

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for approval) DOCKET NO. 960675-WS
of late payment charge in Lee) ORDER NO. PSC-96-0987-FOF-WS
County by MHC Systems, Inc.) ISSUED: August 5, 1996

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TARIFF IMPLEMENTING LATE PAYMENT CHARGE

BY THE COMMISSION:

MHC Systems, Inc. (MHC or utility) is a Class B utility providing water and wastewater service in Lee County, Florida. According to its December 31, 1995 annual report, the utility was serving approximately 1,756 water and 1,722 wastewater customers. During the twelve months ending December 31, 1995, the utility recorded operating revenues of \$357,749 and \$415,578 and a net operating income of \$64,843 and \$115,449, for its water and wastewater systems respectively.

Under Section 367.091(5), Florida Statutes, a utility may apply to establish, increase, or change a rate or charge other than monthly rates for service or service availability charges. These applications are to be accompanied by a cost justification. On May 28, 1996, the utility filed a tariff requesting approval of a late payment charge in the amount of \$3.00 for both its water and wastewater operations.

Pursuant to Section 367.091(5), Florida Statutes, MHC filed a cost justification. In the cost justification, the utility states that the purpose of this charge is to provide an incentive for customers to make timely payment and to place the cost burden of processing delinquent accounts upon those that cause such costs. Statistics filed with this request show that the percentage of delinquent customers has varied from 6% to 10% over the past eight months. The total monthly delinquent accounts receivable balance has been greater than \$4,900.

DOCUMENT NUMBER-DATE

08150 AUG-5 96

FPSC-RECORDS/REPORTING

We have previously approved late payment charges for other water and wastewater utilities. We believe that the general body of ratepayers should not be required to cover costs associated with late paying customers. We also 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 these costs. We find that a \$3.00 charge will provide sufficient incentive to encourage customers to pay their bills in a timely fashion. Therefore, we approve the utility's request to establish a late fee in the amount of \$3.00.

The utility shall submit a proposed customer notice reflecting the implementation of the \$3.00 late fee for our approval. MHC's tariff shall become effective, for service rendered on or after the stamped approval date on the tariff sheets. Substantially affected persons shall have 21 days from the date of the 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 MHC Systems, Inc.'s tariff filing to implement a late payment charge in the amount of \$3.00 to be assessed after the twentieth day of the billing cycle is hereby approved as filed. It is further

ORDERED that MHC Systems, Inc. shall submit a proposed customer notice for approval. It is further

ORDERED that the tariff shall become effective for service rendered on or after staff's approval of the filed tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code. It is further

ORDERED that if a timely protest is filed pursuant to the requirements set forth below, all increased revenues resulting from this filing shall be held subject to refund. It is further

ORDERED that the tariff shall become final if a substantially affected person does not file a petition for a formal proceeding within 21 days of issuance of this order. If no such petition is received, this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 5th
day of August, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay DeLeon
Chief, Bureau of Records

(S E A L)

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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 will 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 26, 1996.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility

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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.