

State of Florida



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-

RECEIVED-FPSC
14 MAR 27 AM 9:01
COMMISSION CLERK

DATE: March 27, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Hudson, Roberts) *SH*
Office of the General Counsel (Young) *J.W.D.*

RE: Docket No. 140030-SU – Request for approval to amend Miscellaneous Service charges to include all NSF charges by Environmental Protection Systems of Pine Island, Inc.

AGENDA: 04/10/14 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 60-Day Suspension Date waived through 4/10/2014

SPECIAL INSTRUCTIONS: None

Case Background

Environmental Protection Systems of Pine Island, Inc. (EPS or Utility) is a Class C utility serving approximately 457 wastewater connections in Lee County. EPS reported wastewater revenues of \$226,526 in its 2012 Annual Report. The system is located at the southern end of Pine Island, approximately 30 miles from Fort Myers.

On February 4, 2014, EPS filed a request for approval to amend its miscellaneous service charges to include non-sufficient funds (NSF) charges. This recommendation addresses the request for approval of NSF charges pursuant to Sections 68.065 and 832.08(5), Florida Statutes (F.S.). The Commission has jurisdiction to consider this matter pursuant to Section 367.091, F.S.

Discussion of Issues

Issue 1: Should EPS be authorized to collect Non-Sufficient Funds charges?

Recommendation: Yes. EPS should be authorized to collect NSF charges. Staff recommends that EPS revise its tariffs to reflect the NSF charges currently set forth in Sections 68.065 and 832.08(5), F.S. The NSF charges should be effective on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). Furthermore, the charges should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date the notice was given within 10 days of the date of the notice. (Roberts)

Staff Analysis: Section 367.091, F.S., requires that rates, charges, and customer service policies be approved by the Commission. The Commission has authority to establish, increase, or change a rate or charge. Staff believes that EPS should be authorized to collect NSF charges consistent with Section 68.065, F.S., which allows for the assessment of charges for the collection of worthless checks, drafts, or orders of payment. As currently set forth in Sections 832.08(5) and 68.065(2), F.S., the following NSF charges may be assessed:

1. \$25, if the face value does not exceed \$50,
2. \$30, if the face value exceeds \$50 but does not exceed \$300,
3. \$40, if the face value exceeds \$300,
4. or five percent of the face amount of the check, whichever is greater.

Approval of NSF charges are consistent with prior Commission decisions.¹ Furthermore, NSF charges place the cost on the cost-causer, rather than requiring that the costs associated with the return of the NSF checks be spread across the general body of ratepayers. As such, staff recommends that EPS revise its tariffs to reflect the NSF charges currently set forth in Sections 68.065 and 832.08(5) F.S. The NSF charges should be effective on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the NSF charges should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date the notice was given within 10 days of the date of the notice.

¹ See Order Nos. PSC-10-0364-TRF-WS, issued June 7, 2010, in Docket No. 100170-WS, In re: Application for authority to collect non-sufficient funds charges, pursuant to Sections 68.065 and 832.08(5), F.S., by Pluris Wedgefield Inc., and PSC-10-0168-PAA-SU, issued March 23, 2010, in Docket No. 090182-SU, In re: Application for increase in wastewater rates in Pasco County by Ni Florida, LLC.

Issue 2: Should this docket be closed?

Recommendation: No. If a protest is filed by a substantially affected person within 21 days of issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket will become final upon the issuance of a consummating order. However, this docket should remain open to allow staff to verify that the revised tariff sheet and customer notice have been filed by EPS and approved by staff. Once staff has verified that the revised tariff sheet and customer notice have been filed by EPS and approved, the docket should be closed administratively. (Young)

Staff Analysis: If a protest is filed by a substantially affected person within 21 days of issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket will become final upon the issuance of a consummating order. However, this docket should remain open to allow staff to verify that the revised tariff sheet and customer notice have been filed by EPS and approved by staff. Once staff has verified that the revised tariff sheet and customer notice have been filed by EPS and approved, the docket should be closed administratively.