



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 5, 2012

TO: All Water and Wastewater Utilities Under the Jurisdiction of the Florida Public Service Commission

FROM: William B. McNulty, Economic Analyst, Division of Economic Regulation *WBM*

RE: Data Request – Draft Rule Changes to Rule 25-30.335, F.A.C, Customer Billing and Rule 25-30.350, F.A.C., Backbilling, and Draft Rule 25-30.351, F.A.C., Unauthorized Use.

The Florida Public Service Commission staff is in the process of a preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to the above-referenced rules in compliance with Section 120.541, Florida Statutes. In that regard, staff is collecting information related to impacts of the draft rule changes on water and wastewater utilities and their customers. The draft rule and draft rule changes are attached, shown in “strike and replace” format. The draft requirements include:

- Subparagraph 25-30.355(2)(a) - Bill statements for estimated bills must show the word “Estimated” on the face of the bill.
- Subparagraph 225-30.355(2)(b) - Correction of problems causing the need for the utility to estimate bills if the problem is within the utility’s control.
- Subparagraph 225-30.355(2)(c) - Written explanations to customers stating why multiple previous bills have been estimated.
- Subparagraph 225-30.355(2)(d) - Written notice to the Commission when any customer receives estimated bills for more than six consecutive months.
- Subparagraph 225-30.355(2)(e) - Utility obligation to maintain records of estimated bill number, frequency, and causes.
- Subparagraph 225-30.350(1) and (2) - Prescribed method for calculating under billings and over billings for water and wastewater service.
- Subparagraph 225-30.350(3) - In the event of an overbilling, utility must provide customers the option to receive refund as a credit to future billings or as a one time payment.
- Rule 25-30.351 - In the event of authorized or fraudulent use, the utility may bill the customer based on the customer’s past consumption.

DOCUMENT NUMBER-DATE

06776 OCT-5 2012

FPSC-COMMISSION CLERK

Please respond to the data requests attached to this letter by Monday, October 22, 2012. Responses can be sent to bmcnulty@psc.state.fl.us or faxed to 850-413-6849. Please direct any questions to Bill McNulty, Division of Economics, at (850)413-6848.

Attachments (2)

cc: Patty Christiansen, Office of Public Counsel
Steve Reilly, Office of Public Counsel
Cindy Miller, Office of the General Counsel
Marshall Willis, Division of Accounting and Finance
Jim Dean, Division of Economics

FPSC Staff Data Requests

Rule Development - Rule 25-30.335, 25-30.350, and 25-30.351, F.A.C.

Date Issued: October 5, 2012

Date Responses Due: October 22, 2012

Responses Sent To: bmcnulty@psc.state.fl.us or faxed to 850-413-6849

Company Name: _____

Contact Person: _____

Contact Phone: _____

1. Estimated Expense and Investment Impacts:
 - A. For each of the draft rules, what is the estimated annual impact on the Company's incremental business expense (i.e. additional expense net of any expected savings) and additional investment dollars that would not otherwise be incurred if the rule changes were not approved)? See Table 1.
 - B. Please provide a brief explanation of any estimated increase in business expense greater than \$500 per year and any increase in investment greater than \$1,000 for each of the draft rules. See Table 1.

<u>Table 1. Estimated Expense and Investment Impacts of Draft Rule Changes</u>					
A	B	C	D	E	F
Draft Rule	Annual Incremental Expense (if any)	Annual Incremental Savings (if any)	Net Incremental Expense (B-C)	New Investment	Explanation (if applicable – see B above; attach extra page as necessary)
Subparagraph 25-30.355(2)(a)					
Subparagraph 25-30.355(2)(b)					
Subparagraph 25-30.355(2)(c)					
Subparagraph 25-30.355(2)(d)					
Subparagraph 25-30.355(2)(e)					
Subparagraph 25-30.350(1),(2)					
Subparagraph 25-30.350(3)					
Rule 25-30.351					

FPSC Staff Data Requests

Rule Development - Rule 25-30.335, 25-30.350, and 25-30.351, F.A.C.

Company Name: _____

2. What does the Company believe would be the likely impact of each of the draft rules (Rules 25-30.335, 25-30.350, and 25-30.351, F.A.C.) on small businesses operating in its service territory for the five year period following the adoption of the rule? (Note: According to Paragraph 288.703(6), F.S. - "Small business" means an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.)

3. What does the Company believe would be the likely impact of each of the draft rules (Rules 25-30.335, 25-30.350, and 25-30.351, F.A.C.) on small cities and small counties operating in its service territory for the five year period following the adoption of the rule? (Note: According to Paragraph 120.52 (18), F.S.: - "Small city" means any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. Also, according to Paragraph 120.52(19), F.S. - "Small county" means any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.)

END

1 25-30.335 Customer Billing.

2 (1) Except as provided in this rule, a utility shall render bills to customers at regular intervals,
3 and each bill shall indicate: the billing period covered; the applicable rate schedule; beginning
4 and ending meter reading; the amount of the bill; the delinquent date or the date after which
5 the bill becomes past due; and any authorized late payment charge.

6 (2) When a utility is unable to obtain an actual meter read, estimated bills may be provided.

7 (a) If the utility estimates a bill, the bill statement shall prominently show the word
8 “Estimated” on the face of the bill. ~~If the utility estimates the bill, the utility shall indicate on~~
9 ~~the bill that the amount owed is an estimated amount.~~

10 (b) The utility is obligated to timely correct any problems within the utility’s control causing
11 the need to estimate bills. In no event shall a utility provide an estimated bill to any one
12 customer more than four times in any 12 month period due to circumstances that are within
13 the utility’s control and service obligations.

14 (c) After the second estimated bill within a six month period, the utility shall include in the
15 next bill an explicit written explanation of why the previous bills have been estimated, and
16 provide the customer with a utility contact so that the customer may arrange for an actual
17 meter read.

18 (d) For all situations where estimated bills for any one customer exceed six (6) consecutive
19 billing cycles, the utility shall provide written notice to the Commission Bureau responsible
20 for handling customer inquiries and complaints, describing the nature of the circumstances
21 requiring estimated bills.

22 (e) The utility shall maintain records detailing the number, frequency, and causes of estimated
23 bills on an annual basis, which shall be made available upon request to any party to a rate
24 proceeding for the utility.

25 (3) When service is rendered for less than 50 percent of the normal billing cycle, the utility

CODING: Words underlined are additions; words in ~~struck-through~~ type are deletions from existing law.

1 shall prorate the base facility charges as though the normal billing cycle were 30 days, except
2 that the utility may elect not to issue an initial bill for service if the service is rendered during
3 a time period which is less than 50 percent of the normal billing cycle. Instead, the utility may
4 elect to combine the amount owed for the service rendered during the initial time period with
5 the amount owed for the next billing cycle, and issue a single bill for the combined time
6 period. For service taken under flat rate schedules, 50 percent of the normal charges may be
7 applied.

8 (4) A utility may not consider a customer delinquent in paying his or her bill until the 21st day
9 after the utility has mailed or presented the bill for payment.

10 (5) Each utility shall establish each point of delivery as an independent customer and shall
11 calculate the amount of the bill accordingly, except where physical conditions make it
12 necessary to use additional meters or points of delivery for one class of service to a single
13 customer on the same premises, or where such multiple meters or delivery points are used for
14 the convenience of the utility.

15 (6) A utility may not incorporate municipal or county franchise fees into the amount indicated
16 as the cost for service on the customer's bill. Rather, the utility shall show any such franchise
17 fee as a separate item.

18 (7) The utility shall maintain a record of each customer's account for the most current 2 years
19 so as to permit reproduction of the customer's bills during the time that the utility provided
20 service to that customer.

21 (8) In the event of unauthorized use of service by a customer, a utility may bill the customer
22 on a reasonable estimate of the service taken. In addition, the utility may assess a fee to defray
23 the cost of restoring service to such a customer provided that the fee is specified in the utility's
24 tariff.

25 (9) If a utility utilizes the base facility and usage charge rate structure and does not have a

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from existing law.

1 Commission authorized vacation rate, the utility shall bill the customer the base facility charge
2 regardless of whether there is any usage.

3 *Specific Authority 350.127(2), 367.121 FS. Law Implemented 367.091, 367.121 FS. History—*
4 *Amended 9-14-74, 6-21-79, Formerly 25-10.97, 25-10.097, Amended 11-10-86, 11-30-93,*

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1 25-30.350 Under billings and Over billings for Water and Wastewater Service. ~~Backbilling.~~

2 (1) A utility may not backbill customers for any period greater than 12 months for any
3 undercharge in billing which is the result of the utility's mistake.

4 (a) The utility shall allow the customer to pay for the unbilled service over the same time
5 period as the time period during which the underbilling occurred or some other mutually
6 agreeable time period. The utility shall not recover in a ratemaking proceeding, any lost
7 revenues which inure to the utility's detriment on account of this provision.

8 (b) The revised bill shall be calculated on a monthly basis, assuming uniform consumption
9 during the period subject to under billing, based on the individual customer's average usage
10 for the time period covered by the under billing. The monthly bills shall be recalculated by
11 applying the tariff rates in effect for that time period. The customer shall be responsible for
12 the difference between the amount originally billed and the recalculated bill. All calculations
13 used to arrive at the rebilled amount shall be made available to the customer upon the
14 customer's request.

15 (2) In the event of an overbilling, the utility shall refund the overcharge to the customer,
16 based on available records. If commencement of the overcharging cannot be fixed, then an
17 estimate of the overcharge shall be made based on the customer's past consumption. The
18 refund shall not include any part of a minimum charge.

19 (3) In the event of an overbilling, the customer may elect to receive the refund as a credit to
20 future billings, or as a one-time payment.

21 *Specific Authority 350.127(2), 367.121 FS. Law Implemented 367.091, 367.121 FS. History-*
22 *New 11-10-8, Amended.*

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1 25-30.351 Unauthorized Use.

2 In the event of unauthorized or fraudulent use of service, or meter tampering, the utility may
3 bill the customer on an estimate of the water and/or wastewater services used based on the
4 customer's past consumption.

5 *Rulemaking Authority 350.127, 367.121 F. S. Law Implemented 367.091, 367.121, F.S,*

6 New_____.

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