

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of late payment
charge in Brevard County by Aquarina
Utilities, Inc.

DOCKET NO. 130288-WS
ORDER NO. PSC-14-0105-TRF-WS
ISSUED: February 20, 2014

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER APPROVING LATE PAYMENT CHARGE

BY THE COMMISSION:

Background

Aquarina Utilities, Inc. (Aquarina or Utility) is a Class B water and wastewater utility serving approximately 411 customers in Brevard County. The Utility's 2012 Annual Report indicates that the Utility's operating revenues were \$250,314 and \$153,760 for water and wastewater, respectively.

On December 13, 2013, the Utility filed an application for approval of a late payment charge for its water and wastewater operations. This Order addresses Aquarina's request to implement a late payment charge. We have jurisdiction pursuant to Section 367.091, Florida Statutes (F.S.).

Utility's request

Section 367.091, F.S., authorizes us to establish, increase, or change a rate or charge other than monthly rates or services availability charges. The Utility is requesting a \$7.00 late payment charge to recover the cost of supplies and labor associated with processing late payment notices. The Utility's request for a late payment charge was accompanied by its reason for requesting the charge, as well as the cost justification required by Section 367.091, F.S.

The Utility has a total of 411 customer accounts and, according to the Utility, approximately 10 to 15 percent of the customers do not pay by the due date each month. As a courtesy, the Utility allows a three to five day grace period beyond the due date before it issues a late payment notice for discontinuance of service. After the expiration of the Utility's courtesy grace period, approximately five to six percent of the accounts are still delinquent and in need of

a late payment notice. Based on historical data, the Utility anticipates it will prepare late payment notices for approximately 20 accounts per month.

In the past, we have allowed 10-15 minutes per account for clerical and administrative labor to research, review, and prepare the notice.¹ The Utility indicated it spends approximately four hours per month processing late payment notices, which results in an average of 12 minutes per account (240 minutes/20 account) and is consistent with past Commission decisions. The late payment notices are processed by the account manager, which results in labor cost of \$7.00 (12/60 x \$35) per account. The cost basis for the late payment charge, including the labor, is shown below.

<u>Cost Basis for Late Payment Charge</u>	
Labor	\$ 7.00
Printing	\$.17
Postage	\$.46
Supplies	\$.10
Total Cost	\$ 7.73

We note that since the late 1990s, this Commission has approved late payment charges ranging from \$2.00 to \$7.00.² The purpose of this charge is not only to provide an incentive for customers to make timely payment, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing delinquent accounts solely upon those who are cost causers.

Based on the above, we approve Aquarina's request to implement a \$7.00 late payment charge. Aquarina shall be required to file a proposed customer notice to reflect the approved charge. The approved charge shall be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge shall not be implemented until Commission staff has approved the proposed customer notice. The Utility shall provide proof of the date notice was given no less than ten days after the date of the notice.

¹ See Order Nos. PSC-11-0204-TRF-SU, in Docket No. 100413-SU, issued April 25, 2011, In re: Request for approval of tariff amendment to include a late fee of \$14.00 in Polk County by West Lakeland Wastewater.; PSC-08-0255-PAA-WS, in Docket No. 070391-WS, issued April 24, 2008, In re: Application for certificates to provide water and wastewater service in Sumter County by Orange Blossom Utilities, Inc.; and PSC-01-2101-TRF-WS, in Docket No. 011122-WS, issued October 22, 2001, In re: Tariff filing to establish a late payment charge in Highlands County by Damon Utilities, Inc.

² See Order Nos. PSC-01-2101-TRF-WS, in Docket No. 011122-WS, issued October 22, 2001, In re: Tariff filing to establish a late payment charge in Highlands County by Damon Utilities, Inc.; PSC-08-0255-PAA-WS, in Docket No. 070391-WS, issued April 24, 2008, In re: Application for certificates to provide water and wastewater service in Sumter County by Orange Blossom Utilities, Inc.; PSC-09-0752-PAA-WU, in Docket No. 090185-WU, issued November 16, 2009, In re: Application for grandfather certificate to operate water utility in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility.; PSC-10-0257-TRF-WU, in Docket No. 090429-WU, issued April 26, 2010, In re: Request for approval of imposition of miscellaneous service charges, delinquent payment charge and meter tampering charge in Lake County, by Pine Harbour Water Utilities, LLC.; and PSC-11-0204-TRF-SU, in Docket No. 100413-SU, issued April 25, 2011, In re: Request for approval of tariff amendment to include a late fee of \$14.00 in Polk County by West Lakeland Wastewater.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Aquarina Utilities, Inc.'s application for approval of a late payment charge is granted in accordance with the provisions of this order. It is further

ORDERED that Aquarina Utilities, Inc. shall file a proposed customer notice to reflect the approved charge. It is further,

ORDERED that the revised tariff sheet shall become effective on or after the stamped approval date on the revised tariff sheets, pursuant to Rule 25-30.475, F.A.C. It is further

ORDERED that the approved charge shall not be implemented until Commission staff has approved the proposed customer notice. It is further

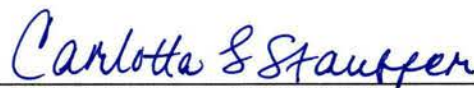
ORDERED that the Utility shall provide proof of the date notice was given no less than ten days after the date of the notice.

ORDERED that this docket shall remain open for staff's verification that the revised tariff sheet and customer notice have been filed by the Utility and approved by staff. It is further

ORDERED that if a protest is filed within 21 days of the issuance date of the Order, the tariff shall remain in effect with all late payment charges held subject to refund pending resolution of the protest. If no timely protest is filed, a consummating order shall be issued. It is further

ORDERED that in the event this Order becomes final, staff shall verify that the notice of the late payment charge has been given to customers and the docket shall be administratively closed.

By ORDER of the Florida Public Service Commission this 20th day of February, 2014.



CARLOTTA S. STAUFFER

Commission Clerk

Florida Public Service Commission

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Tallahassee, Florida 32399

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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 March 13, 2014.

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.