

STATE OF FLORIDA

ORIGINAL

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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

April 23, 1998

Mr. Bob Margolis
New River Ranch, L.C.
3200 River Ranch Road, P. O. Box 30030
River Ranch, Florida 33867

RE: Docket No. 971185-WS: Application for Grandfather Certificates to Provide Water and Wastewater Service in Polk County by New River Ranch, L.C. d/b/a River Ranch

Dear Mr. Margolis:

On May 14, 1996, the Board of County Commissioners of Polk County adopted a resolution pursuant to Section 367.171, Florida Statutes, declaring that privately owned water and wastewater utilities in that county were subject to the provisions of Chapter 367, Florida Statutes. As a matter of common practice, utilities in Polk County are allowed to collect the service rates that were being collected on May 14, 1996, while their grandfather applications were pending.

Recently, this Commission received a letter from a customer in your service area, Mr. Leon Cowell, suggesting that New River Ranch may have implemented an unauthorized rate increase. He said that New River Ranch billed him \$15.20 a month, whereas his previous bill was only \$13.50 a month. I believe that Mr. Cowell was correct when he elected to pay \$13.50 absent further explanation by your company. However, it also appears that other customers were charged the increased fee. Therefore, those customers are likewise entitled to a refund. Usually, a correction of this sort is best managed by crediting the customer's next bill for overcharges, while explaining that the discrepancy resulted from a previous billing error.

Your letter to Mr. Cowell implied that a 1.5% late payment penalty would apply for past due bills. However, that charge cannot be collected unless it was previously approved by Polk County. Your letter to Mr. Cowell further showed that New River Ranch intended to collect a \$25.00 charge to cap a customer's meter and a \$20 reconnection fee. Likewise, those charges are not permitted unless Polk County approved their collection. Your tariff indicates that such approval was not authorized.

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DOCKET NUMBER: 971185-WS
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FPSC-RECORDS/REPORTING

