

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-**

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**DATE:** October 19, 2017

**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

**FROM:** Matthew Sibley, Public Utility Analyst I, Division of Economics *MS*

**RE:** North Peninsula Utilities Corporation (Docket No. 20170152-SU) request for a late payment charge.

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Attached dated 10/15/2017 is added clarifications for North Peninsula Utilities Corporation request for a Late payment charge.

MS  
Attachment

cc: Patti Daniel  
Shannon Hudson  
Wesley Taylor

RECEIVED-FPSC  
2017 OCT 19 PM 3:57  
COMMISSION  
CLERK



October 15, 2017

Mr. Matthew Sibley  
Division of Economics  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Docket No. 20170152-SU  
North Peninsula Utilities Corporation Request for Late Payment Charge  
Additional Clarifications

Dear Mr. Sibley,

During the September 2017 Commission meeting, there were some questions regarding the Late Payment Charge Request from North Peninsula Utilities Corporation ("NPUC" of the "Utility"). Please see information from NPUC below in response to some of the issues that were raised during that meeting.

**1. How does the company find out who has a paid or overdue bill currently?**

*NPUC runs a report about the 15<sup>th</sup> of each month to identify which customer accounts have an outstanding bill.*

**2. What happens when company is notified or finds a bill that is currently deficient in its payment? Is something sent out to notify the customer currently? What is the process involved? If the Customer ignores said notice, is there a grace period between the bill being past due/the customer getting a late bill notice and the wastewater service being shut off?**

*Approximately 60 days from the date of the bill, NPUC sends out a statement with a ledger that shows what bills are outstanding and reminds the customer that their account is in arrears. At approximately 90 days, NPUC coordinates with Volusia County to confirm that there has not been a change in ownership of the property and confirms with the City of Ormond Beach that the property still has water service. At that time, NPUC sends out a new letter with a ledger showing the outstanding balance and information on the potential to lien the property or disconnect service. Typically, the Utility will try to lien the property as disconnection costs the customer more to have to reconnect plus there are additional notifications that must be made to the County if a property does not have sewer service. Once a lien has been placed on the property, the Utility periodically must coordinate with its attorney for any updates on payment and satisfaction of the lien.*

**3. What impact does the late bills/payments have on the company?**

*Late payments can cause cash flow issues for NPUC impacting the Utility's ability to meet operating expenses. This results in the need for NPUC to borrow money or pay expenses on credit cards, which results in an additional interest expense for NPUC. Late payments continue*

to be an issue for the Utility. For the most recent month, approximately 61% of the accounts receivable amount over 30 days is more than 90 days past due.

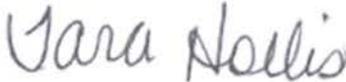
**4. For the accounts receivable employee, what are the other job responsibilities?**

*As NPUC is a small utility serving approximately 600 customers, the Utility has only a few employees. The employee that does the accounts receivable function also serves as the office manager. Her responsibilities include billing; collections; accounts payable; coordination with the wastewater treatment plant operator, engineer, and other subs; checking for any calls that come in to the Utility on the weekends; online communications with customers and contractors, etc. The total hourly wage included in NPUC's filing includes both the direct hourly labor rate for this employee as well as the fringe benefits associated with the employee which include employment taxes, insurance, employee allowances, etc.*

Please let me know if you have any questions, comments, or need additional information. I can be reached at my office (407) 255-2928 or my cell (407) 733-5481 or via email at [thollis@willdan.com](mailto:thollis@willdan.com).

Very Truly Yours,

WILLDAN FINANCIAL SERVICES on behalf of North Peninsula Utilities Corporation



Tara L. Hollis, CPA, MBA  
Principal Consultant

cc: Robert Hillman – North Peninsula Utilities Corporation

