

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of late payment charges and return check (NSF) charge and request for approval of amendment to tariff sheets for miscellaneous service charges in Lake County by Brendenwood Waterworks, Inc., Harbor Waterworks, Inc., Lake Idlewild Waterworks, Inc., and Raintree Waterworks, Inc., and in Highlands County by Country Walk Utilities, Inc.

DOCKET NO. 150260-WS
ORDER NO. PSC-16-0084-TRF-WS
ISSUED: February 22, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

ORDER APPROVING MISCELLANEOUS SERVICE CHARGES

BY THE COMMISSION:

Background

On December 10, 2015, U.S. Water Services Corporation (U.S. Water) filed an application on behalf of Brendenwood Waterworks, Inc., Country Walk Utilities, Inc., Harbor Waterworks, Inc., Lake Idlewild Waterworks, Inc., and Raintree Waterworks, Inc. (utilities) to add and/or modify late payment charges and non-sufficient funds (NSF) charges to their tariffs. U.S. Water is the management company for these particular utilities and would like to have consistent miscellaneous service charges among these systems for administrative efficiency. This order addresses U.S. Water's request to add and/or amend these charges. We have jurisdiction pursuant to Section 367.091(6), Florida Statutes (F.S.).

Decision

Late Payment Charge

U.S. Water is requesting a \$5 late payment charge for these utilities in order to recover the cost of supplies and labor associated with processing late payment notices. The request for a late payment charge was accompanied by its reason for requesting the charge, as well as the cost justification required by Section 367.091, F.S. U.S. Water is requesting an amendment/addition to the existing tariffs as reflected below.

Table 1
Late Payment Charge

System	Current	Proposed
Brendenwood Waterworks, Inc.	\$3.00	\$5.00
Harbor Waterworks, Inc.	N/A	\$5.00
Lake Idlewild Waterworks, Inc.	N/A	\$5.00
Raintree Waterworks, Inc.	N/A	\$5.00
Country Walk Utilities, Inc.	N/A	\$5.00

Source: Utility Tariffs

U.S. Water utilizes an outside vendor, Opus 21 (Opus), for all customer service, billing, collection, service order generation, and dispatch, etc. Opus has mailed about 4,776 notices, of which 239 are for these utilities, over the last twelve month period. The total number of customers for these particular utilities is approximately 1,000. In the past, we have allowed 10-15 minutes per account per month for clerical and administrative labor to research, review, and prepare the notice.¹ Opus indicated it will spend approximately 576 hours per billing cycle processing late payment notices, which results in an average of approximately 7.23 minutes per account (34,560 minutes/4,776 accounts) and is consistent with our past decisions. The late payment notices will be processed by Opus, which results in labor cost of \$4.21 (576x\$34.95/4,776) per account. The cost basis for the late payment charge, including the labor, is shown below.

Table 2
Cost Basis for Late Payment Charge

Labor	\$4.21
Printing/Paper	\$0.30
Postage	<u>\$0.49</u>
Total Cost	<u>\$5.00</u>

Source: U.S. Water Correspondence

Since the late 1990s, we have approved late payment charges ranging from \$2.00 to \$7.00.² The purpose of this charge is not only to provide an incentive for customers to make

¹Order Nos. PSC-11-0204-TRF-SU, in Docket No. 100413-SU, issued April 25, 2011, In re: Request for approval of tariff amendment to include a late fee of \$14.00 in Polk County by West Lakeland Wastewater; PSC-08-0255-PAA-WS, in Docket No. 070391-WS, issued April 24, 2008, In re: Application for certificates to provide water and wastewater service in Sumter County by Orange Blossom Utilities, Inc.; and PSC-01-2101-TRF-WS, in Docket No. 011122-WS, issued October 22, 2001, In re: Tariff filing to establish a late payment charge in Highlands County by Damon Utilities, Inc.

²Order Nos. PSC-01-2101-TRF-WS, in Docket No. 011122-WS, issued October 22, 2001, In re: Tariff filing to establish a late payment charge in Highlands County by Damon Utilities, Inc.; PSC-08-0255-PAA-WS, in Docket No. 070391-WS, issued April 24, 2008, In re: Application for certificates to provide water and wastewater service in Sumter County by Orange Blossom Utilities, Inc.; PSC-09-0752-PAA-WU, in Docket No. 090185-WU, issued November 16, 2009, In re: Application for grandfather certificate to operate water utility in St. Johns County by

timely payment, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing delinquent accounts solely upon those who are cost causers.

Based on the above, the request to implement a \$5 late payment charge for these utilities shall be approved. The utilities shall be required to file a proposed customer notice for each respective system to reflect this Commission-approved charge. The approved charge shall be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge shall not be implemented until Commission staff has approved the proposed customer notices. The utilities shall provide proof of the date each notice was given no less than 10 days after the date of the notice.

Non-Sufficient Funds Charge

Section 367.091, F.S., requires rates, charges, and customer service policies to be approved by this Commission. We have authority to establish, increase, or change a rate or charge. We find that the utilities shall 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 Section 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 is consistent with our prior decisions.³ 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, the utilities shall revise their tariff sheet to reflect the NSF charges currently set forth in Section 68.065, F.S. The NSF charges shall be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. Furthermore, the NSF charges shall not be implemented until Commission staff has approved the proposed customer notice. The utilities shall provide proof of the date each notice was given within 10 days of the date of the notice.

Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility; PSC-10-0257-TRF-WU, in Docket No. 090429-WU, issued April 26, 2010, In re: Request for approval of imposition of miscellaneous service charges, delinquent payment charge and meter tampering charge in Lake County, by Pine Harbour Water Utilities, LLC; and PSC-11-0204-TRF-SU, in Docket No. 100413-SU, issued April 25, 2011, In re: Request for approval of tariff amendment to include a late fee of \$14.00 in Polk County by West Lakeland Wastewater; PSC-14-0105-TRF-WS, in Docket No. 130288-WS, issued February 20, 2014, In re: Request for approval of late payment charge in Brevard County by Aquarina Utilities, Inc.

³Order Nos. PSC-14-0198-TRF-SU, issued May 2, 2014, in Docket No. 140030-SU, In re: Request for approval to amend Miscellaneous Service charges to include all NSF charges by Environmental Protection Systems of Pine Island, Inc., and PSC-13-0646-PAA-WU, issued December 5, 2013, in Docket No. 130025-WU, In re: Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

Based on the foregoing, it is

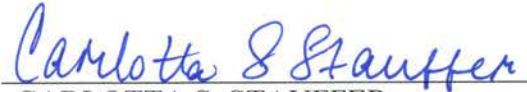
ORDERED by the Florida Public Service Commission that Brendenwood Waterworks, Inc., Country Walk Utilities, Inc., Harbor Waterworks, Inc., Lake Idlewild Waterworks, Inc., and Raintree Waterworks, Inc.'s request to implement a \$5 late payment charge for these systems shall be approved. The utilities shall be required to file a proposed customer notice for each respective system to reflect the late payment charge. The approved charge shall be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge shall not be implemented until Commission staff has approved the proposed customer notices. The utilities shall provide proof of the date each notice was given no less than 10 days after the date of the notice. It is further

ORDERED that the request to implement a Non-Sufficient Funds charge for Brendenwood Waterworks, Inc., Country Walk Utilities, Inc., Lake Idlewild Waterworks, Inc., and Raintree Waterworks, Inc. shall be approved. The utilities shall revise each respective systems tariff sheet to reflect the Non-Sufficient Funds charges currently set forth in Section 68.065, F.S. The Non-Sufficient Funds charges shall be effective on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. Furthermore, the charges shall not be implemented until Commission staff has approved the proposed customer notices. The utilities shall provide proof of the date each notice was given within 10 days of the date of the notice. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariffs shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 22nd day of February, 2016.



CARLOTTA S. STAUFFER

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

JEV

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 14, 2016.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.