



POLICY TITLE: Water and Wastewater / Storm Back-billing Policy

POLICY NO: PP-0015

LAST REVISION DATE: N/A

EFFECTIVE DATE: September 30, 2020

MANAGER REVIEWED: Kirk Weaver

TO BE REVIEWED: 10/1/2025

MAINTENANCE RESPONSIBILITY: Senior Policy Advisor, Financial Planning, Administration and Policy Division

I GENERAL

The purpose of the Water and Wastewater / Storm Back-billing Policy (Policy) is to provide utility customers with a transparent and consistent procedure for the processing of water and wastewater / storm back-bills.

II BACKGROUND

The City of Hamilton's water and wastewater by-laws provide the municipality the authority and responsibility to bill and collect from consumers for all water and wastewater / storm services utilized. The by-laws do not specifically limit the City's ability to back-bill as their premise is to bill for services used. With the by-laws providing the guiding principles, staff has developed practices and procedures that are designed to result in consistent application when dealing with billing exceptions that result from equipment malfunctions, administrative errors and property-owner oversights.

III POLICY

Back-bills Defined

Back-billing is that portion of a bill which represents charges not previously billed for service that was delivered to the customer during a period before the current billing cycle where the original billings are discovered to be too low (under-billed). The discovery may be made by either the Customer or the Utility (i.e., the City). Back-bills are not issued for a customer's failure to pay a previously issued utility bill.

Back-bills generally result from unusual circumstances that may include any of the following reasons or combination thereof:

- (a) stopped meter;
- (b) metering equipment failure;
- (c) missing meter now found;
- (d) switched meters;
- (e) double metering;

- (f) incorrect meter connections;
- (g) incorrect use of any prescribed apparatus respecting the registration of a meter;
- (h) incorrect meter multiplier;
- (i) the omission / application of an incorrect rate;
- (j) incorrect reading of meters or data processing; and
- (k) tampering, fraud, theft or any other criminal act.

Notification

The City, directly or through its billing agent, Alectra Utilities Corporation (AUC), notifies the customer by postal mail, email, phone or by a personal visit of the reason for the back-bill.

Back-billing Limits and Calculations

Over / Under-billing Resulting from Utility Errors

- Any utility account found to be under-billed or over-billed shall be corrected immediately.
- Accounts found to have been under-billed will be back-billed for the correct amount for the period of the under-billing but not to exceed 24 months.
- Accounts found to have been over-billed will be credited for all amounts that were over billed within the past 24 months.
- For residential accounts, the back-bill may also be limited if there has been a change in property ownership to reflect when the current owner assumed responsibility of the account if less than 24 months.

Over / Under Billing Resulting from Errors by Others

- If the General Manager of Finance and Corporate Services (or designated delegate) determines that the failure to bill for services used was not the result of a utility error and instead resulted from an illegitimate connection to the public utility system, the account will be back-billed for all unbilled utility services that have been provided.
- The back-bill will be attributed to an illegitimate connection any time the customer did not obtain the necessary permits for the connection or it is determined by the City that the meter was bypassed.
- The customer's payment of a back-bill does not preclude the levying of other appropriate fees and penalties or the prosecution for theft of utility services.

Catch-up Billings

- Occurs where previous bills have been based on estimated water use and once an actual water meter reading is obtained, the actual water use for previous billing periods was higher than what was estimated. All consumption registered through the meter will be billed when an actual reading is received.

Estimated Back-bills

- Where the City is required to estimate the customer's usage in order to produce a back-bill, in most cases, the estimated back-bill will be based on the subject property's normalized average daily consumption. However, the City may also consider any available information to determine a reasonable estimate.

Payment of Back-Billing

- The City offers customers an optional payment arrangement to pay a back-bill. If requested by the customer, the repayment term will be equivalent, in length, to the back-billing period with other terms and conditions as set out in the City's Water and Wastewater / Storm Billing Payment Arrangement Policy.
- Interest for under-billed accounts will not be applied to the back-billed amount. Similarly, for over-billed accounts, interest will not be paid on the refunded amount.

Non-Payment of Back-billing

- As per the City's Water and Wastewater / Storm Arrears Policy, in the event the customer does not pay the back-bill upon receipt or accept an optional deferred payment plan, unpaid water accounts are transferred to the property tax roll 60 days post invoice due date.

Case-by-Case Consideration of Errors

- Each account which is determined to be in error will be reviewed on a case-by-case basis to consider the cause of the error, the cost of research and correction, the knowledge and / or intent of the customer, the payment history and longevity of the customer, the customer's ability to pay, the applicable Limitations Period, the discoverability of the loss by the City and any other circumstances that deserve consideration.