

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of amendment to connection/transfer sheets, increase in returned check charge, amendment to miscellaneous service charges, increase in meter installation charges, and imposition of new tap-in fee, in Marion County, by East Marion Sanitary Systems Inc.

DOCKET NO. 080562-WU
ORDER NO. PSC-09-0263-TRF-WU
ISSUED: April 27, 2009

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

ORDER DENYING IN PART AND GRANTING IN PART EAST MARION SANITARY SYSTEM, INC.'S APPLICATION TO AMEND TARIFFS; ADDRESSING PREVIOUS APPLICATIONS FOR IRRIGATION METERS

BY THE COMMISSION:

Background

East Marion Sanitary Systems Inc. (East Marion or Utility) is a Class C utility providing water and wastewater service to approximately 96 customers in Marion County. Water and wastewater rates were last established for this Utility in a staff-assisted rate case in 2002.¹ East Marion reported water and wastewater revenues of \$65,553 in its 2007 Annual Report. The system is located in the St. Johns River Water Management District (SJRWMD).

On August 19, 2008, the Utility filed an application for approval to amend its tariff sheets to reflect the following: amendment to connection/transfer sheet to require each customer to provide his social security number to obtain service, increase in returned check charge, amendment to miscellaneous service charges, increase in meter installation charges, and the imposition of a new tap-in fee. By Order No. PSC-08-0746-PCO-WU, issued November 12, 2008, we suspended the tariff filing pending further investigation. We have jurisdiction pursuant to Section 367.091, Florida Statutes (F.S.).

¹ See Order No. PSC-02-1168-PAA-WS, issued August 26, 2002, in Docket No. 010869-WS, In re: Application for staff-assisted rate case in Marion County by East Marion Sanitary Systems, Inc.

DOCUMENT NUMBER-DATE

03917 APR 27 8

FPSC-COMMISSION CLERK

Social Security Number

The Utility requests that its connection/transfer sheet be revised to reflect a provision that requires customers to provide their Social Security numbers in their applications for service. The Utility asserts that it needs the Social Security number to collect on bad debts and delinquent accounts. The Utility's request to amend its tariff sheet to require a customer to provide his Social Security number to obtain service is denied. While there is no law prohibiting a company from requiring a Social Security number before it provides service, we find that it is bad policy to require the number before a customer obtains utility service, especially when alternate means of identification will allow the Utility to pursue bad debts. The Social Security administration acknowledges on its website:

If a business or other enterprise asks you for your number, you can refuse to give it. However, that may mean doing without the purchase or service for which your number was requested. For example, Utility companies and other services ask for a Social Security number, but do not need it; they can do a credit check or identify the person in their records by alternative means.

<http://ssa-custhelp.ssa.gov> We have permitted other utilities to ask for a Social Security number, as one of several acceptable forms of identification a ratepayer may provide to obtain service. For instance, in its tariff, Florida Power & Light Company (FPL) is permitted to require an applicant to provide his name, telephone number and address and to require identification with the application for service. "The types of identification required upon application for service include a valid Social Security number, tax identification number, driver's license, birth certificate, or any other form of identification acceptable to the Company." FPL Tariff Sheet 6.010.

East Marion is not requesting alternate types of identification; it only wants the customer's Social Security number. To provide a customer no alternative method of proving identification other than his Social Security number removes any choice from the consumer about releasing this sensitive information due to the monopolistic nature of a utility. Further, there are customers who do not have Social Security numbers, and in those instances, this requirement would be discriminatory. Therefore, East Marion's request to amend its connection/transfer sheet is denied.

The Utility is permitted, however, to amend its connection/transfer sheet to require one of several acceptable forms of identification. For purposes of the tariff, the types of identification required upon application for service include a valid Social Security number, tax identification number, driver's license, birth certificate, or any other form of identification acceptable to the Company. If the Utility chooses to amend its connection/transfer sheet consistent with our direction, it must provide our staff with a copy of the revised tariff within 30 days of the effective date of the Order. Our staff is granted the administrative authority to approve the revised tariff sheet, consistent with our direction.

Returned Check Charge

The Utility requests that its returned check charge be increased from \$20 to \$25. The utility submitted information in its filings reflecting the actual costs it incurs for returned checks. We find that the Utility shall be permitted to collect its actual costs for returned checks. The Utility shall revise its tariff to reflect that the charges for returned checks will be its actual costs.

Miscellaneous Service Charges

The Utility requests an increase in its miscellaneous service charges to be more reflective of its current cost of service. The current miscellaneous service charges were approved for the Utility in a transfer docket in 1998² and have not changed since that date – a period of 11 years. East Marion believes these charges should be updated to reflect current costs. Based on the data supplied by the company, we agree with this update. The costs for fuel and labor have risen substantially since that time. Further, our price index has increased approximately 25 percent in that period of time. We have expressed concern with miscellaneous service charges that fail to compensate utilities for the cost incurred. By Order No. PSC-96-1320-FOF-WS, issued October 30, 1996, we expressed “concern that the rates [miscellaneous service charges] are eight years old and cannot possibly cover current costs” and directed our staff to “examine whether miscellaneous service charges should be indexed in the future and included in index applications.”³ Currently, miscellaneous service charges may be indexed if requested in price index applications pursuant to Rule 25-30.420, F.A.C. However, few utilities request that their miscellaneous service charges be indexed. The Utility does not have on-site personnel to perform these services and has to contract out. East Marion provided cost estimates from a third-party vendor. In light of the above considerations and the data provided by the Utility, we find that the Utility’s requested charges are reasonable.

East Marion’s current tariff includes a Premises Visit (in lieu of disconnection) charge. This charge is levied when a service representative visits a premise for the purpose of discontinuing service for non-payment of a due and collectible bill but does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill. In addition to those situations described in the definition of the current Premises Visit In Lieu of Disconnection, the new Premises Visit charge will also be levied when a service representative visits a premise at a customer’s request for complaint resolution or for other purposes and the problem is found to be the customer’s responsibility. This charge is consistent with Rule 25-30.460(1)(d), F.A.C. In addition, by Order No. PSC-05-0397-TRF-WS, issued April 18, 2005, we approved a Premises Visit Charge to be levied when a service representative visits a premises at the customer’s request for a complaint and the problem

² See Order No. PSC-98-0928-FOF-WS, issued July 7, 1998, in Docket No. 971269-WS, In re: Application for transfer of majority organizational control of East Marion Sanitary Systems, Inc. and East Marion Water Distribution, Inc. in Marion County from Del-American/First Federal of Osceola to Herbert Hein, and change in name on Certificate No. 490-W from East Marion Water Distribution, Inc. to East Marion Sanitary Systems, Inc.

³ See Docket No. 950495-WS, In Re: Application for rate increase and increase in service availability charges by Southern States Utilities, Inc. for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties.

is found to be the customer's responsibility.⁴ Based on the foregoing, the Premises Visit (in lieu of disconnection) shall be changed to a Premises Visit charge.

The Utility has requested to implement a Disconnection Charge. East Marion wants to levy this charge for disconnection of service for cause pursuant to Rule 25-30.320(2), F.A.C. Rule 25-30.460, F.A.C. does not provide a specific category for this charge. However, the Utility does not have any on-site personnel to perform disconnections. The Utility included its estimate for the disconnection costs in the docket file. Based on the estimate provided by the Utility, East's Marion's proposed disconnection charges are reasonable. The Utility has proposed that its Violation Reconnection charge for water be actual cost. Pursuant to Rule 25-30.460, F.A.C., violation reconnection charges are at the tariffed rate for water and actual cost for wastewater. The third-party vendor charges a \$50 violation reconnection for water during normal business hours and \$80 for after hours. We find that this amount is reasonable for the water disconnection charge.

In summary, the Utility's miscellaneous service charges are approved with the changes discussed above. The following table shows East Marion's current charges, its proposed charges, and the Commission-approved charges.

<u>Water</u>	<u>Current</u>	<u>Proposed</u>		<u>Commission Approved</u>	
		<u>Normal Hours</u>	<u>After Hours</u>	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Fee	\$15.00	\$45.00	\$75.00	\$45.00	\$75.00
Normal Reconnection Fee	\$15.00	\$45.00	\$75.00	\$45.00	\$75.00
Disconnection Fee	\$0.00	\$45.00	\$75.00	\$45.00	\$75.00
Violation Reconnection Fee	\$15.00	Actual Cost	Actual Cost	\$50.00	\$80.00
Premise Visit Fee (in lieu of disconnection)	\$10.00	\$55.00	\$85.00	\$0	\$0
Premise Visit	\$0	\$0	\$0	\$55.00	\$85.00

⁴ See Docket 050096-WS, In re: Request for revision of Tariff Sheets 14.0 and 15.1 to change request for meter test by customer and premise visit charge, by Marion Utilities, Inc.

	<u>Current</u>	<u>Proposed</u>		<u>Commission Approved</u>	
		<u>Normal Hours</u>	<u>After Hours</u>	<u>Normal Hours</u>	<u>After Hours</u>
<u>Wastewater</u>					
Initial Connection Fee	\$15.00	\$45.00	\$75.00	\$45.00	\$75.00
Normal Reconnection Fee	\$15.00	\$45.00	\$75.00	\$45.00	\$75.00
Disconnection Fee	\$0.00	\$45.00	\$75.00	\$45.00	\$75.00
Violation Reconnection Fee	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Premise Visit Fee (in lieu of disconnection)	\$10.00	\$55.00	\$85.00	\$0	\$0
Premise Visit	\$0	\$0	\$0	\$55.00	\$85.00

Meter Installation Charges

The Utility requests an increase in its meter installation charge. East Marion’s current meter installation charge is \$70.00. The Utility’s meter installation charge was last established in 2002. East Marion has requested to increase its meter installation charge to \$195.00. The Utility does not have on-site personnel to perform this service and has to contract out meter installations. East Marion provided cost estimates for the meter installation from a third-party vendor. We find the meter installation charge to be reasonable. We have approved meter installation charges of \$193⁵ in 2008, \$200⁶ in 2004 and \$250⁷ in 2003. Based on the above, the Utility is authorized to collect meter installation fees of \$195 for 5/8” x 3/4” meters and actual cost for all others.

Tap-In Fee

In order to provide separate irrigation service, East Marion has requested to implement a new tap-in fee. The Utility is requesting three different charges for the tap-in fee. The proposed tap-in fees are \$1,400, \$1,800, and \$2,600 for the short, long, and extra-long irrigation service

⁵ See Order No. PSC-08-0483-PAA-WU, issued July 25, 2008, in Docket No. 070627-WU, In re: Application for staff-assisted rate case in Lake County by Raintree Utilities, Inc.

⁶ See Order No. PSC-04-1256-PAA-WU, issued December 20, 2004, in Docket No. 041040-WU, In re: Application for certificate to operate water utility in Baker and Union Counties by B & C Water Resources, L.L.C.

⁷ See Order No. PSC-03-0740-PAA-WS, issued June 23, 2003, in Docket No. 021067-WS, In re: Application for staff assisted rate case in Polk County by River Ranch Water Management, L.L.C.

line installation, respectively. The short installation tap-in fee involves installing the irrigation service line twenty-feet or less where the water main is on the same side of the road as the meter. The long installation tap-in fee involves installing the irrigation service line forty-feet or less where the water main is on the opposite side of the road. Finally, the extra-long installation tap-in fee involves installing the irrigation service line forty feet or more on the opposite side of a cul-de-sac. East Marion does not have on-site personnel to perform these services and has to contract out these services. We have reviewed the estimates provided by the Utility from a third-party vendor. Based on the estimates, the proposed tap-in fees are reasonable.

Customer Notice of Tariff Changes

East Marion shall file a proposed customer notice to reflect our approved tariff changes, including the change to the connection/transfer sheet, the returned check charge, the miscellaneous service charges, meter installation charges, and tap-in fees. The approved changes shall be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(2), F.A.C., provided the notice has been approved by our staff. Within ten days of the date the order is issued, the Utility shall provide notice of the tariff changes to all customers. Within ten days after the date the notice was sent, East Marion shall provide an affidavit for proof that the customers have received notice.

Summary

East Marion's proposal to amend its tariffs is denied in part and granted in part as filed. The Utility is not permitted to amend its connection/transfer sheet to include a requirement that the applicant provide his Social Security number. The Utility is permitted to amend its connection/transfer sheet to require one of several acceptable forms of identification. We find that the Utility shall be permitted to collect its actual costs for returned checks. Also, the Utility's proposed premise visit in lieu of disconnection shall be changed to premise visit, and its violation reconnection charge for water shall be \$50.00 for normal hours and \$80.00 for after hours. With those exceptions, all other of East Marion's requested miscellaneous service charges, meter installation charges, and tap-in fees are approved. If the Utility files revised tariff sheets within 30 days of the effective date of the Order which are consistent with our vote, our staff is given administrative authority to approve the revised tariff sheets upon verification that the tariffs are consistent with our decision. If the revised tariff sheets are filed and approved, the connection/transfer sheet, returned check charge, miscellaneous service charges, meter installation charges, and tap-in fee shall become effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(2), Florida Administrative Code (F.A.C.), provided customer notice was timely given and provided that no protest is filed.

Prior Applicants for Irrigation Meters

We have received correspondence from four customers (Mr. David Greco, Mr. Joseph Singel, Mr. Terry Will, and Mr. Earl Turner) who have all requested irrigation meters. In all instances, the customers were told that service would not be provided until after we approved the new meter installation rate. At an informal meeting held on November 14, 2008, with East Marion, our staff informed East Marion that pursuant to Rule 25-30.520, F.A.C., a utility could

not refuse to provide service within its certificated areas in accordance with the terms and conditions on file with us.

By this Order we have approved the Utility's new meter installation charge and tap-in charge. However, these four customers, and any other customers who have requested an irrigation meter prior to April 7, 2009, shall only be charged the rates in effect at the time of their application. The Utility shall be required to provide irrigation meters to those customers at the current tariff rate of \$70.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that East Marion Sanitary Systems, Inc.'s application for approval to amend its tariff sheets is denied in part and approved in part as set forth in the body of this Order. It is further

ORDERED the Utility is not permitted to amend its connection/transfer sheet to include a requirement that the applicant provide his Social Security number. The Utility is permitted to amend its connection/transfer sheet to require one of several acceptable forms of identification. The Utility is permitted to collect its actual costs for returned checks. The Utility's proposed premise visit in lieu of disconnection shall be changed to premise visit, and its violation reconnection charge for water shall be \$50.00 for normal hours and \$80.00 for after hours. All other of East Marion's requested miscellaneous service charges, meter installation charges, and tap-in fees are approved. It is further

ORDERED that if the Utility chooses to amend its connection/transfer sheet to require one of several acceptable forms of identification consistent with our direction, it must provide our staff with a copy of the revised tariff within 30 days of the effective date of the Order. It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that East Marion Sanitary Systems, Inc.'s shall file revised tariff sheets and a proposed customer notice to reflect the approved tariff amendments. It is further

ORDERED that the tariffs shall be approved upon our staff's verification that the tariffs are consistent with our decision herein. It is further

ORDERED that the approved rates shall be effective for service rendered on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-30.475(1), F.A.C. It is further

ORDERED that the approved tariff amendments shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by the customers as set forth in the body of this Order. It is further

ORDERED that East Marion Sanitary Systems, Inc.'s shall provide proof of the date notice was given no less than ten days after the date of the notice. It is further

ORDERED any customer who has requested an irrigation meter from East Marion Sanitary Systems, Inc. prior to April 7, 2009, shall only be charged the rates in effect at the time of their application. The Utility shall be required to provide irrigation meters to those customers at the current tariff rate of \$70.

ORDERED upon expiration of the protest period, if a timely protest is not filed, a Consummating Order shall be issued and the docket shall remain open for 30 days from the issuance date of the Consummating Order, to allow the Utility time to file the revised tariff sheet. Upon staff's verification that the tariff sheet complies with the order, the tariff sheet shall be stamped approved and the docket shall be closed administratively. In the event that a timely protest is filed, and the Utility files revised tariff sheets reflecting the approved charges, the tariff shall remain in effect with any increases held subject to refund pending resolution of the protest.

By ORDER of the Florida Public Service Commission this 27th day of April, 2009.



ANN COLE
Commission Clerk

(S E A L)

LCB

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 18, 2009.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.