

Angela Charles

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**From:** Lisa Harvey  
**Sent:** Thursday, December 03, 2015 7:42 AM  
**To:** Commissioners & Staffs; Braulio Baez; Apryl Lynn; Charlie Beck; Mary Anne Helton; Andrew Maurey; Curt Mouring; Kelley Corbari; Keino Young; CLK - Agenda Staff  
**Cc:** Kathy Shoaf; Kate Hamrick; Terri Fleming  
**Subject:** FW: Request for Oral Modification to Item 6 on December 3, 2015 Commission Conference, Docket No. 140177-WU, Application for staff-assisted rate case in Pasco County by Holiday Gardens Utilities, LLC.

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**From:** Braulio Baez  
**Sent:** Wednesday, December 02, 2015 5:40 PM  
**To:** Lisa Harvey  
**Subject:** RE: Request for Oral Modification to Item 6 on December 3, 2015 Commission Conference, Docket No. 140177-WU, Application for staff-assisted rate case in Pasco County by Holiday Gardens Utilities, LLC.

Approved, thanks.

Sent from my T-Mobile 4G LTE Device

----- Original message -----

**From:** Lisa Harvey <[LSHarvey@PSC.STATE.FL.US](mailto:LSHarvey@PSC.STATE.FL.US)>  
**Date:** 12/2/2015 5:33 PM (GMT-05:00)  
**To:** Braulio Baez <[BBaez@PSC.STATE.FL.US](mailto:BBaez@PSC.STATE.FL.US)>  
**Subject:** FW: Request for Oral Modification to Item 6 on December 3, 2015 Commission Conference, Docket No. 140177-WU, Application for staff-assisted rate case in Pasco County by Holiday Gardens Utilities, LLC.

For your approval.

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**From:** Andrew Maurey  
**Sent:** Wednesday, December 02, 2015 3:47 PM  
**To:** Lisa Harvey  
**Cc:** Cheryl Bulecza-Banks  
**Subject:** Request for Oral Modification to Item 6 on December 3, 2015 Commission Conference, Docket No. 140177-WU, Application for staff-assisted rate case in Pasco County by Holiday Gardens Utilities, LLC.

Staff requests approval to make an oral modification to Item 6 scheduled for the December 3, 2015, Commission Conference. Staff's proposed modification relates to the typographical error referencing wastewater (Issue 10).

**Issue 10:** What are the utility's appropriate initial customer deposits for Holiday Gardens' water service? (page 19)

**Recommendation:** The appropriate initial customer deposit for water customers should be \$46 for the residential 5/8" x 3/4" meter size. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for **water wastewater** service. The approved customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. The utility should be required to charge the approved charges until authorized to change them by the Commission in a subsequent proceeding. (Thompson)

**Staff Analysis:** Rule 25-30.311, F.A.C., contains the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad debt expense for the utility and, ultimately, the general body of ratepayers. Historically, the Commission has set initial customer deposits equal to two times the average estimated bill.<sup>[1]</sup> Currently, the utility's **water wastewater** initial customer deposit is \$24 for 5/8" x 3/4" meter size and two times the average estimated bill for all other meters sizes. Based on the staff recommended **water wastewater** rates, the appropriate initial customer deposit should be \$46 for water to reflect an average residential customer bill for two months.

During the course of staff's audit, it was determined that additional deposits in the amount of \$15 were assessed to 51 customers, which totals \$765. The utility required an additional deposit from those customers who had frequent shut offs due to delinquent bills. The utility confirmed that interest is paid on these accounts as required by Rule 25-30.311(4), F.A.C. Pursuant to Rule 25-30.311(7), F.A.C., a utility may require an additional deposit in order to secure payment of current bills as long as the total amount of the required deposit does not exceed an amount equal to the average actual charge for water and/or wastewater service for two billing periods for the 12-month period immediately prior to the date of notice. Further, Rule 25-30.311(7), F.A.C. requires that request for an additional deposit be by written notice of not less than 30 days and the notice be separate and apart from any bill for service. However, the utility's request for the additional deposit was included on the bill for service. The utility has affirmed that in the future it will collect additional deposits in the manner required by Rule. Therefore, staff believes no enforcement action should be taken at this time.

Staff recommends the appropriate initial customer deposit should be \$46 for the residential 5/8" x 3/4" meter size for **water wastewater**. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for **water wastewater**. The approved customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. The utility should be required to charge the approved charges until authorized to change them by the Commission in a subsequent proceeding.

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<sup>[1]</sup> Order Nos. PSC-13-0611-PAA-WS, issued November 19, 2013, in Docket No. 130010-WS, *In re: Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC.* and PSC-14-0016-TRF-WU, issued January 6, 2014, in Docket No. 130251-WU, *In re: Application for approval of miscellaneous service charges in Pasco County, by Crestridge Utility Corporation.*