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From: Davis, Phyllis [DAVIS.PHYLLIS@leg.state.fl.us]
Sent: Thursday, June 07, 2012 3:54 PM
To: Filings@psc.state.fl.us
Subject: Undocketed Electronic Filing - Citizens Post Workshop Comments
Attachments: Citizens' Post Workshop Comments to Rules 25-30.335, & 25-30.350, and adoption of 25-30.351.F.A.C.pdf

Electronic Filing

a. Person responsible for this electronic filing:

Patricia A. Christensen, Associate Public Counsel
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b. Docket No. 120000-PU

In re: Initiation of Rulemaking to Amend Rules 25-30.335,
25-30.350, F.A.C., and to Adopt Rule 25-30.351, F.A.C., Relating to Billing for Water and
Wastewater Utilities

c. Document being filed on behalf of Office of Public Counsel

d. There are a total of fifteen (15) pages.

e. The document attached for electronic filing is Citizens comments to the proposed language changes to Rules 25-30.335, and 25-30.350, F.A.C., and to the adoption of Rule 25-30.351, F.A.C., relating to billing for Water and Wastewater Utilities.

Phyllis W. Philip-Guide
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COMMITTEE MEMBER DATE

03746 JUN-7 2012

FPSC-COMMISSION CLERK

6/7/2012

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of Rulemaking to Amend Rules 25-30.335,
25-30.350, F.A.C., and to Adopt Rule 25-30.351, F.A.C.,
Relating to Billing for Water and Wastewater Utilities

Undocketed

Filed: June 7, 2012

CITIZENS' POST WORKSHOP COMMENTS

The Citizens of the State of Florida, through the Office of Public Counsel, hereby files their comments to the proposed language changes to Rules 25-30.335, and 25-30.350, F.A.C., and to the adoption of Rule 25-30.351, F.A.C., relating to billing for Water and Wastewater Utilities. Citizens support Commission staff's efforts to address outstanding billing issues for Water and Wastewater Utilities.

At the workshop held May 10, 2012, Citizens offered additional language changes to these Rules. Specifically, Citizens proposed additional language changes to Rule 25-30.350, F.A.C., Paragraphs (1) and (2) and Rule 25-30.335, F.A.C., Paragraph (2). Citizens have no objections to adopting Rule 25-30.351, F.A.C., since the new rule is merely removing the language from Rule 25-30.335(8), F.A.C., and placing that language in its own rule. Based on Commission staff's comments and questions, Citizens have made some modifications to our originally proposed language changes. Citizens have included a type and strike version of the Rules with the language originally proposed by us at the workshop (highlighted in red font) and

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modifications to our proposed language based on the comments made at the workshop (highlighted in blue font).

As part of Citizens' post workshop comments, we have included a chart of OPC's modified proposed language, the rationale for OPC's modified proposed language, and estimation of additional cost of OPC's modified proposed language. Citizens have not included in our chart, an analysis of all of staff's proposed language changes where we have no objection to the changes.

s/Patricia A. Christensen
Patricia A. Christensen
Associate Public Counsel

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Attorney for the Citizens
of the State of Florida

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and foregoing Citizens' Post Workshop Comments has been furnished by electronic mail and U.S. Mail on this 7th day of June, 2012, to the following:

Cindy Miller
Florida Public Service Commission
Division of Legal Service
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Troy Rendell
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s/Patricia A. Christensen
Patricia A. Christensen
Associate Public Counsel

1 25-30.335 Customer Billing.

2 (1) Except as provided in this rule, a utility shall render bills to customers at regular intervals,
3 and each bill shall indicate: the billing period covered; the applicable rate schedule; beginning
4 and ending meter reading; the amount of the bill; the delinquent date or the date after which
5 the bill becomes past due; and any authorized late payment charge.

6 (2) Where there is sufficient cause, estimated bills may be provided. If the utility estimates
7 the bill, the utility shall indicate on the bill that the amount owed is an estimated amount, and
8 the word "estimated" shall be prominently displayed on the bill.

9 An estimated bill shall not be provided to a customer for more than two consecutive
10 months in a twelve- month period unless the utility provides a written notice to the customer
11 no later than the next bill,-----stating with specificity sufficient cause for providing an
12 estimated bill. However, with the third consecutive estimated bill, the company shall contact
13 the customer, to explain the reason for the estimated bill(s) and to provide a In the notice to a
14 customer regarding an estimated bill, a utility contact shall be provided so that the customer
15 may request an actual meter reading. The utility is also obligated to timely correct the
16 problems causing the need to estimate bills that are within the utility's control and service
17 obligations. An actual meter reading must be taken at least once every six months. -----In
18 no event shall a utility provide more than four ----- estimated bills in a twelve-month period
19 for circumstances that are within the utility's control and service obligations. For situations
20 where estimated billing is necessary beyond a 180-day period due to circumstances beyond the
21 utility's control, the utility shall provide written notification to the Commission describing the
22 nature of the circumstances that require the on-going estimated billing. Contemporaneously
23 with the annual report filed with the Commission, the utility shall report the number,
24 frequency, and causes of the estimated bills for the 12-month period covered by the annual
25 report, and describe the measures taken by the utility to reduce the number of estimated bills.

CODING: Words underlined are additions; words in ~~struck-through~~ type are deletions from existing law.

1 ~~. If the utility estimates the bill, the utility shall indicate on the bill that the amount owed is an~~
2 ~~estimated amount.~~

3 (3) When service is rendered for less than 50 percent of the normal billing cycle, the utility
4 shall prorate the base facility charges as though the normal billing cycle were 30 days, except
5 that the utility may elect not to issue an initial bill for service if the service is rendered during
6 a time period which is less than 50 percent of the normal billing cycle. Instead, the utility may
7 elect to combine the amount owed for the service rendered during the initial time period with
8 the amount owed for the next billing cycle, and issue a single bill for the combined time
9 period. For service taken under flat rate schedules, 50 percent of the normal charges may be
10 applied.

11 (4) A utility may not consider a customer delinquent in paying his or her bill until the 21st day
12 after the utility has mailed or presented the bill for payment.

13 (5) Each utility shall establish each point of delivery as an independent customer and shall
14 calculate the amount of the bill accordingly, except where physical conditions make it
15 necessary to use additional meters or points of delivery for one class of service to a single
16 customer on the same premises, or where such multiple meters or delivery points are used for
17 the convenience of the utility.

18 (6) A utility may not incorporate municipal or county franchise fees into the amount indicated
19 as the cost for service on the customer's bill. Rather, the utility shall show any such franchise
20 fee as a separate item.

21 (7) The utility shall maintain a record of each customer's account for the most current 2 years
22 so as to permit reproduction of the customer's bills during the time that the utility provided
23 service to that customer.

24 (8) ~~In the event of unauthorized use of service by a customer, a utility may bill the customer~~
25 ~~on a reasonable estimate of the service taken. In addition, the utility may assess a fee to defray~~

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from existing law.

1 | ~~the cost of restoring service to such a customer provided that the fee is specified in the utility's~~
2 | ~~tariff.~~

3 | (9) If a utility utilizes the base facility and usage charge rate structure and does not have a
4 | Commission authorized vacation rate, the utility shall bill the customer the base facility charge
5 | regardless of whether there is any usage.

6 | Rulemaking Specific Authority 350.127(2), 367.121 FS. Law Implemented 367.091, 367.121
7 | FS. History—Amended 9-14-74, 6-21-79, Formerly 25-10.97, 25-10.097, Amended 11-10-86,
8 | 11-30-93.

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1 25-30.350 Backbilling, Underbillings and Overbillings for Water and Wastewater Service.
2 (1) A utility may not backbill customers for any period greater than 12 months for any
3 undercharge in billing which is the result of the utility's mistake. The utility shall allow the
4 customer to pay for the unbilled service over the same time period as the time period during
5 which the underbilling occurred or some other mutually agreeable time period. The
6 underbilled service shall be billed at the lowest applicable tiered rate in effect during the time
7 period when the water was consumed for the relevant customer class. **Alternative**
8 **Language for bill calculation:** The underbilled service shall be calculated assuming uniform
9 customer consumption during the period subject to the underbilling. The average daily usage
10 shall be applied to the number of days covered by each monthly bill during the period subject
11 to the underbilling. The monthly bills shall be recalculated by applying the tariff rates in
12 effect for that period. The difference between the recalculated amount and the previously
13 billed amount shall be back billed and this calculation shall be provided to the customer with
14 each back bill. The revenue requirement produced in any ratemaking proceeding shall
15 include all corrected revenues and billing consumption for the test year period. However, any
16 billing errors which are the result of the utility's mistake shall not increase bad debt expense in
17 the test year. The utility shall not recover in a ratemaking proceeding, any lost revenues
18 greater than the amount collectible under this rule which inure to the utility's detriment on
19 account of this provision.
20 (2) In the event of an overbilling, s. The utility shall refund the overcharge to the customer
21 for the period during which the overcharge occurred, based on available records. If
22 commencement of the overcharging cannot be established, then a reasonable estimate of the
23 overcharge shall be made and refunded to the customer. The amount and period of the
24 adjustment shall be based on the available records. The refund shall not include any part of a
25 minimum charge.

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1 (3) In the event of an overbilling, the customer may elect to receive the refund as a credit to
2 future billings, or as a one-time payment.

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Specific Authority 350.127(2), 367.121 FS. Law Implemented 367.091, 367.121 FS. History—
New 11-10-86.

1 25-30.351 Unauthorized Use.

2 In the event of unauthorized use of service by a customer, a utility may bill the customer on a
3 reasonable estimate of the service taken. In addition, the utility may assess a fee to defray the
4 cost of restoring service to such a customer provided that the fee is specified in the utility's
5 tariff.

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7 Rulemaking Authority 350.127, 367.121 F. S. Law Implemented 367.091, 367.121, F.S.

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Rule 25-30.335 Customer Billing	OPC Proposed Rule Language	Rationale for Language	Potential cost of the additional OPC Proposed Language
(2) line(s) 6	(2) <u>Where there is sufficient cause, estimated bills may be provided.</u>	Language Proposed by staff Standard for bill should be billing based on actual meter readings for every month. Prudently managed company would want to limit estimated bills.	None
(2) line(s) 6-8	If the utility estimates the bill, the utility shall indicate on the bill that the amount owed is an estimated amount, <u>and the word "estimated" shall be prominently displayed on the bill.</u>	Similar to electric rules, provides customer sufficient notice that the bill is estimated. Customers have a right to know if the bill is based on actual or estimated meter reading. Further, prudently managed company would want to limit estimated bills.	None. Any potential cost increase should be inconsequential.
(2) line(s) 9-12	<u>An estimated bill shall not be provided to a customer for more than two consecutive</u>	Estimated bills should be rare. Requiring a two month notification to customer allows customer to correct any issues	OPC's proposal should not impose a significant additional cost increase over the language proposed by

	<p><u>months in a twelve-month period unless the utility provides written notice to the customer no later than the next bill, stating with specificity sufficient cause for providing an estimated bill.</u></p>	<p>on their end.</p>	<p>Commission staff. Further, OPC proposed language provides sufficient flexibility with regards to the timing and manner of written notice (i.e. email, billing insert, door hanger, etc.) that costs can be minimized.</p>
<p>(2) line(s) 13-15</p>	<p><u>In the notice to a customer regarding an estimated bill, a utility contact shall be provided so that the customer may request an actual meter reading.</u></p>	<p>Same language as proposed by staff.</p>	<p>None</p>
<p>(2) line(s) 15-17</p>	<p><u>The utility is also obligated to timely correct the problems causing the need to estimate bills that are within the utility's control and service obligations.</u></p>	<p>Staff concerned regarding situations where customer is causing the problem and this revised proposal should eliminate staff's concerns. Further, this provision would merely require the utility to correct problems within its control.</p>	<p>The cost is unknown. However, a prudently managed utility would want to correct problems in a timely manner.</p>
<p>(2) line(s) 17-25</p>	<p><u>In no event shall a utility provide more than four estimated bills in a twelve- month period for circumstances that are within the utility's</u></p>	<p>A prudently managed company should know the causes of utility and non-utility caused estimated bills. These estimated bill reporting requirements allow the utility, Commission, and interested</p>	<p>Any cost associated with limiting the number of estimated bills should be offset by the benefit of the utility billing and collecting accurate revenues in a timely manner. The cost for the</p>

	<p><u>control and service obligations. For situations where estimated billing is necessary beyond a 180-day period due to circumstances beyond the utility's control, the utility shall provide written notification to the Commission describing the nature of the circumstances that require the on-going estimated billing.</u></p> <p><u>Contemporaneously with the annual report filed with the Commission, the utility shall report the number, frequency, and cause of estimated bills for the 12-month period covered by the annual report, and describe the measures taken by the utility to reduce the number of estimated bills.</u></p>	<p>persons to track the causes of estimated bills. If a systemic problem is occurring within the utility's control, then the Commission can address that during the next rate case or in a special proceeding.</p>	<p>annual report requirement is unknown and is dependent on the current record-keeping maintained by the utility. The cost for customer-caused situations beyond 180 days should be inconsequential given that the goal is for a utility to provide an actual bill every month and these situations should be rare.</p>

	<p><u>and the previously billed amount shall be back billed and this calculation shall be provided to the customer with each back bill.</u></p>		
(1) lines 14-15	<p><u>The revenue requirement produced in any ratemaking proceeding shall include all corrected revenues and billing consumption for the test year period.</u></p>	<p>Back-billing during a test year could include revenues from a period prior to the test year. In these cases, revenues from the prior year would be duplicative of other revenues and should not be included in the test year. Likewise, any back-billing that occurs after the test year could include test year revenue. Therefore, these back-billed revenues should be included in the test year so that the latter reflects an accurate level of consumption in the billing determinants.</p>	None.
(1) Lines 15-17	<p><u>However, any billing errors which are the result of the utility's mistake shall not increase bad debt expense in the test year.</u></p>	<p>Bad debt expense should reflect the bad debt associated with the billing during an average year. Utility back-billing due to errors caused by the utility should not be considered typical and should not be considered in expenses on a going-forward basis.</p>	
(1) Lines 17-19	<p><u>The utility shall not recover in a ratemaking</u></p>	<p>Language struck in OPC proposal and replaced by OPC</p>	none

	<p>proceeding, any lost revenues greater than the amount collectible under this rule which inure to the utility's detriment on account of this provision.</p>	<p>language lines 7-10.</p>	
<p>(2) Lines 20-21</p>	<p><u>In the event of an overbilling, the utility shall refund the overcharge to the customer for the period during which the overcharge occurred, based on available records.</u></p>	<p>Minor editorial changes</p>	<p>None</p>
<p>(2) lines 24-25</p>	<p>The refund shall not include any part of a minimum charge.</p>	<p>Language struck in OPC proposal. OPC believes language is confusing and unnecessary since the base facility charge would not generate an overcharge.</p>	<p>none</p>