

Testimony of Olivia Wein
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Public Hearing: B26-0595, the “Transparent Rates and Utility Expenses
Amendment Act of 2026”
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Ratio Utility Billing Systems (RUBS) Tenant Consumer Protections

Thank you, Chairperson White and the members of the Housing Committee for convening the hearing on B26-0595, the “Transparent Rates and Utility Expenses Amendment Act of 2026” (the TRUE Act).¹ We urge the D.C. Council to strengthen this bill and protect tenants by prohibiting Ratio Utility Billing Systems (RUBS) billing in the District of Columbia. In the alternative, we urge the Council to adopt stronger consumer protections for tenants.

I’m Olivia Wein, Senior Attorney at the National Consumer Law Center. Since 1969, the nonprofit [National Consumer Law Center® \(NCLC®\)](#) has used its expertise in consumer law and energy and utility policy to work for consumer justice and economic security for low-income and other disadvantaged people in the United States. I work in the Center’s Washington office on federal and state policies and programs that protect low-income consumers access to essential utility services. NCLC has published an article explaining the harm from RUBS.²

Currently, the TRUE Act focuses on disclosure of landlord utility bills that use RUBS. However, disclosure is not enough to protect tenants. We think a better approach is actually a prohibition on the use of RUBS for the following reasons.³

First, banning RUBS billing is more likely to incentivize conservation. Since RUBS bills are not based on actual usage, there is no incentive for tenants to conserve. Tenants pay the same bill if they go out of their way to conserve as tenants who are extremely wasteful with power and water. Promoting individual metering or submetering by landlords in master-meter buildings would create a direct connection between usage and billing.

There is likewise no incentive for a landlord to invest in energy efficient or water saving appliances and fixtures since the tenants will be paying the utility costs. Worse, tenants will bear the costs for water leaks and poor air sealing. On the other hand, the including the cost of utility service in rent provides the landlord with a price signal and incentive to timely repair leaks.

¹ Olivia Wein appeared before the Committee on Housing to provide oral testimony on this bill on March 30, 2026. This is her accompanying written testimony on B26-0595, The True Act.

² “An Introduction to Ratio Utility Billing Systems for Tenant Advocates”, NCLC available at <https://library.nclc.org/article/introduction-ratio-utility-billing-systems-tenant-advocates>.

³ Examples of states and jurisdictions that have prohibited RUBS include: Connecticut (*see* Northland Investment Corporation v. Public Utilities Regulatory Authority, 349 Conn. 35 (2024)); Minn. Stat. §§ 216B.023(2)(a)(1), 504B.216(5)(a) (no RUBS for electricity); N.C. Gen. Stat. § 62-110(g)(1a)(a) (no RUBS for hot water). *See also*, San Jose, Cal., [Municipal Code § 17.23.315](#), available at <https://library.municode.com> and Mountain View, Cal., Community Stabilization and Fair Rent Act, [Ch. 13 \(Utility Charges\)](#), available at www.mountainview.gov.

Second, it is unfair for a landlord to profit from the resale of an essential utility service to his/her tenants. Spotting overcharges for service and inaccuracy of the utility billing is nearly impossible for tenants. For tenants receiving RUBS bills, it's very hard to know if the bill is fair or accurate each month and even where the tenant has the RUBS formula, inputs into the formula can change from month to month (such as the occupancy number). There are two forms of overpayment. First, if the tenant's bill is not calculated properly per the RUBS formula leading to overpayment. Second, if the landlord is charging all the tenants more than the actual utility bill for the building for a particular month. For the former scenario, the tenant would need to know the applicable RUBS formula for the particular utility service, the landlord's utility bill for that month and all of the inputs into the formula (e.g., occupancy). For the later scenario, the only way the tenants in the building can figure out if they are overpaying for utility service is to compare the landlord's monthly bill for a particular utility service against the RUBS bills of all the tenants in the building for that month. If one adds all the tenants' RUBS bills for the month and compares this to the landlord's monthly utility bill, one can see if there is a variance from the landlord's actual utility bill, and for how much. For a more accurate picture of the total amount of the variance, this monthly comparison should cover the bills for at least one full year, because usage can vary by season. This is difficult for any one tenant to calculate on their own.

RUBS billing creates an incredibly difficult environment to spot overcharging. The confusing billing systems makes it difficult to know if the landlord is profiting from the resale of an essential utility service through the rates and assorted charges. For example, the landlord is billed at a lower commercial rate, but charges his/her tenants a higher residential rate for service (arbitrage). The landlord could also be charging tenants a higher rate not pegged to any other utility rate. The landlord could be charging fees that direct customers of the utility would not be charged (such as an administrative charge) or fees such as late fees that are much higher than direct customers of the utility would pay.

If RUBS is not prohibited, much stronger and more comprehensive consumer protections are needed to limit financial harm to tenants. For instance, a RUBS transparency ordinance that does not place express limitations on what can be included in the bill can lead to unfair and inflated bills. Areas of the building that are the landlord's responsibility should not be covered in the RUBS bills. These include: common areas, pools, landscaping, laundry rooms and vacant units. In addition, charges on the landlord's utility bills that are the landlord's responsibility (e.g., late charges) should not be passed on to tenants and it is also important to ban or severely cap administrative fees (since it is the landlord's choice to use RUBS instead of including utilities in rent).

Other features of RUBS billing that make it hard for tenants to spot inaccurate and unfair billing charges include the number of different RUBS formulas that are in use and the ability of landlords to change the RUBS formulas at any time.

For the reasons stated above, NCLC strongly urges the Council to prohibit RUBS as it is likely to increase the cost of housing for tenants and subject tenants to volatile utility prices, discourage the District of Columbia's efforts at conservation of energy and water and will require the District of Columbia to spend money on enforcement. Other states have taken some initial steps

to protect tenants from aspects of RUBS billing, but none is as protective as a prohibition. Below are some examples of some limited measures to address particular harms from RUBS:

1. Prohibit the ability to profit from the resale of utility service and expressly limit what the landlord can charge tenants. Minnesota's RUBS law (which prohibits RUBS for electric service) prohibits landlords from making a profit on RUBS (for gas and water/sewer) and further limits specific items from the tenants' RUBS bills. Minnesota's RUBS statute prohibits inclusion of common areas, spaces used exclusively or primarily by the landlord, and vacant units in the tenants' RUBS bills. Tenants must also get their pro rata share of any bill credits or adjustments received by the landlord from the utility.⁴ Montgomery County, MD's RUBS ordinance prohibits inclusion of landscape irrigation; laundry rooms and pools.⁵
2. Limit the fees that can appear on a RUBS bill. Minnesota limits admin charges for all the utilities charged through RUBS to no more than \$8 total a month. Late fees cannot be compounded and are limited to \$5 per month.⁶ Those are the only RUBS fees allowed. Montgomery County, MD prohibits certain fees such as landlord's deposits, disconnection, reconnection and late payment fees and limits water RUBS service charge or administrative fees to the maximum allowable under their state utility commission's limits (currently \$1).⁷
3. Limit the number of RUBS formulas to standardized the billing formulas to make the billing simpler. For example, Minnesota recently passed a law that prescribes the RUBS (called "apportionment") formula for natural gas and water/sewer.⁸ Minnesota prohibits the use of RUBS for electricity.⁹ Maryland has a RUBS disclosure law that allows counties to enact more stringent laws.¹⁰ In Montgomery County, Maryland RUBS water/sewer bill formulas are limited by ordinance and landlords must file with the county the buildings that use RUBS for water/sewer and the formula.¹¹
4. Include an adequate enforcement mechanism. In order for consumer protections to be meaningful, RUBS tenants must be able to appeal to a neutral 3rd party if there is a billing dispute and there needs to be a clear and uniform process for addressing RUBS billing disputes. The True Act needs a strong enforcement mechanism. In Montgomery County, Maryland tenants with water RUBS billing dispute must first try to work it out with the landlord. The landlord has to perform an investigation and report the results to the tenant within 30 days. Tenants can file a complaint with the Housing and Community Affairs Department regarding any landlord violations of the RUBS regulations.¹² In Minnesota,

⁴ Minn. Stat. §§504B.216(6)(RUBS formula for natural gas) and (7)(RUBS formula for water/sewer).

⁵ Montgomery County, MD COMCOR 29.00.07.

⁶ Minn. Stat. §§504B.216(8) and (9).

⁷ Montgomery County, MD COMCOR 29.00.06 and 29.00.09.

⁸ Minn. Stat. §504B.216(6)(RUBS formula for natural gas) and (7)(RUBS formula for water/sewer).

⁹ Minn. Stat. §504B.216(5)(a) (no RUBS for electricity)

¹⁰ MD Code Real Property §8-212.4(e)(2).

¹¹ Montgomery County, MD COMCOR 29.00.01.

¹² See Montgomery County RUBS application for the landlord at <https://www.montgomerycountymd.gov/DHCA/Resources/Files/finance/licensing/forms/rubs-form.pdf>.

RUBS tenants must first try to resolve disputes with the landlords. Tenants have the right to a payment arrangement and the right to seek assistance from the PUC's Consumer Affairs Office. The contact information for the Consumer Affairs Office must be provided to the tenants.¹³ The District of Columbia must be prepared to ensure there is adequate funding for meaningful enforcement of regulations. The District of Columbia could also create a private right of action so that tenants have a meaningful opportunity to avail themselves of any RUBS consumer protections.

Thank you for the opportunity to provide testimony about the importance of tenant protections with RUBS and why the product is inherently unfair to tenants. I look forward to working with the members of this committee on protecting tenants from RUBS harms.

¹³ Minn. Stat. §§504B.216(5)(e) and 216B.024.