

BEFORE THE PUBLIC SERVICE COMMISSION

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.

DOCKET NO. 050096-WS
ORDER NO. PSC-05-0397-TRF-WS
ISSUED: April 18, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON
LISA POLAK EDGAR

ORDER APPROVING TARIFF CHANGES

BY THE COMMISSION:

Background

Marion Utilities, Inc. (Marion or utility) is a Class A utility which provides service in Marion County to approximately 4,032 water and 118 wastewater customers. The utility is primarily in the St. Johns River Water Management District, all of which is considered a water use caution area. The utility's 2003 annual report shows a combined water and wastewater annual operating revenue of \$1,183,322, and a total utility operating income of \$62,942.

On February 2, 2005, Marion filed an application for changes and additions to Tariff Sheets Nos. 14.0 and 15.1. The utility's application originally included increasing the charge for Request for Meter Test by Customer, eliminating the Premise Visit Charge (in lieu of disconnection), adding a Premise Visit Charge, and adding a Delinquent Payment Charge. However, on March 2, 2005, the utility withdrew its request for changes to Tariff Sheet No. 14.0, Request for Meter Test by Customer.

We have jurisdiction over the requested tariff changes pursuant to section 367.091, Florida Statutes.

Changes to Tariff Sheet No. 15.1

The utility's requested changes and additions to Tariff Sheet No. 15.1 are listed and approved as set out below.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Miscellaneous Service Charge

In its application, the utility requested to change its miscellaneous service charges. The utility requests that it be allowed to increase the \$15.00 charge for connection and reconnections during normal hours to \$20.00. The utility states that the current fees have been in effect since 1992, and that its costs for transportation, salaries and benefits have increased a great deal. The utility is also requesting an increase to its after hours service charge. The current fee is \$30.00, and the utility is requesting an increase to \$40.00. The current charge was approved in Order No. 25750, issued February 18, 1992, in Docket No. 911219-WS, In re: Request to implement increased after hours miscellaneous service charges in Marion County by Marion Utilities, Inc., where the utility requested an increase to this charge to avoid passing costs on to the general body of ratepayers. This charge is based on paying its personnel time and a half for after-hours calls. In addition, the utility also states that the price index for rates has increased 28.5%, while its service fees have remained the same. Further, the utility states that these charges will not cause Marion to exceed its authorized rate of return established by the Commission. We find that these increases will allow the utility to recover the costs of its increased expenses for connection, reconnection, and after hours calls, and they are approved.

Premise Visit Charge

Currently, Marion's tariff includes a Premise Visit Charge (in lieu of disconnection). The utility has requested to eliminate this charge because it does not accept payment in the field. Marion states that all payments are handled in the office or by mail. As such, this charge shall be eliminated.

The utility has requested that it be allowed to add a "Premise Visit Charge" to its tariff. This charge will be levied when a service representative visits a premise at the customer's request for a complaint and the problem is found to be the customers responsibility. This charge is consistent with Rule 25-30.460(1)(d), Florida Administrative Code, and we find that this charge is reasonable, and it is approved.

Delinquent Payment Charge

The utility has requested to add a delinquent payment charge of \$5.00 for any customers that pay their bill after the 20th of the month. This charge will cover the cost of paper, printing and preparation and mailing of the late notice. The utility believes that customers who pay on a timely basis should not bear the cost of those who rarely pay on time. A breakdown of this charge is listed below:

\$2.25	Office personnel, time to search accounts to determine that the bill has not been paid.
2.50	Prepare, print and sort notices for mailing and transport to Post Office
.22	Postage
.05	Materials
<u>\$5.02</u>	Total

In the past, we have handled late payment fee requests on a case-by-case basis, and have approved late fees in the amount of \$5. Order No. PSC-98-1585-FOF-WU, issued November 25, 1998, in Docket No. 980445-WU, In re: Application for staff-assisted rate case in Osceola County by Morningside Utility, Inc., and Order No. PSC-96-1409-FOF-WU, issued November 20, 1996, in Docket No. 960716-WU, In re: Application for transfer of Certificate No. 123-W in Lake County from Theodore S. Jansen d/b/a Ravenswood Water System to Crystal River Utilities, Inc. (finding that the cost causer should pay the additional cost incurred to the utility by late payments, rather than the general body of the utility's rate payers).

Presently, Commission rules provide that late payers may be required by the utility to provide an additional deposit. However, there is no further incentive for either delinquent or late paying customers to pay their bills on time after the additional deposit.

In Order No. PSC-01-0998-TRF-WU, issued April 23, 2001, in Docket No. 010232-WU, In re: Request for approval of tariff filing to add "set rate" late fee to water tariff by Lake Yale Treatment Associates, Inc., in Lake County, we found that the goal of allowing late fees to be charged by a utility is twofold: first, to encourage current and future customers to pay their bills on time; and second, if payment is not made on time, to insure that the cost associated with the late payments is not passed on to the customers who do pay on time. Allowing a late fee will encourage prompt payment by current and future customers.

We find that \$5 is a reasonable late fee charge for this utility. Therefore, consistent with the above-noted orders, the \$5 late payment fee is approved.

Summary

In summary, the utility's Second Revised Sheet No. 15.1 shall be approved as filed because the increased charges are cost-based and reasonable. The utility shall file a proposed customer notice to reflect the Commission-approved charges. The approved charges shall be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that the notice has been approved by our staff. Within 10 days of the date the order is finalized by a Consummating Order, the utility shall provide notice of the tariff changes to all customers. The utility shall provide our staff with proof that the customers have received notice within 10 days after the date that the notice was sent. The revised tariff shall become effective on or after the stamped approval date on the revised tariff sheet, pursuant to Rule 25-30.475, Florida Administrative Code.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Marion Utilities, Inc.'s Second Revised Sheet No. 15.1 shall be approved as filed. It is further

ORDERED that the revised tariff shall become effective on or after the stamped approval date on the revised tariff sheet, pursuant to Rule 25-30.475, Florida Administrative Code. It is further

ORDERED that Marion Utilities, Inc. shall file a proposed customer notice to reflect the Commission-approved charges. The approved charges shall be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that the notice has been approved by our staff. It is further

ORDERED that within ten days of the date of the Consummating Order, Marion Utilities, Inc. shall provide notice of the tariff changes to all customers. It is further

ORDERED that Marion Utilities, Inc. shall provide proof that the customers have received notice within ten days after the date that the notice was sent. It is further

ORDERED that if a protest is filed by a substantially affected person within 21 days of the issuance date of the Order, the tariff shall remain in effect with all increased charges held subject to refund pending resolution of the protest, and the docket shall remain open. It is further

ORDERED that if no timely protest is filed, the docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 18th day of April, 2005.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

RRJ

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 Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 9, 2005.

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.