Instructions for Completing the “Information from your Landlord about Utility Costs [One or More Utilities are no longer Provided in the Residential Complex]” Form

Read this information over carefully before filling out the Information from your Landlord about Utility Costs [One or More Utilities are no longer Provided in the Residential Complex] 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;* and

• You have ceased to provide one or more utilities to one or more rental units in the residential complex that was provided at the time of the AGI order.

* Note: If you took a rent increase that was 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 for operating costs for security services.

Who must receive this form?
You must give this form 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?
You must give this form 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…

Which Parts of the Form should be Completed?
You must fill out the information on page 1 of the form. Complete the tenant’s name, your name and the address of the rental unit.

Your must also complete the Information about your Rent box on the bottom of the page which informs the tenant whether or not their rent will be reduced. Important: You must fill in this part of the form after you have completed the calculations.

Calculations
You must complete Parts 1, 2 and 6 of the calculation form to determine whether a rent reduction is required. In addition:

• If you are giving this form to a tenant who resides in a rental unit that receives the same utilities that were provided at the time of the AGI order, then you must also complete Part 3 of the form, and Part 5 of the form if the tenant is entitled to a rent reduction.

• If you are giving this form to a tenant who resides in a rental unit where you have ceased to provide one or more utilities which were provided at the time of the AGI order, then complete Part 4 of the form, and Part 5 of the form if the tenant is entitled to a rent reduction.
Part 1 – Has there been a change in the utilities provided by the landlord to the tenant?
You must complete this part of the form.

Indicate on the form whether the utilities provided to the rental unit are the same as those provided at the time of the AGI order, or whether you have ceased to provide one or more utilities to that rental unit.

Part 2 – Adjusting the Base Year Utility Costs and Allowances
You must complete this part of the form.

(a) 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 the 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.

(b) Allowance for Utilities:
This amount is set out in the AGI Order.

(c) Percentage of Utility Costs Attributable to each Utility:
This information is set out in the AGI order.

(d) Base Year Utility Costs Attributable to Each Utility:
Complete the chart on the form. In this chart you will determine the proportion of the total Adjusted Base Year Utility Cost that is attributable to each utility.

*For example:*

*In the AGI Order the Total Adjusted Base Year Utility Costs = $10,000*

*The percentage breakdown from the order was:*  
\[ \text{Heat} = 50\% \]  
\[ \text{Electricity} = 40\% \]  
\[ \text{Water} = 10\% \]

*This is how the landlord completed this part of the form:*

<table>
<thead>
<tr>
<th>(i) Utility</th>
<th>(ii) Amount from row (a)</th>
<th>(iii) Percentage Amounts from row (c)</th>
<th>(iv) Costs Attributable to Each Utility [(ii) x (iii)]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat</td>
<td>$10,000</td>
<td>50%</td>
<td>$5,000</td>
</tr>
<tr>
<td>Electricity</td>
<td>$10,000</td>
<td>40%</td>
<td>$4,000</td>
</tr>
<tr>
<td>Water</td>
<td>$10,000</td>
<td>10%</td>
<td>$1,000</td>
</tr>
</tbody>
</table>
(e) Adjust Base Year Utility Costs for Utilities no longer Provided to one or more rental units in the Complex:
Continuing with the example above, let’s assume that there are 10 units in the complex and the landlord has stopped providing 5 of the tenants with electricity; all 10 units had electricity as of the time of the AGI order. All the other utilities provided by the landlord remained the same.

This is how the landlord completed this part of the form:

<table>
<thead>
<tr>
<th>(i) Utility</th>
<th>(ii) Costs Attributable to Each Utility (Part 2(d), column (iv) above)</th>
<th>(iii) # of Units in Complex for which Landlord still provides utility</th>
<th>iv) # of Units in Complex for which Landlord provided utility at time of AGI order</th>
<th>v) Adjusted Utility Costs [(ii) x (iii)* (iv)]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat</td>
<td>$5,000</td>
<td>10</td>
<td>10</td>
<td>$5,000</td>
</tr>
<tr>
<td>Electricity</td>
<td>$4,000</td>
<td>5</td>
<td>10</td>
<td>$2,000</td>
</tr>
<tr>
<td>Water</td>
<td>$1,000</td>
<td>10</td>
<td>10</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

(f) Total Adjusted Base Year Utility Costs in Part 2(e), Column (v)
Indicate on the form the total adjusted base year utility costs from Part 2(e) of the form.

Using the example above, the total would be $8,000 ($5,000 for heat; $2,000 for electricity and $1,000 for water).

(g) Allowances for Utilities Attributable to Each Utility:
The allowance for utilities is set out in the AGI order.

Complete the chart on the form. In this chart you will determine the proportion of the total Allowance for Utilities that is attributable to each utility.

For example:

In the AGI Order the Allowance for Utilities = $900

The percentage breakdown from the order was: Heat = 50%  
Electricity = 40%  
Water = 10%

This is how the landlord completed this part of the form:

<table>
<thead>
<tr>
<th>(i) Utility</th>
<th>(ii) Amount from row (b)</th>
<th>(iii) Percentage Amounts from row (c)</th>
<th>(iv) Allowance Attributable to Each Utility [(ii) x (iii)]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat</td>
<td>$900</td>
<td>50%</td>
<td>$450</td>
</tr>
<tr>
<td>Electricity</td>
<td>$900</td>
<td>40%</td>
<td>$360</td>
</tr>
<tr>
<td>Water</td>
<td>$900</td>
<td>10%</td>
<td>$ 90</td>
</tr>
</tbody>
</table>
(h) Adjust Allowance Attributable to each Utility:
Continuing with the example above, let’s assume that there are 10 units in the complex and the landlord has stopped providing 5 of the tenants with electricity; all 10 units had electricity as of the time of the AGI order. All the other utilities provided by the landlord remained the same.

This is how the landlord completed this part of the form:

<table>
<thead>
<tr>
<th>(i) Utility</th>
<th>(ii) Allowance Attributable to Each Utility (Part 2(g), column (iv) above)</th>
<th>(iii) # of Units in Complex for which Landlord still provides utility</th>
<th>(iv) # of Units in Complex for which Landlord provided utility at time of AGI order</th>
<th>(v) Adjusted Utility Allowance [(ii) x (iii)^+ (iv)]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat</td>
<td>$450</td>
<td>10</td>
<td>10</td>
<td>$450</td>
</tr>
<tr>
<td>Electricity</td>
<td>$360</td>
<td>5</td>
<td>10</td>
<td>$180</td>
</tr>
<tr>
<td>Water</td>
<td>$90</td>
<td>10</td>
<td>10</td>
<td>$90</td>
</tr>
</tbody>
</table>

(i) Total Adjusted Allowance Amounts in Part 2(h), Column (v)
Indicate on the form the total of the adjusted allowance amounts from Part 2(h) of the form.

Using the example above, the total would be $720 ($450 for heat; $180 for electricity and $90 for water).

Part 3 – Determining the Rent Reduction where the same utilities are provided to the tenant of the rental unit:
Complete this part of the form if the tenant to whom you are giving this form has the same utilities included in their rent as they did at the time of the AGI order. (If you have ceased to provide one or more utilities to this rental unit, then do not complete this part; instead, complete Part 4.)

(a) Total Adjusted Utility Costs
Record on the form the amount that was determined in Part 2, row (f) of this form.

(b) If previous rent reductions due to utilities were determined
If the tenant’s rent was previously reduced because of a utility costs decrease after the AGI order was issued, then include on the form the total amount of the “Change in Utility Costs” that was determined in those previous years.

For example, assume that in last year’s notice given to the tenant, the “Change in Utility Costs” showed that there was a decrease in utility costs of $1,000 (between the “Net Adjusted Base Year Utility Costs” and the “Current Utility Costs”). In this case, the landlord would include $1,000 on row (b) of the form.

If there has been no previous rent reductions based on a utility cost decrease, then put “0” on the form.
(c) Net Adjusted Base Year Utility Costs for utilities still provided to the rental unit
Subtract row b) from row a).

(d) 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 that starts and ends on the same dates as the base year period for utilities. (Note: The base year period for utilities is set out in the AGI order.) The current utility costs 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 determine the current utility costs for this situation, complete the Current Utility Costs Worksheet which is attached at the end of these instructions.

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.

(e) Change in Utility Costs:
Subtract the current utility costs in row (d) from the net adjusted base year utility costs in row (c).

• If the amount is zero or less, no rent reduction is required. Complete the “Information about your Rent” box on page 1. Then go to Part 6 of the form.

• If the amount is greater than zero, continue with this part of the form.

(f) Adjusted Allowance for Utilities:
Record on the form the adjusted allowance that you calculated in Part 2, row (i) of the form.

(g) Percentage Increase for Utilities:
Indicate on the form the percentage rent increase set out in the AGI order that was related to utilities.

(h) Percentage Amount of Rent Reduction:
Calculate the percentage amount of the rent reduction.

Example:

In row (e) of the form, the landlord indicated that the Change in Utility Costs was $30,000.
In row (f) of the form, the Adjusted Allowance for Utilities was $47,000.

In row (g) of the form, the Percentage Increase for Utilities was 1.6%.

This is how the landlord determined the percentage amount of the rent reduction:

\[
\frac{30,000}{47,000} \times 1.6 = 1.02\%.
\]

On the form, indicate the amount of the rent reduction and go to Part 5 of the form.

**Part 4 – Determining the Rent Reduction where the Landlord has stopped providing one or more utilities to the tenant of the rental unit:**

Complete this part of the form if the tenant to whom you are giving this form does not have the same utilities included in their rent as they did at the time of the AGI order. (If you are providing the same utilities to the tenant as they had at the time of the AGI order, then do not complete this part; instead, complete Part 3.)

(a) **Total Adjusted Base Year Utility Costs for Utilities still provided to the rental unit by the Landlord**

Refer to the amounts determined in Part 2, row (d) of the form. Add up the amounts in column (iv) for the utilities that are still provided to the rental unit. For example, if you no longer provide electricity to the unit, then only add up the amounts in column (iv) for heat and water.

(b) **If previous rent reductions due to utilities were determined**

If the tenant’s rent was previously reduced because of a utility costs decrease after the AGI order was issued, then include on the form the total amount of the “Change in Utility Costs” that was determined in those previous years.

For example, assume that in last year’s notice given to the tenant, the “Change in Utility Costs” showed that there was a decrease in utility costs of $1,000 (between the “NetAdjusted Base Year Utility Costs” and the “Current Utility Costs”). In this case, the landlord would include $1,000 on row (b) on the form.

If there has been no previous rent reductions based on a utility cost decrease, then put “0” on the form.

(c) **Net Adjusted Base Year Utility Costs for utilities still provided to the rental unit**

Subtract row (b) from row (a).

(d) (i) **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 that starts and ends on the same dates as the base year period for utilities. (Note: The base year period for utilities is set out in the AGI order.) The current utility costs 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 determine the current utility costs for this situation, complete the Current Utility Costs Worksheet which is attached at the end of these instructions.

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.

(d) (ii) Costs of Utilities no longer provided to rental unit by Landlord
For the current utility period explained above, add up the costs that relate to the utility that you no longer provide to the tenant of this rental unit. For example, if since the time of the AGI order you have ceased to provide this tenant with electricity, then add up the electricity costs for the complex.

(e) Current Utility Costs for Utilities still provided by Landlord
Subtract the amount you set out in row d(i) from the amount in row d(ii) on the form.

(f) Change in Utility Costs for Utilities still provided by Landlord
Subtract the current utility costs set out in row (e) from the Net Adjusted Base Year Utility costs set out in row (c).
   • If the amount is zero or less, no rent reduction is required. Complete the “Information about your Rent” box on page 1. Then go to Part 6 of the form.
   • If the amount is greater than zero, continue with this part of the form.

(g) Sum of Allowances for Utilities still provided to the rental unit by the Landlord Refer to the adjusted allowance that you calculated in Part 2(g), column (iv) of the form. Only add up the amounts for the utilities still provided to the rental unit. For example, if you no longer provide electricity to the unit, only add up the allowances for heat and water.

(h) Percentage Increase for Utilities
Indicate on the form the percentage increase set out in the AGI order that was related to utilities.

(i) Percentage Increase for Utilities Attributable to Each Utility [row (h) multiplied by percentage in Part 2(e)]
Complete the chart on the form. In this chart you will determine the proportion of the percentage rent increase for utilities that was attributable to each utility.

For example:

In the AGI order the percentage rent increase attributable to utilities was 4%.
The percentage breakdown from the order for each utility was: 

- Heat = 50%
- Electricity = 40%
- Water = 10%

This is how the landlord completed this part of the form:

<table>
<thead>
<tr>
<th>(i) Utility</th>
<th>(ii) Amount from row (h)</th>
<th>(iii) Percentage Amounts from Part 2(c)</th>
<th>(iv) Increase Attributable to Each Utility [(ii) x (iii)]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat</td>
<td>4%</td>
<td>50%</td>
<td>2%</td>
</tr>
<tr>
<td>Electricity</td>
<td>4%</td>
<td>40%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Water</td>
<td>4%</td>
<td>10%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

(j) Total Percentage Increase Attributable to Utilities still provided to the rental unit by the Landlord

Add up the percentage increase(s) in column row (i), column (iv) above for the utilities still provided to the rental unit. For example, if you no longer provide electricity to the unit, only add up the percentage increases attributable to heat and water.

(k) Percentage Amount of Rent Reduction

Calculate the percentage amount of the rent reduction.

Example:

In row (f) of the form, the landlord indicated that the Change in Utility Costs for the Utilities still provided by the landlord was $30,000.

In row (g) of the form, the Sum of Allowance for Utilities still provided by the landlord was $47,000.

In row (j) of the form, the Total Percentage Increase Attributable to Utilities still provided by the landlord was 1.6%.

This is how the landlord determined the percentage amount of the rent reduction:

\[
\text{Rent Reduction} = \frac{30,000}{47,000} \times 1.6 = 1.02\%.
\]

On the form, indicate the amount of the rent reduction and go to Part 5 of the form.

Part 5 - Explanation of the Rent Reduction

- If you check the first box in Part 5, no rent reduction is required. Go back to the Information about your Rent box on the bottom of page 1 of the form and check the box that says “No rent reduction is required.”

  Then sign and date the form in Part 6.

- If you check the second or third box in Part 5, then a rent reduction is required.
Make sure to complete the **Information about your Rent** box at the bottom of page 1 of the form.

**To complete the information about the tenant’s rent reduction on page 1:**

**Check the first box** to indicate that the tenant’s rent shall be reduced.

**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 either **Part 3, row (f)** or **Part 4, row (k)** of the form.

*For example:*

*The tenant’s rent is $800 per month. 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.

**Part 6 – Signature**
If you are the landlord, shade the box marked “Landlord”. Then, fill in your name and sign the form. Fill in the date beside the signature box. You also need to include your phone number.

If you are an agent for the landlord, shade the box marked “Agent”. Then, sign the form and fill in the date. You also need to complete the fields below the signature box with your name, company name (if applicable), address, phone number and a fax number if you have one.

**Who to contact if you have any questions**
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 [sjto.ca/ltb](http://sjto.ca/ltb).