

Approval date: April 16, 2019

Resolution No.: 214/2019

Subject: Billing Policy

1.0 Goal

The goal is to provide clarity and consistency on billing practices for the electric, water, and sewer utility services.

2.0 Scope

The City intends to provide for accurate and timely billing for metered and unmetered electric, water, and sewer utility services to its customers in a consistent, transparent, and sustainable manner to protect a fair collection of funds in relation to the delivery of these services to its customers.

3.0 Policy

3.1 CYCLE AND WALK SEQUENCE ASSIGNMENTS

- a. The City's method of reading and billing utility accounts is based upon a structure of two distinct cycles known as "Cycle 030" and "Cycle 060". All accounts within Cycle 030 are billed on the last working day of each month whereas accounts in Cycle 060 are billed on the 15th of each month (where the 15th falls on a weekend or holiday, billings of accounts are mailed on the preceding business day).
- b. Within each cycle, there is a further division of accounts into "routes", which serve as smaller, more manageable units of accounts. Within each route, the order of reading of meters is determined by assigning each account a five-digit sequential identifier, which simply determines in what order an account will be read within a route. The route number together with the sequential identifier is known as the "walk sequence".
- c. The initial assignment of a walk sequence, as well as any subsequent changes, is handled by the utility clerks in consultation with the meter reader and utility service persons. Any changes within a route will effect what time of the month that a metered account is read whereas changes from one cycle to another will change a customer's billing and discount dates.

- d. The organization of routes within cycles is primarily based on geographical considerations but other factors (such as any advantages from grouping types of accounts within a route, for example, City or school accounts) may also be considered.
- e. The City is unable to accommodate a customer request to have their account switched from one cycle to another because of the impact on reading efficiency.

3.2 ESTIMATED BILLINGS

- a. Electric and water meters are read and billed on a monthly basis and estimates will only be used where circumstances dictate in a manner consistent with City bylaws. Any estimates used will be so identified on the bill.
- b. City bylaws empower the Collector/Revenue Supervisor to estimate electric and water consumption and, in so doing, to consider any relevant history, circumstances or factors that may affect a customer's consumption. Every reasonable effort is made to arrive at a fair estimate of consumption.
- c. The City's estimate system is designed to arrive at a reasonable estimate of consumption and is normally based on the "per diem" consumption for the account during the same period in the preceding year. Whether an estimate ends up being high or low, the customer's next billing based on an actual reading will normally correct any inaccuracies that may have resulted from the estimate.
- d. If a customer whose account has been estimated provides the City with a reliable reading that indicates the estimate used has resulted in a substantial over or under billing; the Collector/Revenue Supervisor may authorize a manual adjustment to the current billing rather than wait until the correction of any inaccuracies in the next regular billing.

3.3 FINAL BILLINGS

- a. Because of the City's status as a municipal utility and the resulting liability of registered owners for all utility services supplied by the City to the serviced property, reasonable precautions are taken to limit owners' exposure to loss. As a result, the signatures of registered owners (or their agents authorized in writing) and proper identification are required to initiate or terminate services with the City.
- b. Utility accounts are normally finalized by the City upon receipt of a signed authorization from the registered owner (or their agent authorized in writing) accompanied by appropriate ID. The most common authorization is a signed application for disconnection completed at City Hall. If the customer is unable to attend City Hall in person, the application for disconnection is available on the City's public website or can be emailed or faxed to the customer. The customer can then fax or email back a signed copy of the application with a copy of their ID. Telephone notification is not acceptable because of the lack of signature.

- c. Accounts may also be finalized when a new occupant applies for service or when a registered owner certifies that an existing customer has vacated the premises. In the event of the death of a customer, the executor, administrator or trustee, or the next of kin if there is no executor, administrator or trustee, may act on behalf of the deceased customer. Satisfactory documentation may be required.
- d. When a customer's account is finalized, final readings are obtained on all electric and water metered services and the final billing is normally produced within five business days.
- e. In the case of rental properties, where owners or their agents are required by the Residential Tenancy Act to return security deposits within 15 days, owners are asked to direct their tenants to provide them with a receipted final bill as proof of payment.
- f. In accordance with Section 258 (1) & (2) of the *Community Charter*, final utility accounts that are due and payable by December 31st and remain unpaid to the City as of that date, are subject to transfer to taxes in arrears on the benefitting property effective January 1st of the following year and will be collected by the City in the same manner and with the same remedies as property taxes.

3.4 METER READINGS AND BILLINGS

- a. Electric and water meters are read and billed on a monthly basis with estimates being used only where circumstances dictate and any estimates will be so identified on the bill. In addition to the regular monthly readings, actual readings will be obtained whenever a customer applies to have a service connected or disconnected in his/her name.
- b. If an accurate electric or water meter reading be unavailable due to meter failure, temporary inaccessibility or any other reason, the Collector/Revenue Supervisor may estimate consumption using the best available information.
- c. Where water service is provided without a water meter being in place, the monthly basic charge is based on the size of the service and includes a built-in allowance for consumption (un-metered rate).
- d. Access to both electric and water meters, during regular City working hours, is a requirement of service to any location. Whereas it is the City's preference to have open access to meters, circumstances exist where access must be made available through the use of LSDA (Locksmith Dealers of America) keys. In extenuating circumstances, the use of keys, padlocks or lock boxes (key vaults) may be used; such alternate access is to be reviewed with the on/off and meter reading staff and in the case of each meter is subject to the approval of the Electric Utility Supervisor and/or the Water Foreman, or their designates, as applicable. Any costs associated with alternate access are to be borne by the customer and may be debited to the next billing on the account.

- e. Customers are required to ensure that meter access is not prevented or restricted due to:
 - i. The storage of materials/vehicles,
 - ii. The growth of bushes/plants, or
 - iii. The presence of a pet in the access path to the meter (should a pet normally be contained within the access path; the customer must ensure that the pet is alternately contained for three days before & after the normal reading date).

- f. If a problem exists in regard to meter access, the customer will be requested to correct the situation within a reasonable period of time, usually 7 to 10 days. Failure to comply may result in the disconnection of utility services until such time as the access problem is resolved and a reconnection charge has been paid.

- g. A customer may request a re-read of an electric or water meter and such a request will be accommodated as soon as practicable upon payment of the required fee. If the re-read identifies a reading error on the City's part; the re-read fee will be credited back to the customer.

- h. A customer may also request a meter accuracy test with the applicable fee being refundable if the meter in question is found to be measuring outside the standard limits. A water meter test is conducted by City staff whereas an electric meter test is carried out by Measurement Canada, a division of the Government of Canada's Industry Canada's Weights and Measures.

- i. The customer must exercise all reasonable diligence to protect the City's meters, key vaults, padlocks, etc. from damage or defacement and is responsible for any costs resulting from damage, defacement or theft.

3.5 BACK-BILLING (UNDER-BILLING AND OVER-BILLING)

- a. Back-billing means the re-billing for services rendered (Electric, Water, and/or Sewer services) because the original billings were discovered to be either too high (over-billed) or too low (under-billed). The discovery may be made by either the customer or the City of Penticton. The cause of the billing error may include any one or more of the following non-exhaustive reasons:
 - i. Stopped meter
 - ii. Metering equipment failure
 - iii. Missing meter now found
 - iv. Switched meters
 - v. Double metering
 - vi. Incorrect meter connections
 - vii. Incorrect use of any prescribed apparatus respecting the registration of a Meter
 - viii. Incorrect meter multiplier
 - ix. Application of an incorrect rate
 - x. Incorrect reading of meters or data processing, and
 - xi. Tampering, fraud, theft or any other criminal act.

- b. Where metering or billing errors occur, energy and/or water consumption for billing purposes will be determined based on the records of the City of Penticton or, to the extent they are available

and accurate, the records of the customer. Specifically, in regards to energy consumption for billing purposes, provisions of the *Electricity and Gas Inspection Act* (Canada) will apply.

- c. In every case of under-billing or over-billing, the cause of the error will be remedied without delay, and the customer will be promptly notified of the error and of the effect upon the customer's ongoing bill.
- d. In every case of over-billing, the City of Penticton will refund to the customer all money incorrectly collected for the duration of the error, except that if the date the error first occurred cannot be determined with reasonable certainty, the maximum refund period will (subject to paragraphs e. and f.) be two years back from the date the error was discovered. Interest will be paid to the customer on a monthly compounding basis using the monthly business prime rate less 3.00%, consistent with the City's practice for prepayment interest on property tax accounts.
 - i. The prime interest rate is the interest rate commercial banks charge their most credit-worthy business customers. It is a baseline rate upon which all floating rate loans are negotiated, and based on the overnight rate that is set by the Bank of Canada.
 - ii. In instances where changes of occupancy have occurred, the City of Penticton will make a reasonable attempt to locate the former customer.
- e. In every case of under-billing customers will be offered reasonable terms of payment for the under billed amount and all under-billed amounts will be interest-free and be billed and paid in equal installments corresponding to the normal billing cycle.
- f. In every case of under-billing that is the result of negligence or accidental damage to the meter or the metering equipment on the part of the customer or their designate, or if a reasonable customer would have cause to know they have been under-billed, the City of Penticton will back-bill the customer for the duration of the error up to a maximum of:
 - i. Six months for Residential Service; and
 - ii. One year for all other customers.
- g. In every case of under-billing that is the result of willful tampering, fraud, theft or any other criminal act on the part of the customer or their designate, the City of Penticton will back-bill for the whole period of under-billing, subject to the applicable limitation period provided by law.
 - i. In addition, the customer will be charged the applicable fee from the City of Penticton Fees & Charges bylaw for tampering, illegal connections, or any other administrative fee required to recover costs of work related to the service
- h. If a customer disputes the City's assessment of an under billed amount based on Water, Energy consumption or Demand or duration of the error, the City will not threaten or cause termination of the Water nor Electrical Service as a result of Customer's failure to pay the disputed portion of the back billing, unless there are no reasonable grounds for the Customer to dispute same. The undisputed portion of the bill will be paid by the customer and the City may cause termination of the Water or Electrical Service if such undisputed portion of the bill is not paid.

- i. Subject to paragraph 3.5 g. above, in all instances of back billing where changes of occupancy have occurred, the City will make a reasonable attempt to locate the former Customer. If, after a period of one year, such Customer cannot be located, the over or under billing applicable to that Customer will be cancelled.

Previous revisions

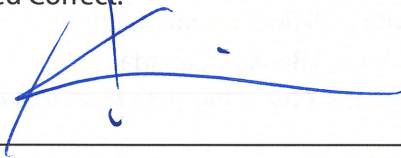
Approval Date: December 7, 2015

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Certified Correct:



Angie Collison, Corporate Officer