

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for approval of  
miscellaneous service charges in Pasco  
County, by Holiday Gardens Utilities, Inc.

DOCKET NO. 130250-WU  
ORDER NO. PSC-14-0017-TRF-WU  
ISSUED: January 6, 2014

ORDER GRANTING MISCELLANEOUS SERVICE CHARGES

BY THE COMMISSION:

Background

Holiday Gardens Utilities, Inc. (Holiday Gardens or Utility) is a Class C utility providing water service to 455 customers in Pasco County. The Utility's 2012 annual report indicates total gross revenue of \$71,061 and a total operating loss of \$14,775. On October 13, 2013, Holiday Gardens filed an application for an after hours normal reconnection charge, a convenience charge, a late payment charge, a meter tampering charge, and initial customer deposits. On November 8, 2013, the Utility extended the 60-day suspension date to December 20, 2013.

This Order addresses Holiday Gardens' requested miscellaneous service charges and initial customer deposits. We have jurisdiction over this matter pursuant to Section 367.091, Florida Statutes (F.S.).

Decision

Section 367.091, F.S., authorizes this Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges. Holiday Gardens requested an after hours normal reconnection charge, a convenience charge, a late payment charge, and a meter tampering charge. The Utility currently has approved charges for initial reconnections, normal reconnections, violation reconnections, and premise visits.

After Hours Normal Reconnection Charge

Currently, due to staffing, the Utility is unable to reconnect water service after the close of business. For this reason, the Utility has made an arrangement with a third party vendor for those customers that request reconnection of water service after hours.

The Utility requested an after hours normal reconnection charge of \$30.00, which is more than its normal hours reconnection charge. Pursuant to Rule 25-30.460 (2), F.A.C., a utility may request an additional charge (after hours charge) for overtime when the customer requests that the service be performed after normal hours. The after hours charge may be at the same rate specified for the existing charge during normal working hours. If the Utility seeks a charge other than the normal working hours charge, the Utility must file cost support. The Utility has provided an invoice from the third party vendor indicating a cost of \$30.00 to reconnect service after 4:00 p.m., which is reasonable and consistent with after hours charges for other water

utilities. Based on the above, we find that an after hours normal reconnection charge of \$30.00 is reasonable and shall be approved.

#### Convenience Charge

The Utility requested a convenience charge of \$2.50 for customers who opt to pay their water bill by debit or credit card via telephone. The charge is designed to recover the costs incurred for customer contact, supervision, and the bank and credit card processing.

This Commission recently approved a charge of \$2.50 for a customer who opts to pay their bill by debit or credit card for West Lakeland Wastewater LLC., Pinecrest Utilities, LLC., and Four Points Utility Corp.<sup>1</sup> The manager of Holiday Gardens is the owner/manager of the utilities for which the convenience charge was recently approved.

We find that the requested charge of \$2.50 is reasonable for customers who opt to pay their water bill by debit or credit card via telephone. The requested charge benefits the customers by allowing them to expand their payment options. Therefore, we find that the convenience charge of \$2.50 shall be approved.

#### Late Payment Charge

The Utility requested a late payment charge of \$5.25. A late payment charge is designed to encourage customers to pay their bills on time and to ensure that the cost associated with late payment is not passed on to the general body of ratepayers. The cost justification provided by the Utility appears to be reasonable and consistent with prior Commission decisions.<sup>2</sup> Therefore, we find that the late payment charge of \$5.25 shall be approved.

#### Meter Tampering Charge

Currently, the Utility does not have a meter tampering charge. Rule 25-30.320(2)(i), F.A.C., provides that a customer's service may be discontinued without notice in the event of tampering with the meter or other facilities furnished or owned by the Utility. In addition, Rule 25-30.320(2)(j), F.A.C., provides that a customer's service may be discontinued in the event of an unauthorized or fraudulent use of service. The rule allows the Utility to require the customer to reimburse the Utility for all changes in piping or equipment necessary to eliminate the illegal

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<sup>1</sup> See Order Nos. PSC-13-0426-TRF-SU, issued September 19, 2013, in Docket No. 120289-SU, In re: Request for approval of amendment to tariff sheets for miscellaneous service charges in Polk County by West Lakeland Wastewater, LLC.; PSC-13-0427-TRF-WU, issued September 19, 2013, in Docket No. 120290-WU, In re: Request for approval of amendment to tariff sheets for miscellaneous service charges in Polk County by Pinecrest Utilities, LLC.; PSC-13-0428-TRF-WS, issued September 19, 2013, in Docket No. 120286-WS, In re: Request for approval of amendment to tariff sheets for miscellaneous service charges in Polk County by Four Points Utility Corp.

<sup>2</sup> See Order Nos. PSC-11-0368-PAA-WU, issued September 1, 2011, in Docket No. 100128-WU, In re: Application for increase in water rates in Gulf County by Lighthouse Utilities Company, Inc.; PSC-10-0735-TRF-WS, issued December 20, 2010, in Docket No. 100381-WS, In re: Request for approval of tariff amendment to include a late payment fee of \$5.25 and establish miscellaneous service charges associated with connection, reconnection, and premises visits for its wastewater operation in Orange County by Pluris Wedgefield, Inc.



use and to pay an amount reasonably estimated as the deficiency in revenue resulting from the customer's fraudulent use before restoring service.

Pursuant to Rule 25-30.345, F.A.C., a utility may charge a reasonable fee to defray the cost of restoring service that was discontinued for proper cause, as specified in Rule 25-30.320, F.A.C. The Utility requested a meter tampering charge of \$50.00. In prior cases, this Commission has determined that \$50.00 reflects the typical costs to be incurred in investigating and resolving situations of meter tampering.<sup>3</sup> However, the charge is only appropriate where an investigation reveals evidence of meter tampering. Therefore, we find that a \$50.00 meter tampering charge shall be approved.

Based on the above, an after hours normal reconnection charge, a convenience charge, a late payment charge, and a meter tampering charge shall be approved as shown on Schedule No. 1. Holiday Gardens shall be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charges 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.

#### Initial Customer Deposit

Rule 25-30.311, F.A.C., contains the criteria for collecting, administering, and refunding customer deposits. Rule 25-30.311(7), F.A.C. provides that new or additional customer deposits may be collected from existing customers based on an average monthly bill for a two-month period. Holiday Gardens' existing tariff does not authorize the Utility to collect an initial customer deposit. The Utility requested an initial residential customer deposit of \$24.00 that reflects an average bill for a two-month period based on the Utility's existing rates. The Utility also requested an initial general service customer deposit of two times the average bill for a two-month period.

We find that an initial residential customer deposit of \$24.00 and an initial general service customer deposit of two-times the average bill shall be approved. The Utility shall file a revised tariff sheet and proposed notice consistent with our decision. The initial customer deposits shall become effective for connections made on or after the stamped approval date of the revised tariff sheet after the customers have been notified.

Based on the foregoing it is

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<sup>3</sup> See Order Nos. PSC-10-0257-TRF-WU, issued April 26, 2010, in Docket No. 090429-WU, In re: Request for approval of imposition of miscellaneous service charges, delinquent payment charge and meter tampering charge in Lake County, by Pine Harbor Water Utilities, LLC.; PSC-12-0357-PAA-WU, issued July 10, 2012, in Docket No. 100048-WU, In re: Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc.; PSC-13-0177-PAA-WU, issued April 29, 2013, in Docket No. 130052-WU, In re: Application for grandfather certificate to operate water utility in Charlotte County by Little Gasparilla Water Utility, Inc.

ORDERED by the Florida Public Service Commission that an after hours normal reconnection charge, a convenience charge, a late payment charge, and a meter tampering charge for Holiday Gardens Utilities, Inc. are hereby approved as shown on Schedule No. 1. It is further

ORDERED that the approved charges shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. It is further


ORDERED that Holiday Gardens Utilities, Inc. shall be required to file a proposed customer notice to reflect the approved charges. The approved charges 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. It is further

ORDERED that an initial residential customer deposit of \$24.00 and an initial general service customer deposit of two-times the average bill are hereby approved. It is further

ORDERED that the Utility shall file a revised tariff sheet and proposed notice consistent with our decision and the initial customer deposits shall become effective for connections made on or after the stamped approval date of the revised tariff sheet after the customers have been notified. It is further

ORDERED that this docket shall remain open pending Commission staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by Commission staff. If no timely protest is filed, a consummating order shall be issued and, once Commission staff verifies that the notice of the charge has been given to the customers, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 6th day of January, 2014.



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CARLOTTA S. STAUFFER  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
www.floridapsc.com

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

JEG

DISSENT BY: COMMISSIONER EDUARDO E. BALBIS, WITHOUT OPINION.



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 January 28, 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.

**Holiday Gardens Utilities, Inc.**

**Commission Approved**

**Miscellaneous Service Charges**

|  |         |
|--|---------|
| After Hours Normal Reconnection Charge | \$30.00 |
| Meter Tampering Charge                 | \$50.00 |
| Convenience Charge                     | \$ 2.50 |
| Late Payment Charge                    | \$ 5.25 |

**Initial Customer Deposits**

**Residential**

5/8" x 3/4" \$24.00

**General Service**

All Meter Sizes 2 x (avg of 2 months' bill)