

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for Approval) DOCKET NO. 930353-WS
of Late Payment Charge in Citrus) ORDER NO. PSC-93-0916-FOF-WS
County by ROLLING OAKS) ISSUED: June 16, 1993
UTILITIES, INC.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER APPROVING TARIFF

BY THE COMMISSION:

Rolling Oaks Utilities, Inc., (ROU or utility) is a class B utility providing water and wastewater in Citrus County. According to its 1992 annual report, ROU served 5,373 water and 3,905 wastewater customers, its total operating revenues were \$720,628 for water and \$881,370 for wastewater, and its net operating income was \$53,719 for water and \$148,992 for wastewater.

On April 5, 1993, ROU filed a request and tariff for a \$3.00 late payment charge for both its water and wastewater operations. In its request, ROU states that the charge has two purposes: (1) to provide an incentive for customers to make timely payment and (2) to place the cost burden of processing delinquent accounts upon those who cause the costs to be incurred. Pursuant to §367.091(5), Florida Statutes, ROU filed a cost justification with its request and tariff. This Order reflects our May 18, 1993, vote on ROU's tariff; thus, we have acted within the sixty-day time frame prescribed in § 367.091(5), Florida Statutes.

The cost justification filed with ROU's request shows that each month the utility sends late notices to 10% of its customers, or about 554 of 5,561 customers. Of those 554 customers, 36 are eventually disconnected for nonpayment. ROU provided the following pertinent computations:

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FLORIDA PUBLIC SERVICE COMMISSION

CALCULATION OF LATE PAYMENT CHARGE

<u>EMPLOYEE</u>	<u>ACTUAL HOURLY RATE</u>	<u>EST. HRS TO PROCESS LATE NOTICES/MONTH</u>	<u>EST. LABOR COSTS</u>
#1	\$10.95	34	\$372.30
#2	\$13.87	34	\$471.58
TOTAL MONTHLY ESTIMATED LABOR COST			<u>\$843.88</u>
DIVIDED BY AVG. NUMBER OF LATE NOTICES PER MONTH			÷ 554
AVERAGE ESTIMATED LABOR COST PER LATE NOTICE			\$1.52
ACTUAL COST OF FORM, POSTAGE, ETC. PER LATE NOTICE			+ <u>\$1.29</u>
ACTUAL COST PER MONTH PER LATE PAYMENT NOTICE			<u>\$2.81</u>

The \$.14 difference between the utility's estimated cost to send a late notice and its requested \$3.00 charge is nominal, so we have no disagreement with the rounded-up figure. The annual increase in revenue generated from the implementation of the \$3.00 late payment charge will be \$1,662, which will not cause the utility to overearn.

Presently, our rules provide that customers paying late may be required to provide an additional deposit. Once the utility requires an additional deposit, however, there are no other incentives for late-paying customers to pay in a timely manner. We believe that an incentive should exist for late-paying customers to pay in a timely manner and that those customers who cause the utility to incur costs to process late payment notices should pay those costs.

In consideration of the above, ROU's tariffs will be approved as filed and will be effective, but not final, for service rendered on or after the stamped approval date on the tariffs. Persons substantially affected by this tariff have the right to a hearing

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prior to final approval. Therefore, substantially affected persons shall have 21 days from the date of this Order to request a hearing. If a timely protest is filed, the utility may implement the tariff on a temporary basis, subject to refund. If no timely protest is filed, our action approving the tariff shall become final.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the tariffs for late payment charges filed by Rolling Oaks Utilities, Inc., are hereby approved as filed. It is further

ORDERED that the subject tariffs will be effective, but not final, for service rendered on or after the stamped approval date on the tariffs. It is further

ORDERED that substantially affected persons shall have 21 days from the date of this Order to request a hearing on approval of the aforementioned tariffs. It is further

ORDERED that if a timely protest to our action approving the tariff is filed, Rolling Oaks Utilities, Inc., the revenues collected pursuant to the tariffs will be subject to refund. It is further

ORDERED that upon expiration of the protest period, if no protest has been received, the Commission's action approving the tariffs will be final, and the docket may be closed.

By ORDER of the Florida Public Service Commission this 16th day of June, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

The Commission's decision on this tariff is interim in nature and may become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on July 7, 1993.

Any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.