

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for Approval) DOCKET NO. 930387-WS
of Late Payment Charge by) ORDER NO. PSC-93-0969-FOF-WS
HYDRATECH UTILITIES, INC. in) ISSUED: 6/29/93
Martin County.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON

ORDER APPROVING TARIFF

BY THE COMMISSION:

BACKGROUND

Hydratech Utilities, Inc. (Hydratech or utility) is a class B water and wastewater utility operating in Martin County. According to its 1991 Annual Report, Hydratech served 4,326 water and 3,683 wastewater customers, and its total operating revenues were \$892,101 for water and \$774,787 for wastewater.

On April 15, 1993, Hydratech filed a request and tariff for a \$3.00 late payment charge for both its water and wastewater operations. In its request, Hydratech states that the proposed 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 that cause such costs.

Pursuant to Section 367.091(5), Florida Statutes, Hydratech filed a cost justification with its request and tariff. This Order reflects our June 8, 1993, vote on Hydratech's tariff; thus, we have acted within the sixty-day time frame prescribed in Section 367.091(5), Florida Statutes.

The cost justification filed with Hydratech's request shows that based upon a 3-year average 11.33% of the total customers billed are sent late notices each month. This is about an average

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of 491 late notices per month; 27 customers are actually disconnected for nonpayment. The following computations were given as justification for the request for approval of the late charge:

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	\$13.59	8	\$108.72
#2	13.58	8	\$108.64
#3	8.78	8	\$ 70.24
#4	9.48	8	\$ 75.84
#5	10.69	8	\$ 85.52
Total Monthly Estimated Labor cost			<u>\$448.96</u>
Divided by Average # of Late Notices Per Month			491
Average Estimated Labor Costs Per Late Notice			\$.91
Average Cost of Forms & Postage Per Late Notice (Including Computer Generation)			\$.99
Actual Cost Per Month Per Late Payment Notice			<u>\$ 1.90</u>
Requested Monthly Late Payment Notice Charge			\$ 3.00

Although Hydratech's cost justification supports a \$1.90 charge, Hydratech believes this amount may not be enough to encourage a customer to pay in a timely manner. We agree that a charge that is too low will have no affect on a customer's payment practices and believe that a \$3.00 charge will provide sufficient incentive. The annual increase in revenue generated from the implementation of the charge will not cause the utility to overearn.

Presently, our rules provide that late paying customers may be required by the utility 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, Hydratech'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 tariff sheets. Persons substantially affected by this tariff have the right to a hearing prior to final approval. Therefore, 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 the tariffs for late payment charges filed by Hydratech 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 staff's approval of the filed tariff sheets. 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, the revenues collected by Hydratech Utilities, Inc., pursuant to the tariffs will be subject to refund. It is further

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

By ORDER of the Florida Public Service Commission, this 29th 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 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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on July 20, 1993.

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

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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 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.