

## Communication from Public

**Name:** April Kuehnhoff  
**Date Submitted:** 02/24/2026 07:11 AM  
**Council File No:** 22-0178  
**Comments for Public Posting:** Please see the attached letter.



**National  
Consumer Law  
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*Fighting Together  
for Economic Justice*

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February 24, 2026

Honorable Members of the City Council  
City of Los Angeles  
200 North Spring Street  
Los Angeles, CA 90012  
Sent via Public Comment Form<sup>1</sup>

Tiena Johnson Hall, General Manager  
Anna Ortega, Assistant General Manager Regulatory Code & Compliance Bureau  
Los Angeles Housing Department  
1910 Sunset Blvd, Ste. 300  
Los Angeles, CA 90026  
Sent via email to [tiena.hall@lacity.org](mailto:tiena.hall@lacity.org) and [anna.ortega@lacity.org](mailto:anna.ortega@lacity.org)

**RE: Council File 22-0178 and Ratio Utility Billing System (RUBS)**

Dear Honorable Members of the City Council, Ms. Johnson Hall, and Ms. Ortega:

My name is Olivia Wein, and I am a Senior Attorney at the National Consumer Law Center (NCLC),<sup>2</sup> where my work focuses on policies and programs that protect low-income consumers' access to essential utility services, including water, energy, and telecommunications. My colleague, April Kuehnhoff, is a Senior Attorney at NCLC whose work focuses on advocacy related to fair debt collection and how consumer laws protect tenants.

We read the Los Angeles Housing Department's recent report and recommendations about implementation of an ordinance requiring greater transparency from landlords using Ratio

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<sup>1</sup> <https://cityclerk.lacity.org/publiccomment>

<sup>2</sup> The National Consumer Law Center ("NCLC") is a national research and advocacy organization focusing on the legal needs of consumers, especially low income and elderly consumers. For over 50 years NCLC has been the consumer law resource center to which legal services and private lawyers, state and federal consumer protection officials, public policy makers, consumer and business reporters, and consumer and low-income community organizations across the nation have turned for legal answers, policy analysis, and technical and legal support.

Utility Billing System (RUBS) to calculate utility bills in master-metered rental housing.<sup>3</sup> Respectfully, we do not believe that simply adding greater transparency will be sufficient to protect Los Angeles tenants. Instead, **we urge the City Council to prohibit RUBS billing for all Los Angeles tenants - not just tenants living in rent stabilized units.**

Prohibiting RUBS billing will promote City conservation efforts, such as ongoing water conservation efforts in Los Angeles. Since RUBS bills are based on a portion of the entire bill, it is much harder to motivate individuals and families to decrease their use of water or other utilities. Promoting individual metering by utilities or submetering by landlords in master-metered buildings would more effectively promote conservation by tenants - creating a direct connection between usage and utility bills.<sup>4</sup>

We are attaching to this letter an article that we recently published, An Introduction to Ratio Utility Billing Systems for Tenant Advocates.<sup>5</sup> As discussed in this article, it is difficult for tenants to assess the accuracy of RUBS utility bills because they do not know:

1. the formula for calculating these bills,
2. the total amount of the master bill,
3. whether the landlord pays a master-metered utility bill at the commercial rate but then passes on a higher residential rate to the tenants, or
4. the fees assessed by any third-party billing agent.

To obtain adequate transparency to assess the accuracy of their bill, the tenant would need information about all four items. While the third and fourth factors might be stable from bill to bill, the second factor would be different every time - requiring access to the master bill every payment period to calculate the accuracy of an individual bill. It is likely that tenants, in practice, would face obstacles accessing the master bill even if regulations required landlords to provide "reasonable access" to such statements. Tenant unions or advocates would need to obtain the bills from each unit every billing period to assess whether the totals are being inflated for the building as a whole. This is typically not feasible, hindering group efforts to address inflated utility bills.

Moreover, while the factors considered in the RUBS formula might not change from one payment period to the next, any formula that accounts for the number of occupants would necessarily change any time unit occupancy changes. Tenants would likely not have access to changing building occupancy numbers. Even formulas based on static numbers comparing the square footage of their unit to the building as a whole or the number of bedrooms or

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<sup>3</sup> [https://cityclerk.lacity.org/onlinedocs/2022/22-0178\\_rpt\\_lahd\\_1-05-25.pdf](https://cityclerk.lacity.org/onlinedocs/2022/22-0178_rpt_lahd_1-05-25.pdf)

<sup>4</sup> For example, Massachusetts law encourages conservation by prohibiting RUBS for water and allows for submetering only if the landlord installs water conservation measures and complies with additional requirements. M.G.L. c. 186, sec. 22.

<sup>5</sup> <https://library.nclc.org/article/introduction-ratio-utility-billing-systems-tenant-advocates>

bathrooms in their unit compared to the number in the building as a whole would typically be inaccessible to tenants.

In addition to difficulty accessing the needed information to determine the accuracy of their bill, a large knowledge gap would remain. In order to know that they needed to find these pieces of information to check the accuracy of their utility bill every payment period, the tenants would first need to understand what RUBS is and how it works. Tenants generally are not familiar with RUBS billing or how it is calculated. Los Angeles would need to spend significant time, money, and resources to create campaigns to increase public knowledge of RUBS and their rights as tenants with respect to RUBS billing - a process that will be even more difficult where tenants have limited English proficiency.

For the reasons outlined above, we urge the LA City Council to prohibit RUBS billing for all Los Angeles tenants. Thank you for your time. Please feel free to contact us at the email addresses below if you have any questions.

Sincerely,

Olivia Wein  
Senior Attorney  
[owein@nclc.org](mailto:owein@nclc.org)

April Kuehnhoff  
Senior Attorney  
[akuehnhoff@nclc.org](mailto:akuehnhoff@nclc.org)


## Communication from Public

**Name:** APRIL Kuehnhoff  
**Date Submitted:** 02/24/2026 07:18 AM  
**Council File No:** 22-0178  
**Comments for Public Posting:** Please see attached for an article about RUBS to support the previously submitted letter.

# An Introduction to Ratio Utility Billing Systems for Tenant Advocates

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 [Olivia Wein](#), [April Kuehnhoff](#), [Ariel Nelson](#)

 February 15, 2026

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A growing rental housing utility billing practice is called Ratio Utility Billing Systems (RUBS). RUBS may create problems for tenants not found in other utility billing systems and may even enable abusive landlord utility billing practices for a tenant's

gas, electricity, or water services. Understanding RUBS is now essential for anyone representing tenants.

A RUBS bill is not determined by calculating a particular tenant's utility usage. Instead RUBS bills are based on opaque, building-wide formulas. These formulas differ from one building to the next and can be changed at the landlord's discretion. As explained below, RUBS bills may pass along inflated charges or include additional junk fees adding to the growing utility affordability crisis.

This article discusses what RUBS billing is, how RUBS billing differs from and may be worse for tenants than other types of utility billing, the potential for RUBS overcharges, and how to determine if a client's RUBS bill is accurate.

## RUBS Billing Explained

Where an apartment building has one meter for a particular utility service (e.g., water, gas, or electricity), the utility company contracts with and bills the landlord, and that meter is called the master meter.

With RUBS, a tenant's building receives a master bill for the utility, and each tenant contributes to the building's utility bill based on a formula that considers characteristics of the unit or of the tenants. For example, the RUBS formula often includes one *or more* of the following variables – selected by the landlord:

- The number of units in the building;
- The square footage of a unit;
- The number of bedrooms;
- The number of bathrooms;
- The number of occupants.

**Example:** In a 10-unit building with a \$1,000 master water bill, that building's landlord uses a RUBS formula that simply divides the bill equally based on the number of units in the building. Each unit is charged \$100/month for water.

Unfortunately, determining the accuracy of a RUBS utility bill is not that straightforward. Tenants may not know what the formula is for calculating their bills or have access to the master bill or the bills of other tenants to see if their bills are being calculated correctly.

Another complicating factor is that the owner of the multifamily apartment building may be paying a lower, commercial rate for a utility service and then charge tenants based on a higher, residential rate. The landlord pockets the difference between the commercial and residential utility rate by passing along the higher rate to tenants using the RUBS bill.

**Example:** In a 10-unit building, the building owner is charged \$1,000 for water on the master bill, benefiting from the commercial rate. The owner recalculates the water bill based on the higher residential rate as \$1,200, before applying the RUBS formula to divide the bill equally based on the number of units in the building. Each unit is charged \$120 for water.

The landlord when using RUBS often contracts with a third-party billing agent to generate and collect the utility bill. The billing agent may charge the tenant for its services or additional fees to process payments. These junk fees further inflate the cost that tenants must pay for utilities.

**Example:** Instead of managing the RUBS billing and collection directly, the landlord hires a third party to do this. The third party:

- Obtains the master billing information – \$1,000;
- Applies any adjustment in prices based on the commercial/residential rate differential – \$1,200;
- Applies the RUBS formula – \$120 per unit; and
- Charges an additional \$5 monthly fee to each unit for its services – for a total of \$125 per unit (instead of \$100, the landlord's cost divided by the 10 units).

Tenants may have one or more different types of utility service calculated based on RUBS billing.

## How RUBS Differs from Other Ways That Tenants Pay for Utilities?

How an individual tenant pays for various utility services can differ from one utility service to another. For example, a tenant could pay the utility company directly for electricity but pay for water and sewer through their rent. This section looks at how RUBS billing may pose difficulties for tenants not found in each of the more traditional ways tenants pay for utility service.

## — ***Utility Included in the Rent***

Tenants often pay for a utility service by the landlord including that service in the rent as part of a fixed monthly cost.

**Example:** Tenant pays \$1,500 per month in rent, which includes water, sewer, and trash removal.

Because the utility is included in the rent and that monthly price is fixed and known to the tenant in advance, this utility payment model is transparent, unlike the often-opaque formulas used for RUBS billing.

The fixed price also makes it easier for a tenant to calculate whether they can afford to live in a particular rental property than for a tenant facing a RUBS bill that varies over time based on their portion of the total amount of the utility used in their building. Promoting price stability and predictability for tenants is particularly helpful in places where utility pricing is uncertain or increasing rapidly. For example, in some parts of the country, utility rates are rising faster than inflation or utility costs fluctuate seasonally, creating significantly higher heating or cooling costs in certain months.

## — ***Tenant Pays the Utility Company Directly***

If an individual apartment in a multi-unit building is connected for its own utility service to a utility company's meter, the tenant contracts with the utility company for service in their own name. The utility company owns the meter and is responsible for its accuracy.

**Example:** In a 10-unit building, each unit is individually metered for electricity. Each tenant must contact the utility to set up and pay their electric bill based on how much electricity they use each month.

Because the utility bill is determined by the tenant's actual usage and not a building-wide RUBS formula, tenants have some control over their utility bill. They can change their usage to promote conservation and decrease utility costs.

State governments regulate public utilities. Depending on the state, these regulations may cover billing disputes, consumer protections regarding partial utility payments, discounted utility rates for low-income rate payers, and access to utility payment plans.

State regulations may also include prohibitions or caps on certain fees on utility bills or protections from disconnection during extreme temperatures or when a customer has a serious illness. For a state-by-state summary of utility consumer protection regulations, see **NCLC's Access to Utility Service Appendix A** (<https://library.nclc.org/book/access-utility-service/alabama>). These critical protections do not exist with RUBS unless a state has added protections specific to RUBS.

## — ***Submetering Installed by the Landlord***

In a multi-unit building with a master meter, the landlord can also install submeters for the utility service. The landlord installs for each unit a meter that measures that unit's usage, and then charges each tenant for utility service based on that tenant's usage.

**Example:** In a 10-unit building with a \$1,000 master water bill, the landlord installed submeters for water usage in each unit. The landlord can see that Unit 1 is using 20% of the building's water usage and thus bills that unit \$200 due to its higher usage.

As with direct billing by a utility company, submetering results in charges to tenants based on their actual usage. However, with submetering, issues related to rates, meter accuracy, charges, non-payment, and disconnections are between the landlord and the tenant. These disputes are likely not governed by state utility consumer protections, but through state and local landlord-tenant law.

RUBS may be tempting for landlords of master-metered property, because the cost of installing and maintaining submetering in an old building can be very expensive.

## **Determining If RUBS Billing Is Accurate**

Whether representing a client facing eviction, defending the client in a collection lawsuit, or assessing the viability of a tenant's consumer protection claims, you may need to learn more about the nature of the RUBS billing to assess the client's claims or defenses. This section provides a checklist as to what questions to answer when determining whether a client's RUBS bill is accurate.

## — ***Background Information About Utilities***

- Which utilities are included in the rent (e.g., electric, water, sewer, gas, and/or trash) and which utilities are paid for separately?
  - For each utility that the tenant pays, ask how the tenant pays for that utility.

## — ***Interactions Before Signing a Lease***

- Did the landlord provide any information about utilities in the advertisements for the apartment?
  - Ask if the tenant has a copy of the advertisement or what the tenant remembers.
- Did the landlord provide any information about utilities when showing the unit?
  - Ask if the tenant received anything in writing before signing the lease or what the tenant remembers being told.

## — ***Information in the Lease***

- Ask the tenant if they have a copy of the lease or can obtain a copy. Review the lease to determine:
  - What does the lease say about the tenant's rights and responsibilities for utility services?
  - Does the lease explain how the RUBS formula is calculated and applied?
  - Is there an explanation of what happens if the tenant makes partial payments on a RUBS utility bill?
  - Is failure to pay a RUBS utility bill considered a material and substantial breach of the lease that could result in eviction for nonpayment? See, e.g., **Northland Investment Corporation v. Public Utilities Regulatory Authority** ([https://scholar.google.com/scholar\\_case?case=2961557887610598219&hl=en&as\\_sdt=6&as\\_vis=1&oi=scholarr](https://scholar.google.com/scholar_case?case=2961557887610598219&hl=en&as_sdt=6&as_vis=1&oi=scholarr)), 349 Conn. 36, 41 (2024).
  - Is there an explanation of how disputes regarding the utility bill are to be handled?

- Does the lease disclose any third-party billing company and whether that billing company assesses additional fees or charges?

## — ***RUBS Bills to the Tenant***

- Ask the tenant if they have a copy of one or more bills for the RUBS utility. Review the bill(s) to determine:
  - Does the landlord use a third-party company to administer and collect RUBS bills?
  - Does the RUBS bill include additional charges or fees?

## — ***Master Bills from the Utility to the Landlord***

- Ask the tenant to request a copy from their landlord of master bill(s) for the utility that uses RUBS billing. Depending on the utility service, bills can fluctuate due to seasons or unusual weather extremes, so secure a year or two of bills. Review the master bill(s) to determine:
  - Was the RUBS formula applied accurately to the tenant's unit based on the amount charged in the master bill(s)?
  - Is the landlord being charged the commercial rate for the utility and passing on a higher residential rate to the tenant?

## — ***Applicable State and Local Laws***

- Research whether state and local laws that apply to RUBS billing. These might include:
  - Laws banning RUBS altogether. See, e.g., **San Jose California Municipal Code § 17.23.315** ([https://library.municode.com/ca/san\\_jose/codes/code\\_of\\_ordinances?nodeid=tit17buco\\_ch17.23redimeardwunexmomopa\\_pt3inrereinpehepr\\_17.23.315lialfepathch](https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeid=tit17buco_ch17.23redimeardwunexmomopa_pt3inrereinpehepr_17.23.315lialfepathch)). See also **Mountain View California Rental Housing Draft**

**Regulations** (<https://mountainview.legistar.com/legislationdetail.aspx?id=6451916&guid=d3d18874-2de9-4447-909e-cf1c2027a36c>).

- Laws banning RUBS for specific types of utility service. See N.C. Gen. Stat. § 62-110(g)(1a)(a) (hot water); Minn. Stat. §§ 216B.023(2)(a)(1), 504B.216(5)(a) (electricity).
- Laws that explicitly permit RUBS and include some consumer protections. See, e.g., Minn. Stat. § 504B.216 (using the term “apportionment” instead of “RUBS”). See also Ariz. Rev. Stat. Ann. § 33-1314.01; Colo. Rev. Stat. § 38-12-801(3)(a) (VI); **Code of Montgomery County Regulations 29.00.01** ([https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco\\_md\\_comcor/0-0-0-15166#jd\\_29.00.01](https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco_md_comcor/0-0-0-15166#jd_29.00.01)).
- Laws prohibiting landlords from making a profit on utility service, such as by paying a commercial rate on the building’s master utility bill and assessing tenant charges based on the higher residential utility rate. See, e.g., Or. Rev. Stat. § 90.568(4) (landlord may not bill or collect more than what the utility charges the landlord).

## Potential Tenant Claims

As of now, there is little litigation involving consumer protection claims against landlords or billing companies related to RUBS billing. If you are or have been involved in such litigation, please contact Olivia Wein at [owein@nclc.org](mailto:owein@nclc.org) (<mailto:owein@nclc.org>).

Tenant claims for unfair or deceptive RUBS practices may be available under a state’s unfair and deceptive acts and practices or “UDAP” statute – such statutes generally apply to landlords and to third-party RUBS billing companies and cover not only non-disclosure and deception, but unfair practices. See **NCLC’s Unfair and Deceptive Practices §§ 2.2.6** (<https://library.nclc.org/book/unfair-and-deceptive-acts-and-practices/2261-general-coverage>), **8.5.6.2** (<https://library.nclc.org/book/unfair-and-deceptive-acts-and-practices/8562-claims-against-landlords-developers-and-others>).

The Fair Debt Collection Practices Act will apply to third-party collection and state debt collection statutes may apply even to landlord collection practices. See generally **NCLC’s Fair Debt Collection** (<https://library.nclc.org/book/fair-debt>

[collection/1111-all-subscribers-have-access-digital-and-print-version](#)). Landlord-tenant law and RUBS legislation will be applicable, and a UDAP statute may provide a strong private remedy for violations of those landlord-tenant or RUBS statutes not otherwise themselves providing an adequate private remedy for their violation. See **NCLC's *Unfair and Deceptive Practices* §§ 3.2** (<https://library.nclc.org/book/unfair-and-deceptive-acts-and-practices/321-pleading-se-violations>), **3.3** (<https://library.nclc.org/book/unfair-and-deceptive-acts-and-practices/331-introduction>).

## For More Information on RUBS and Utility Service Protections

**NCLC's *Access to Utility Service*** (<https://library.nclc.org/book/access-utility-service/111-all-subscribers-have-access-digital-version>) (7th ed. 2024) (digital and 672 pp. print versions) covers disconnections, utility bill assistance programs, metering, payments, and telecommunications. Of special note are:

- **Chapter 3** (<https://library.nclc.org/book/access-utility-service/31-overview>): Tenant Strategies for Maintaining Service, including **§§ 3.1** (<https://library.nclc.org/book/access-utility-service/31-overview>) (Overview), **3.3** (<https://library.nclc.org/book/access-utility-service/331-landlords-obligation-provide-utility-service>) (Tenant Remedies Against Landlord).
- **Chapter 4** (<https://library.nclc.org/book/access-utility-service/411-typical-fact-patterns>): Metering Issues: Metering Errors, Master Metering, Submetering, Prepayment Meters, Advanced Meters, including **§ 4.5.4** (<https://library.nclc.org/book/access-utility-service/454-use-allocation-formulas-water>) (Use of Allocation Formulas for Water).
- **Chapter 13** (<https://library.nclc.org/book/access-utility-service/1311-importance-and-definition-manufactured-homes>): Manufactured Homes and Utility Service, including **§ 13.3** (<https://library.nclc.org/book/access-utility-service/1331-restrictions-master-metering>) (Utility Metering, Master Metering, and Submetering Arrangements).