

Water and Wastewater Billing: New Rate Structure Frequently Asked Questions (FAQs)

Starting **April 1, 2024**, Peel Region water bills will look different, and the way Peel's customers are charged for water and wastewater will change. For details, residents can **visit our website**.

Why are you implementing a new rate structure now?

It has been more than 20 years since Peel's rate structure was last updated.

Why are we making a change?

The new structure aligns with industry best practices, focuses on customer equity (i.e., customers pay for their share of costs) and provides customers with more stability in their bills from season to season.

What are the benefits of the new rate structure?

- 1) The new rate structure is more equitable. The water rate structure is based on the cost to serve each customer type.
- 2) There is increased stability in customer bills from season to season.
- 3) For single-unit residential customers, the consumption rate for water use above 50 cubic meters supports water conservation.
- 4) Everyone pays for their fair share to connect to the water and wastewater system, regardless of how much water is used.
- 5) The new rate structure aligns with industry best practices and water rates are still among the lowest in Ontario.

How is the rate structure changing?

Up until now, Peel has had one consumption charge. The new rate structure will have two parts: a fixed service delivery charge and a consumption charge.

The service delivery charge reflects the cost to provide water and wastewater service, regardless of the amount used, and is a fixed amount on your bill. The consumption charge is based on the amount of water and wastewater you use during a billing period and is different for each customer type.

For more information, visit peelregion.ca/water/billing

What are the different customer types?

There are three different customer types and include the following:

- **Single-unit residential** are detached, semi-detached, or town home customers with one meter per dwelling.
- **Multi-unit residential** customers are multi-unit dwellings with one large meter serving all units, rather than a single meter per unit.
- **Businesses** of all sizes.

What is the new water consumption charge?

The consumption charge is applied to each customer type and is based on water use.

For single-unit residential homes only, there are two rates. A lower rate to cover some of the day-to-day essential water uses, based on the average household, and a higher rate applied when more than 50 cubic metres of water is used.

What is the water consumption rate?

The water consumption rates by customer type are listed below:

Customer type	Service unit	Cost
Single-unit residential	Per cubic metre, first 50 cubic metres	\$1.000
Single unit residential	Per cubic metre, above 50 cubic metres	\$2.1506
Multi-unit residential	Per cubic metre	\$1.7865
Business	Per cubic metre	\$1.767

Why do single-unit residential customers have a two-tier rate system?

The two-tier rate provides a lower rate for basic water use under 50 cubic meters. Any water use above 50 cubic meters will be charged at a higher rate, which promotes positive water consumption behaviours.

Based on the cost to serve, the water bills for single-unit residential customers would be much higher without the two-tier rate system.

Why is the multi-unit residential rate different from the single-unit residential rate?

Multi-unit residential buildings have one main meter to provide water and wastewater services. Since each unit doesn't have its own meter, there is no way to determine how much each person uses. Therefore, multi-unit residential customers will continue to have one consumption rate.

If I live in a duplex, which customer type am I?

A duplex is most often considered a single-unit residential customer. Houses that have been converted into more than one unit, such as those with basement apartments, are still considered to be single-unit residential.

What is the service delivery charge?

This fixed, quarterly charge is based on the size of the meter at the property.

On average, for a single-unit residential home, there is a service delivery charge of \$42.32 for water and \$29.05 for wastewater, for a total of \$71.37. See the question below for how the service delivery charge is calculated.

Does the service delivery charge mean more revenue for Peel?

No, it does not. Peel is changing the way we calculate individual customer bills, but the total amount across all customers is the same.

Why are you implementing a service delivery charge?

More than 80% of Peel's costs to provide water and wastewater are fixed and are increasing over time. Implementing a service delivery charge allows Peel to recover approximately 20% of its costs in a reliable manner.

The service delivery charge will also provide more stability in your bills from season to season.

What does the service delivery charge pay for?

The service delivery charge helps to pay for the fixed costs associated with providing Peel customers with water and wastewater services including:

- Meter reading and billing services.
- Maintaining pipes and treatment plants.
- The chemicals needed to provide clean water.
- Water testing to ensure we meet or exceed all legislative requirements.

How is the fixed service delivery charge calculated?

The service delivery charge is based on the meter size used to service the property and are listed below for both water and wastewater:

Water service delivery charge:

Water Meter Size	Cost Per Quarter
5/8" (16mm)	\$42.32
3/4" (19mm)	\$42.32
1" (25mm)	\$70.53
1-1/4" (32mm)	\$105.79
1-1/2" (38mm)	\$141.06
2" (50mm)	\$225.69
3" (75mm)	\$423.17
4" (100mm)	\$705.28
6" (150mm)	\$1,410.55
8" (200mm)	\$2,256.88
10" (250mm)	\$3,244.27

Wastewater service delivery charge:

Water Meter Size	Cost Per Quarter
5/8" (16mm)	\$29.05
3/4" (19mm)	\$29.05
1" (25mm)	\$48.42
1-1/4" (32mm)	\$72.64
1-1/2" (38mm)	\$96.85
2" (50mm)	\$154.96
3" (75mm)	\$290.55
4" (100mm)	\$484.25
6" (150mm)	\$968.50
8" (200mm)	\$1,549.60
10" (250mm)	\$2,227.55

Why am I paying more on my water bill when I'm using very little?

The new rate structure is split between a consumption charge and a fixed service delivery charge. The introduction of a fixed service delivery charge means that you will pay this charge whether you use a little or a lot of water. The impact on your bill from the fixed charge is greater when you use small amounts of water.

If I am away and don't use any water, why should I pay a service delivery charge?

When you return from being away, you expect to be able to turn on the tap as soon as you get home.

The service delivery charge helps to cover the cost to make sure there is clean drinking water available when you need it.

Is there any change to the way the wastewater rate is applied?

No. Residential customers will continue to be charged at 85% of their water consumption amount.

What is the consumption rate for wastewater?

The wastewater rates for each customer type are listed below:

Customer type	Service unit	Cost
Single-unit residential	Per cubic metre	\$1.2773
Multi-unit residential	Per cubic metre	\$1.2773
Business	Per cubic metre	\$1.2773

Why is the wastewater rate applied to 85% of my water consumption?

An in-depth study verified that the 85% wastewater charge is the best estimate for the amount of water that is returned to the system among residential properties. The 15% discount takes seasonal usage into account, such as lawn watering and swimming pool maintenance, where water isn't returned to the wastewater system.

Can I have a bill with both 2023 and 2024 rates on it?

Yes, many customers will have a bill date that is both before and after April 1, 2024. These customers can find the details on the back of their bill. The 2023 and 2024 rates will be pro-rated accordingly.

What community engagement took place prior to the rate structure change?

As part of the financial planning process, customer panels were created, and three sessions were held with each. These panels included: lived experience, residential, property managers, large businesses, and Business Improvement Areas.

Two online surveys for Peel residents were hosted during the process, while four focus groups were held to test communication messages. During the financial planning process, recommendations were made to Council and the new rate structure reflects what we heard from the community.

What's the difference between a stormwater charge and a service delivery charge?

Stormwater is rain and melted snow flowing from your property that drains into streets, ditches, storm drains, rivers, and Lake Ontario.

The stormwater charge is a municipal charge which applies to Brampton and Mississauga only. This charge sets aside funds to finance necessary upgrades and future repairs to the stormwater system. Peel administers the stormwater charge on the city's behalf, but the revenue is allocated to the city's stormwater budget.