

Black Bear Waterworks, Inc.

August 26, 2015

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: Docket No. 150166-WU - Application of Black Bear Waterworks, Inc. for Approval of Transfer of Black Bear Reserve Water Corporation's Water System in Lake County – Staff First Data Request

Dear Commission Clerk,

Black Bear Waterworks, Inc. (BBWW) hereby submits its response to Staff's First Data Request in the above referenced docket.

1. **Convenience Charge.** - Exhibit Q consists of the utility's proposed tariff. The proposed tariff reflects a charge that has not been previously approved by the Commission. Please provide cost justification for the convenience charge.

Response: See attached cost justification. The same support documentation applies for this request since the same services are being provided consistent with the related utility companies.

The Florida Public Service Commission has previously approved convenience fees for customers who opt to pay utility bills by debit or credit cards ranging from \$2.50 to \$3.50 in the following orders:

PSC-15-0182-TRF-WS	PSC-15-0189-TRF-WS	PSC-15-0188-TRF-WU	PSC-15-0187-TRF-WU
PSC-15-0186-TRF-WU	PSC-15-0185-TRF-WS	PSC-15-0184-TRF-WS	PSC-15-0183-TRF-WU
PSC-15-0179-TRF-WS	PSC-15-0181-TRF-WS	PSC-15-0180-TRF-WS	PSC-15-0178-TRF-WS
PSC-13-0428-TRF-WS	PSC -13-0426-TRF-SU	PSC-05-0676-TRF-EI	PSC-04-1110-PAA-GU

The utility currently accepts and processes credit card payment transactions online through the common website www.mywaterservice.com. The payments are processed via the utility's outside customer service vendor who processes all utility billing, payment, and collection services. The outside vendor, Opus21 Management Solutions utilizes its I-Transact gateway to process the payment to the utility's bank, TD Bank. The utility's bank charges a monthly fee of \$19.95 for the "Merchant ID" in order to process the credit card payments paid online.

In addition, the various credit card companies charge per transaction fees which vary between \$0.15 to \$0.25, which are in addition to the discount rate of 0.25% per transaction. The monthly bank credit card account statements are attached, along with the total amount of bank charges and transactions per month. In addition, the customer service vendor passes through its per transaction I-Transact gateway charge of \$0.60 per transaction with no mark up.

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The utility has previously been absorbing these monthly fees and has not passed on these costs to its customers. However, the number of credit card transactions has increased over 603% from 75 transactions in January 2014 to 527 transactions in January 2015. The monthly fees have also risen from \$170 per month to \$826 per month. These represent the total amount of transactions and fees for all thirteen (13) PSC regulated utilities for 2014.

The customers have requested the ability to pay utility bills telephonically as well. This convenience is being offered to assist customers whose water and/or wastewater service have been disconnected due to non-payment of past due bills. The customers requested a more expeditious payment method in order to re-establish service in the least amount of time. The utility has moved forward with the telephonic payment process. However, an additional "Merchant ID" must be established with the bank in order to process these payments via telephone. The additional monthly charge of \$19.95 has been included in the utility's calculations. The credit card transaction fees will remain the same as the online payments.

Currently, all thirteen (13) PSC regulated utilities managed by U.S. Water Services Corporation utilizes the same pass-through bank account. The accountant then distributes the various payments from this common account to the appropriate utility bank account. This is a cost saving method in the fact that each utility can share the monthly bank charges without the necessity of establishing separate processing Merchant IDs. This cost savings to the utility and its customers equates to annual savings of approximately \$5,746 for both bank Merchant ID costs. (online and telephonically) . The cost justification attached calculates the accounting processing of distributions of credit card transactions to be \$0.09 per transaction based on the past number of credit card transactions.

In addition, the CSR for customer billing is required to build a profile for each customer for the credit card transaction and process each transaction through the authorized connection with the utility's bank. The utility believes the total amount of processing time per month for clerical processing to be one hour per month. The cost justification attached calculates the clerical processing of credit card transactions to be \$0.09 per transaction based on the past number of credit card transactions.

In order to charge the cost-causers of these additional expenses incurred for the convenience of making credit card payments, BBWW hereby requests the Commission approve a credit card convenience fee of \$2.60 per transaction. This requested charge is consistent with prior Commission decisions and issued orders, as addressed above.

2. **Customer Bill.** Please provide an example of the utility's customer bill that is consistent with Rule 25-30.335, F.A.C.

Response: See Attached redacted customer bill.

3. Commission staff requests that Black Bear Waterworks, Inc. provide updated financial statements for Docket No. 150166-WU. The most recent financial statements submitted in this docket reflect data as of August 1, 2014. Staff acknowledges that the Commission previously used these financial statements to determine the technical and financial ability of the buyer to provide service to an existing service territory in Docket No. 140120-WU. However, for the

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present docket, please provide an updated summary of the buyer's current financial statements for: Gary Deremer and Cecil Delcher. You may choose to file these statements confidentially.

Response: This will be supplied under separate cover letter requesting confidential treatment.

Respectfully Submitted,



Troy Rendell
Manager of Regulated Utilities
//For Black Bear Waterworks, Inc.

Bank Credit Card Charge Summary

Web Based Payment:

Month	Total Fees	No. of Charges	Charge per Transaction	Total Charges	Percent of Charges
Jan-15	\$ 825.66	527	\$ 1.57	\$ 48,501.96	1.70%
14-Dec	\$ 685.97	456	\$ 1.50	\$ 39,779.35	1.72%
14-Nov	\$ 685.75	451	\$ 1.52	\$ 40,727.51	1.68%
14-Oct	\$ 665.33	433	\$ 1.54	\$ 41,704.83	1.60%
14-Sep	\$ 597.63	388	\$ 1.54	\$ 34,723.05	1.72%
14-Aug	\$ 577.60	405	\$ 1.43	\$ 34,199.91	1.69%
14-Jul	\$ 605.00	345	\$ 1.75	\$ 35,002.76	1.73%
14-Jun	\$ 582.15	361	\$ 1.61	\$ 32,969.08	1.77%
14-May	\$ 316.43	169	\$ 1.87	\$ 19,025.74	1.66%
14-Apr	\$ 254.64	147	\$ 1.73	\$ 13,642.73	1.87%
14-Mar	\$ 219.67	128	\$ 1.72	\$ 11,450.83	1.92%
14-Feb	\$ 208.14	103	\$ 2.02	\$ 10,988.00	1.89%
14-Jan	\$ 169.43	75	\$ 2.26	\$ 7,096.63	2.39%
Total	\$ 6,393.40	3,988	\$ 1.60	\$ 369,812.38	1.73%

All Credit Card Transactions:

Bank and Credit Card Company Fee:	\$ 1.60
I-Transact gateway Fee per Transaction (Opus21):	\$ 0.60
Telephonic processing fee (TD Bank):	\$ 0.10
Authorization fee (TD Bank):	\$ 0.05
Monthly telephonic account fee: (\$19.95x13/3,988)	\$ 0.07
Accounting (1 hr month/\$28.85 hr)	\$ 0.09
Clerical CSR (1 hr month/\$28.00 hr)	\$ 0.09
Total Customer Credit Card Convenience Fee:	\$ 2.60

Accounting Processing/Clerical

	Time	Rate	13 month Total	13 Mo. Transactions	Per Trans.
Accountant	1 hr month	\$ 28.85	\$ 375.05	3,988	\$ 0.09
CSC Clerical	1 hr month	\$ 28.00	\$ 364.00	3,988	\$ 0.09

Black Bear Waterworks, Inc.

USW Utility Billing Center

P.O. Box 151245
Cape Coral, FL 33915

If you have any questions please contact our customer service number: 1-888-228-2134

Account Number [REDACTED]
Bill Date 07/31/2015
Due Date 08/20/2015
Total Amount Due **\$60.89**

For Service To:
[REDACTED]

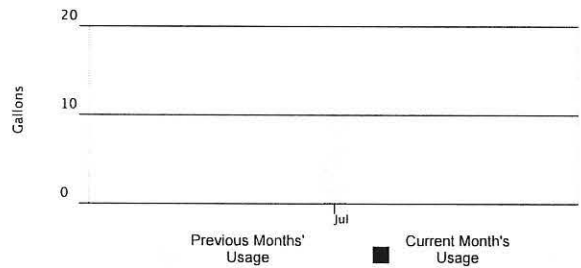
Usage Data	Billing Period	Days	Meter Readings	Usage	Units
	06/30/2015	27	369 Actual	369	TGAL
	07/27/2015		379 Actual	379	
Total Days:		27	Total Usage:		10 TGAL

\$ Billing Detail

Amount Owed From Last Bill \$0.00
Adjustments \$0.00
Total Payments Received \$0.00
Prior Balance \$0.00

New Charges
Base Charge \$31.44
Water 5 @ 5.890000 \$29.45
Total Water 10 TGAL Charges **\$60.89**
Total Current Charges **\$60.89**
Total Amount Due 08/20/2015 **\$60.89**

Water Use History



Message Center

- Welcome from the U.S. Water Services Corporation. We are now operating the Black Bear Waterworks Inc. water system. PLEASE NOTE YOU HAVE A NEW ACCOUNT NUMBER. If you are using an online bill-pay service you will need to update the account number with the service you use. Customer service may be reached at 1-888-228-2134.
- Bills are due when rendered, and delinquent if not paid within 20 days. Please remit by the due date to avoid a \$5.00 late charge.

Please detach along perforation and return this portion with your payment. Keep top portion for your records.

Make Checks Payable To:

Black Bear Waterworks, Inc.
Billing & Payment Processing Center
P.O. Box 151245
Cape Coral, FL 33915-1245

Check this box for address correction or message. Please print on reverse side.

Amount Due by 08/20/2015 **\$60.89**

Amount Enclosed: \$

Black Bear Waterworks, Inc.
C/O US WATER
P.O. BOX 151245
CAPE CORAL, FL 33915-1245

