



Public Service Commission

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RECORDS AND REPORTING

DATE: JUNE 29, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (KAPROTH) *KK*
DIVISION OF LEGAL SERVICES (CHRISTENSEN) *DM*

RE: DOCKET NO. 000248-WU - TARIFF REVISION FOR PAYMENT OF CHARGES FOR RECONNECTION, REIMBURSEMENT FOR EXTRA EXPENSES, AND PAYMENT OF CHARGES FOR OFF-HOUR SERVICE CONNECTION IN MARTIN COUNTY BY INDIANTOWN COMPANY, INC.
COUNTY: MARTIN

AGENDA: 07/11/00 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: APRIL 11, 2000

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\000248.RCM

CASE BACKGROUND

Indiantown Company, Inc. (Indiantown or utility) is a Class B water and wastewater utility, providing service to approximately 1,709 water and 1,576 wastewater customers in Martin County. According to its 1999 Annual Report, the utility recorded water revenues of \$498,642 and wastewater revenues of \$556,171 with expenses of \$629,091 and \$811,932, respectively. The utility's service area is located in a water use caution area in the South Florida Water Management District.

On February 11, 2000, Indiantown filed an application for approval of a new service availability tariff which requires that payments be made in person at the service company's business office during regular business hours. On February 23, 2000, the utility revised its tariff application to delete the premises visit charge (in lieu of disconnection). On March 28, 2000, the Commission

DOCUMENT NUMBER-DATE

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.FPSC-RECORDS/REPORTING

DOCKET NO. 000248-wU
DATE: June 29, 2000

voted to suspend Indiantown's tariff filing to allow staff time to investigate the proposed changes to the tariff filing. Staff initiated an investigation regarding the proposed tariff filings. Staff had concerns that the deletion of the premises visit charge (in lieu of disconnection) might harm customers who had the ability and willingness to pay the full amount at the time of disconnection. Therefore, staff sent data requests asking for additional information regarding this issue and related issues. However, on June 14, 2000, Indiantown filed revised tariff sheets which includes a revised premises visit charge (in lieu of disconnection).

DISCUSSION OF ISSUES

ISSUE 1: Should the utility's proposed revised tariff sheets filed on June 14, 2000 which require payments be made in person at the service company's business office during regular business hours and the revised premises visit charge (in lieu of disconnection) be approved?

RECOMMENDATION: Yes, the utility's proposed tariff to require that payments be made in person at the service company's business office during regular business hours and the revised premises visit charge (in lieu of disconnection) should be approved. (KAPROTH, CHRISTENSEN)

STAFF ANALYSIS: On February 11, 2000, Indiantown filed an application for approval of a new service availability tariff which requires that payments be made in person at the service company's business office during regular business hours. The utility asserts that the revised tariff was necessary because an increased number of customers are going to the homes of the business office personnel and paying in cash. Furthermore, the utility contends that the same is true for field personnel who are not equipped to account for and safeguard cash. Also, the utility states it is not good business practice to have company personnel accept money (mostly cash) outside of the business hours and off business premises.

On February 23, 2000, the utility revised its tariff application to delete the premises visit charge (in lieu of disconnection) because if payment could only be accepted at the business office the premises visit charge would be in conflict with the new tariff. Further, the utility stated that the current tariff encourages the customer to not pay timely because all the customer needs to do is to pay the amount due plus \$10 premises visit charge at the customer's home, instead of having to go to the trouble of being without service for a period of time and then having to go to the business office to pay the amount due plus \$15 for violation reconnection. The utility has no late payment charge.

On March 28, 2000, the Commission voted to suspend Indiantown's tariff filing to allow staff time to investigate the proposed changes to the tariff filing. Staff initiated an investigation regarding the proposed tariff filings. Staff had concerns that deletion of the premises visit charge (in lieu of disconnection) might harm customers who had the ability and willingness to pay the full amount at the time of disconnection.

Therefore, staff sent data requests asking for additional information regarding this issue and related issues, and on June 14, 2000, Indiantown filed revised tariff sheets which include a revised premises visit charge (in lieu of disconnection).

Indiantown is requesting approval of new service availability tariffs, filed on June 14, 2000, for the payment of charges for water service and wastewater service. The proposed tariffs state that:

"PAYMENT OF CHARGES Payment of charges for [water/wastewater] service, for delinquent bills, for premise visits and for reconnection, reimbursement for extra expenses and payment of charges for off hour service connection, as described in Rule Numbers 18.0, 19.0, 20.0 and 21.1 of this tariff, must be made in person at the Service Company's Business office during regular business hours, or must be mailed and received at the business office in advance of the work to be done. Payments will not be accepted by personnel in the field or by office personnel at a location outside of the Service Company's business office."

The revised premises visit tariff (in lieu of disconnection) states as follows:

Premises visit Charge (In Lieu of Disconnection) This charge would be levied when a service representative visits a premise for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the customer indicates a readiness, willingness and intention to pay the bill at the Service Company's business office before the end of the next business day or otherwise work out a satisfactory payment arrangement with the business office. Such forbearance by the service representative will not be forthcoming on the subsequent visit to discontinue service, if the delinquent bill has not been paid as promised or a satisfactory payment schedule has not been arranged.

Staff believes that the utility's proposed tariff to require that payments be made in person at the service company's business office during regular business hours or mailed and received at the business office in advance of the work to be done and the revised premises visit charge (in lieu of disconnection) do not create an undue hardship to the customers. The revised premises visit charge

(in lieu of disconnection) provides a 24 hour grace period for customers who are willing and able to make full payment at the time of disconnection. Also, the premises visit charge of \$10 and the reconnection fee of \$15 will not be increased.

Rule 25-30.460, Florida Administrative Code, Miscellaneous Service Charges, allows for a premises visit charge (in lieu of disconnection) to be levied when the utility's representative visits the premises to disconnect service for nonpayment of the customer's bill and does not discontinue service because the customer pays the utility representative or otherwise makes satisfactory payment arrangements. Although the utility's revised tariffs do not permit receipt of payments by field personnel, the utility's revised premises visit tariff outlines the procedure by which the customer can otherwise make satisfactory payment arrangements. Thus, the utility's proposed revised premises visit charge tariff is consistent with the meaning and intent of Rule 25-30.460, Florida Administrative Code. Furthermore, Rule 25-30.460, Florida Administrative Code, does not require the utility's representative to accept cash or other types of payment in the field.

Based on the foregoing, recommends that the utility's proposed tariffs filed on June 14, 2000 for Payment of Charges for Water and Wastewater service and the revised premises visit charge (in lieu of disconnection) for Water and Wastewater be approved. The revised tariffs should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475, Florida Administrative Code, provided customers have received notice. Pursuant to Rule 25-30.425, Florida Administrative Code, the tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's decision and the proposed customers notice is adequate. The notice should be approved by staff prior to distribution and should contain language that states in Spanish that a copy of the notice is available in Spanish at the utility's business office.

DOCKET NO. 000248-wU
DATE: June 29, 2000

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if no protest is filed by a substantially affected person within 21 days, this docket should be closed upon the issuance of a consummating order. If a timely protest is filed, the tariff should remain in effect pending the resolution of the protest. (CHRISTENSEN)

STAFF ANALYSIS: Yes, if no protest is filed by a substantially affected person within 21 days, this docket should be closed upon the issuance of a consummating order. If a timely protest is filed, the tariff should remain in effect pending the resolution of the protest.