

Independent Park Homes Advisory Service

Utilities on Mobile Home Parks

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I P H A S



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This guide has been put together by the Independent Park Home Advisory Service (IPHAS) to help you. It aims to help newcomers to mobile home living to understand the ways in which utilities are purchased on a mobile home park which are often different to that in bricks and mortar homes.

Although we have used legal advice and material published in official publications to create this guide, it has no authority and cannot be quoted. IPHAS cannot be held liable for any errors or omissions.

The publications quoted in this leaflet are as follows:

The OFGEM Directive MRP07 dated January 2002
The OFWAT Water Resale Order dated March 2006
The Mobile Homes Act 1983 as amended

If you need assistance in obtaining these publications, please contact IPHAS.

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UTILITIES ON MOBILE HOME PARKS

On many modern parks the electricity, water, sewerage and even town gas is supplied direct from the authorised suppliers and so the residents are billed the same as for people in bricks and mortar homes. However on some older parks, one or more of the utilities may be supplied through the park owner. In these cases, the supplier will deal with the park owner as their customer and the park owner will resell the utility to the residents.

Electricity

In the case of electricity, the park will have a meter which will be read by the authorised supplier, e.g., EON or Yorkshire Electric, etc, who will bill the park owner. The park owner will then bill the residents. There is usually a meter for each pitch and the park owner will read the residents meters and calculate each resident's bill accordingly. The rules governing how much to charge are contained in the OFGEM Directive (Maximum Resale Price Provisions MRP07 dated January 2002) which states that the park owner must not charge for electricity more than he pays to the authorised supplier. Therefore the park owner should calculate the unit charge each time he receives a bill from the supplier and then read the residents' meters and calculate the bills using the unit charge and the meter readings.

The park electricity bill from the authorised supplier will usually include a daily standing charge and other related charges. These charges must be divided among the residents pro rata according to how much electricity they use. This can be achieved easily by using the method recommended by OFGEM and BH&HPA (British Holiday and Home Parks Association). This is simply to divide the total cost of the bill, including the charges, by the total number of units on the bill. This gives the cost per unit which must be applied to the resident's meter readings to calculate the resident's bill.

One point to note is that if the park bill includes the Climate Change Levy (CCL) this must be deducted from the calculation. The CCL only applies to commercial customers, not domestic customers.

Another point is that domestic customers only pay 5 per cent VAT on electricity. So if the park electricity bill includes VAT at 20 per cent this must be taken out of the calculation and 5 per cent VAT added onto each resident's bill.

It follows that there should be no standing charge or daily charge on the resident's electricity bill. If the park owner wants to charge for meter reading or billing costs, this should be done at the annual pitch fee review and such costs added to the pitch fee.

Some park owners do make a charge separate from the pitch fee and this may be called an administrative charge or service charge or similar but this should be avoided if possible because, unlike the pitch fee, there are no rules about how this charge can be increased.

If residents' pitches do not have electric meters, the park owner must apportion the park electricity bill fairly across the residents and not make a profit on resale.

The Directive also states that the park owner must provide on request copies of the park bill and calculations of the unit charge. If he does not do so within 28 days of the request, the resident can reduce the amount payable on the bill by twice the bank base rate.

Also implied term 22(b)(ii) of the Written Statement states the park owner must provide on request documentary evidence in support and explanation of charges for gas, electricity or other utility.

Water

In the case of water, the park will have a water meter on the park which will be read by the authorised supplier, e.g., Thames Water, etc., who will bill the park owner. The park owner will then bill the residents. The rules governing how much to charge are contained in the OFWAT Water Resale Order 2006 (originally issued in 2001 and updated in 2006). This states that the park owner must not charge for water more than he pays to the water supplier.

Many parks do not have water meters on each pitch and the Water Resale Order states that the park water bill must be divided equally between each pitch. It also gives alternative methods of dividing the bill and states that any water used elsewhere on the park, e.g., the office, must be deducted before dividing the remainder among the residents. The park owner may make an administrative charge not exceeding 1.5 pence per day.

Where each pitch is metered separately, the park owner must calculate the charge per cubic metre from the park bill and read the resident's water meters and calculate the resident's bills using the unit charge and the resident's meter reading. The park owner may make an administrative charge not exceeding 2.5 pence per day.

The Water Resale Order also states that the park owner must provide on request copies of the park bill and calculations of the charge to residents. If he does not do so within 28 days of the request, the resident can refuse to pay the amount billed but pay half of the average charge for the area as obtained from the average water charges published annually by OFWAT.

Also implied term 22(b)(ii) of the Written Statement states the park owner must provide on request documentary evidence in support and explanation of charges for gas, electricity or other utility.

Sewerage

On many parks the sewerage system is operated by the water company so the cost is included in the park water bill or the customer water bill as appropriate. The rules governing the charges are included in the Water Resale Order.

But on many parks, the sewerage is dealt with by a septic tank or sewage treatment plant which is owned and operated by the park owner. The tank must be emptied periodically and the plant must be maintained by the park owner and the maintenance costs can be divided equally among the residents. However there are no rules governing how much the park owner can charge residents for this. Again the implied term 22(b)(ii) of the Written Statement states the park owner must provide on request documentary evidence in support and explanation of charges for gas, electricity, sewerage or other utility. But if the resident finds from examination of these documents that the park owner is making a profit from the sewerage charges which might be considered excessive, there is little that can be done about it.

Town gas

On some parks the town gas pipes have been extended onto the park. The residents are billed the same as people in bricks and mortar houses.

LPG

On many parks, the residents use liquefied petroleum gas (LPG) either in cylinders or from tanks installed on the pitch or from a common large tank on the park.

Where the residents use cylinders, they are free to use whatever supplier they like. On some parks, the park owner may insist on residents purchasing cylinders through him and he may make a profit on this resale.

Where a resident has an LPG tank on his pitch he is usually billed direct from the supplier. On some parks, the park owner may insist on the transaction being made through him and he may make a profit on this resale.

Some parks have one large LPG tank on the park owned and operated by the park owner and the gas is piped to the individual pitches. The park owner will read the resident's meter and will then bill the resident. There are no rules governing the resale of LPG and the park owner usually makes a profit on the resale. Again the implied term 22(b)(ii) of the Written Statement states the park owner must provide on request documentary evidence in support and explanation of charges for gas, electricity, sewerage or other utility. But if the resident finds from examination of these documents that the park owner is making a profit from the resale of LPG which might be considered excessive, there is little that can be done about it.