC at 888/782-8477. This is a summary of our duties and your duties under the rules, which has been approved by the PUC. As on the other side of this page, the terms “you” and “your” refer to all residents, and the terms “we” and “our” refer to the owner.

1. **Submeter Bills in General.** Your submeter bill may cover only electricity consumed within your apartment unit, as measured by that unit’s submeters. Electrical consumption for the common areas and common facilities are our sole responsibility. Each month, the electric submeter bill must be given as separate bills or as separate, distinct line items on a multi-item bill. The bill must state that it is for “submetered electricity.” Allocations of non-submetered mastermetered utilities and allocations of utility costs of central hot-water systems or central air conditioning or heating systems are lawful if (1) they are clearly separate from the submetering charges for your apartment, and (2) they are covered by a separate addendum. Proration of non-submetered mastermetered utilities must also be covered by separate documents.
2. **How Your Submeter Bill Is Calculated.** Your bill is calculated in the following manner: after we receive the apartment utility bill from the utility company, we’ll divide the net total charges for electrical consumption, plus applicable tax, by the total number of KWHs to obtain an average cost per KWH. This average KWH cost is then multiplied by your KWH consumption to obtain the charge to you. The computation of the average cost cannot include any penalties charged by the utility to us for disconnect, reconnect, late-payment or other similar service charges.
3. **What Your Submeter Bill Must Show.** Your bill must show all of the following information:
 - (a) the date and reading of the submeter at the beginning and at the end of the period for which the bill is rendered;
 - (b) the number of KWHs metered;
 - (c) the computed rate per KWH;
 - (d) the total amount due for electricity;
 - (e) a clear and unambiguous statement that the bill is not from the utility company, which must be named in the statement;
 - (f) the name and address of the person to whom the bill applies;
 - (g) the name of the firm rendering the submetering bill and the name and title, address and telephone number of the person or persons to be contacted in case of a billing dispute;
 - (h) the name, address and telephone number of the party to whom payment is to be made; and
 - (i) the due date and the late-payment penalty (if a late-payment penalty has been agreed to in the Lease Contract).
4. **Due Date.** The due date of your submeter bill is no less than seven days after issuance. A bill for submetered electricity is delinquent if it’s not received by the party indicated on the bill by the due date. The postmark date on the envelope of the bill or on the bill itself constitutes proof of the date of issuance. An issuance date on the bill constitutes proof of the date of issuance if there is no postmark on the envelope or bill. If the due date falls on a holiday or weekend, the due date for payment purposes is the next work day after the original due date.
5. **Late Payment Charges.** A one-time penalty not to exceed 5% may be made for payment of your submetered electrical bill after the due date (i.e., for late payment). In order for late payment penalties to be charged, the bill must indicate the amount due if paid by the due date and the amount due if the late penalty is incurred. No late penalty may be applied unless agreed to by you in a written Lease Contract which states the exact dollar or percentage amount of such late penalty.
6. **Reconnection Fees.** A reconnection fee may be charged if service to you is disconnected for nonpayment of submetered electric bills in accordance with the Texas Property Code and PUC rules (summarized below). The reconnection fee is calculated based on our average actual cost for the expenses associated with the reconnection, but under no circumstances may it exceed \$10. No reconnect charge may be assessed unless you’ve agreed to it in a written Lease Contract that states the exact dollar amount of the charge.
7. **Additional Charges on Your Bill.** We can’t impose any extra charges on you over and above those charges billed to us by the utility company. The bill may not include a deposit, late penalty, reconnect charge, or any other charge unless otherwise provided above.
8. **Our Records.** We’re required to keep the following records for the current month and the preceding 12 months: (1) all electric utility bills from the utility company; (2) all of your submeter readings; (3) our calculations on how the average KWH cost was determined for submeter billing purposes; and (4) any testing results on the submeters if they have been tested during that time. You may examine and copy the information during reasonable business hours at your manager’s on-site office. If there is no such on-site office, you may examine and copy the records at a mutually convenient time and place.
9. **Disputes.** You and we must resolve any disputes regarding how to compute your submeter bill. If a dispute arises and if an investigation is necessary, we’re required to investigate promptly and report the results to you within 30 days.
10. **Overbilling or Underbilling.** If submetered billings are found to be in error, we must calculate a billing adjustment. If you are entitled to a refund, we’ll make an adjustment for the entire period of the overcharges. If you were undercharged, we may backbill you for the amount underbilled. Any backbilling of electric charges cannot extend back beyond six months unless we produce records to identify and justify the additional amount of backbilling. If the underbilling is \$25 or more, we must offer a deferred-payment plan option, for the same length of time as that of the underbilling. But we may not disconnect service if you fail to pay charges arising from an underbilling more than six months before the date you were initially notified of the amount of the undercharges and the total additional amount due. And we can’t backbill you for usage by a previous resident.
11. **Discontinuance of Electric Service Prohibited.** According to the Texas Property Code, Section 92.008(b), submetered, prorated or allocated electric service provided by the landlord as an incident to tenancy or other agreement may not be disconnected or interrupted unless the interruption results from nonpayment by a tenant of an electric bill issued to the tenant by the landlord for such electric service, bona fide repairs, construction, or an emergency. Disconnection or interruption allowed under Section 92.008 is subject to the specific requirements in that section. Violation for disconnection or interruption of electric service, including submetered, prorated or allocated electric service, may result in the tenant terminating the Lease Contract or recovering possession of the premises; and, in addition to other remedies available under law, recovery of actual damages, one month’s rent plus \$1,000, reasonable attorney’s fees, and court costs, less any delinquent rents or other sums.
12. **Submeter Tests.** We’re required to keep records of any tests of the submetering equipment. We must, at your request, test the accuracy of your submeter. If you wish, you may watch the test, or you can send a representative. The test must be made during reasonable business hours at a time convenient to you if you desire to watch. If the submeter test indicates that the submeter is within the accuracy standards required by PUC rules, a charge of up to \$15 for electricity may be charged to you for making the test. But if the submeter has not been tested within a period of one year or if the submeter’s accuracy is not within the accuracy standards required by PUC rules, no charge can be made to you for making the test. After completing any requested test, we’ll promptly advise you of the results.
13. **Penalties for Noncompliance.** Both the utility companies and we are subject to enforcement under the PUC statutes, which may involve civil penalties of up to \$5,000 for each offense and criminal penalties for willful and knowing violations.
14. **Complete Copy of the Rules.** A complete copy of the PUC electricity submetering rules is available for you to inspect and copy at the on-site manager’s office; or if there is no on-site office, it’s available at our street address or the management company’s street address stated on the other side of this page. The rules cover additional subjects such as: (1) estimated bills in case of submeter malfunctions; (2) submeter accuracy requirements; (3) bill adjustments due to a submeter malfunction; (4) bill adjustments due to conversion from all-bills-paid to submetering; (5) location of submeters; (6) submeter testing equipment; (7) submeter testing; and (8) uniformity of submeters in the apartment complex.