

Ruth Nettles

090182-SU

From: Trina Collins [TCollins@RSBattorneys.com]
Sent: Friday, October 30, 2009 2:14 PM
To: Filings@psc.state.fl.us
Cc: donald.clayton@tangibl.com; Bart Fletcher; Curt Mouring; ewallace@niamerica.com; Martin Friedman; Christian W. Marcelli; Trina Collins
Subject: Filing in Docket No. 090182-SU; Ni Florida, LLC's Application for Increase in Wastewater Rates in Pasco County, Florida
Importance: High
Attachments: PSC Clerk 09 (Response to Late Fees Letter).ltr.10-30-2009(5).pdf

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- b. Docket No.: 090182-SU; Ni Florida, LLC's Application for Increase in Wastewater Rates in Pasco County, Florida - Filing response to Staff's September 28, 2009 letter demanding that Ni Florida, LLC cease collecting "Late Penalty Fees" and requesting an explanation of late fees collected along with a proposed First Revised Sheet No. 17 tariff sheet regarding Miscellaneous Service Charges that will add a \$5.00 late fee to the Utility's schedule of fees and charges implementing a Commission approved "Late Penalty Fee" tariff.
- c. Ni Florida, LLC
- d. 4 Pages.
- e. Letter to Commission Clerk - 3 pages; First Revised Wastewater Tariff Sheet No. 17.0 - 1 page.

10/30/2009

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October 30, 2009

E-FILING

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No. 090182-SU; Ni Florida, LLC's Application for Increase in Wastewater Rates in Pasco County, Florida
Our File No.: 43053.03

Dear Ms. Cole:

This letter is in response to Staff's September 28, 2009 letter demanding that Ni Florida, LLC (the "Utility") cease collecting "Late Penalty Fees" and requesting an explanation of late fees collected. The Utility has ceased collecting such fees and researched why it had collected such fees without specific tariff approval.

The collection of the late penalty fees not authorized by an approved tariff was an oversight. As Staff is aware, the Utility was recently transferred from Hudson Utilities, Inc. to Ni Florida, LLC (See Docket No. 070740-SU). Hudson Utilities, Inc. had collected such fees and Ni Florida, LLC continued collecting such fees unaware that such collection was not authorized by the tariffs. As such, the Utility did not modify or revise its schedules of rates with respect to late fees. Instead, it continued to charge the late penalty fees as the previous owner had done without knowledge that such fees were not authorized. As noted above, the Utility ceased collecting such fees once it was made aware of the lack of an authorizing tariff.

The Utility believes that it should be authorized to implement a Commission-approved "Late Penalty Fee" tariff as a part of the above-referenced docket. To that end, attached hereto is a proposed First Revised Sheet No. 17 tariff sheet regarding Miscellaneous Service Charges that will add a \$5.00 late fee to the Utility's schedule of fees and charges. The requested late fees are based on the cost of a quarter of an hour of

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employee time to research and confirm that the payment has not been received, and the cost of printing, paper, envelopes and postage to mail the bill.

The addition of a late fee charge is reasonable and consistent with standard practice for utilities similar to Ni Florida, LLC. The Commission has approved late fees on a number of occasions.¹ As the Commission noted in Order No. PSC-06-0823-TRF-WU, issued October 6, 2006, in Docket No. 060506-WU, In re: Request for approval of tariff amendment to include a late payment fee of \$5 in Osceola County by O&S Water Company, Inc.:

“The purpose of a late payment fee is not only to provide an incentive for customers to make timely payments, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing such delinquencies solely upon those who are the cost causers.”

The Commission also found that simply requiring a deposit after late payments is not sufficient stating:

“Presently, our 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. The goal of allowing late fees to be charged by a utility is two-fold: to encourage current and future customers to pay their bills on time; and, if payment is not made on time,

¹ See, i.e., 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.; Order No. PSC-01-2093-TRF-WS, issued October 22, 2001, in Docket No. 011034-WS, In re: Request for Approval of a Late Payment Charge by WP Utilities, Inc. in Palm Beach County; Order No. PSC-01-2468-TRF-WU, issued December 18, 2001, in Docket No. 011482-WU, In re: Request to Establish Late Fee in Columbia County by Consolidated Water Works, Inc.; Order No. PSC-05-0442-PAA-WU, issued April 25, 2005, in Docket No. 040254-WU, In re: Application for staff-assisted rate increase in Polk County by Keen Sales, Rentals and Utilities, Inc.; Order No. PSC-05-1218-PAA-WS, issued December 15, 2005, in Docket No. 050274-WS, Application for a staff-assisted rate case in Pasco County by Silver Fox Utility Company LLC d/b/a Timberwood Utilities; Order No. PSC-07-0604-PAA-WU, issued July 30, 2007, in Docket No. 050862-WU, In re: Application for staff-assisted rate case in Marion County by County-Wide Utility Co., Inc.

to insure that the cost associated with collecting late payments is not passed on to the customers who pay on time.”

The Commission has consistently recognized that customers who pay their bills late constitute a financial burden on a utility and, hence, are a burden on the rest of the customer base.² In light of the Commission’s consistent approval of late fees,³ the Utility requests that it’s proposed late fees be considered and approved.

Should you or Staff have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



CHRISTIAN W. MARCELLI
For the Firm

CWM/tlc
Enclosure

cc: Mr. Donald Clayton (w/enclosure) (via e-mail)
Mr. Bart Fletcher, Division of Economic Regulation (w/enclosure) (via e-mail)
Mr. Curt Mouring, Division of Economic Regulation (w/enclosure) (via e-mail)
Ed Wallace, President (w/enclosure) (via e-mail)

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² See 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.

³ See also PSC Order No. 03-1119-PAA-SU, issued November 10, 2003, in Docket No. 030106-SU, In re: Application for staff-assisted rate case in Lee County by Environmental Protection Systems of Pine Island, Inc. (“We have approved late fees in the amount of \$5 in the following Orders: Order No. PSC-98-1585-FOF-WU, issued November 25, 1998, in Docket No. 980445-WU; Order No. PSC-01-2093-TRF-WS, issued October 22, 2001, in Docket No. 011034-WS; Order No. PSC-01-2468-TRF-WU, issued December 18, 2001, in Docket No. 011482-WU; and Order No. PSC-02-1168-PAA-WS, issued August 26, 2002, in Docket No. 010869-WS”).

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms also stated herein.

INITIAL CONNECTION – This charge would be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION – This charge would be levied for transfer of service to a new customer account at a previously served location or reconnection of service subsequent to a customer requested disconnection.

VIOLATION RECONNECTION – This charge would be levied prior to reconnection of an existing customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE – This charge would be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill. This charge will also be levied when a service representative visits a premises at a customer's request for complaint resolution or for other purposes and the problem is found to be the customer's responsibility.

LATE FEE – This charge would be levied when a customer's billing account is not paid within 30 days and is therefore delinquent.

Schedule of Miscellaneous Service Charges

	<u>Business Hours</u>	<u>After Hours</u>
Initial Connection Fee	\$ <u>27.00</u>	\$ <u>40.00</u>
Normal Reconnection Fee	\$ <u>27.00</u>	\$ <u>40.00</u>
Violation Reconnection Fee	Actual Cost	Actual Cost
Premises Visit Fee	\$ <u>18.00</u>	\$ <u>27.00</u>
Late Fee	\$ <u>5.00</u>	\$ <u>5.00</u>

EFFECTIVE DATE - _____

TYPE OF FILING - 2009 Rate Case

ED WALLACE
ISSUING OFFICER
CFO
TITLE