

GATOR WATERWORKS, INC.

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FPSC - COMMISSION CLERK

August 20, 2019

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

Re: Docket No. 20190114-WU – Application for staff assisted rate case by Gator Waterworks, Inc. in Alachua County – Request for increased miscellaneous service charges

Dear Commission Clerk,

Gator Waterworks, Inc. (Gator) hereby respectfully requests consideration for an increase in its approved miscellaneous service charges. In support of its request, Gator submits the following justification.

Gator's miscellaneous service charges were approved in Order No. PSC-2018-0587-PAA-WU, issued December 17, 2018. As stated in that Order, "The Utility's rates, charges, and customer deposits were approved in the original grandfather certificate in 1993."

Initial Connection Charge

The initial connection charge is levied for service initiation for new customers. A Gator representative makes one trip when performing the service of an initial connection. Based on labor and transportation to and from the service territory, Gator calculated initial connection charges of \$31.10 for normal hours and \$36.20 for after hours. The calculations are shown below in Table 1.

Table 1

Initial Connection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor (\$28/hr x 1/4hr)	\$7.00	Administrative Labor (\$28/hr x 1/4hr)	\$7.00

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Field Labor (\$30.42/hr x 1/3 hr)	\$10.14	Field Labor (\$45.63/hr x 1/3 hr)	\$15.21
Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91	Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91
Total	\$31.05	Total	\$36.12

Normal Reconnection Charge

A normal reconnection charge is levied for the reconnection of service subsequent to a customer requested disconnection. A normal reconnection requires two trips, which includes one to turn service off and the other to turn service on. Gator calculated normal reconnection charges of \$57.10 for normal hours and \$64.70 for after hours. The calculations are shown below in Table 2.

Table 2

Normal Reconnection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor (\$28/hr x 1/4hr x 2)	\$14.00	Administrative Labor (\$28/hr x 1/4hr)	\$14.00
Field Labor (\$30.42/hr x 1/4 hr x 2)	\$15.21	Field Labor (\$45.63/hr x 1/4hr x 2)	\$22.81
Transportation (\$0.535/mile x 26 miles-to/from x 2)	\$27.82	Transportation (\$0.535/mile x 26 miles-to/from x 2)	\$27.82
Total	\$57.03	Total	\$64.63

Violation Reconnection Charge

The violation reconnection charge is levied prior to reconnection of an existing customer after discontinuance of service for cause. The service performed for violation reconnection requires two trips, which includes one trip to turn off service and a subsequent trip to turn on service once the violation has been remedied. Gator calculated violation reconnection charges of \$57.10 for normal hours and \$64.70 for after hours. The calculations are shown below in Table 3.

Table 3

Violation Reconnection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor (\$28/hr x 1/4hr x 2)	\$14.00	Administrative Labor (\$28/hr x 1/4hr x 2)	\$14.00
Field Labor (\$30.42/hr x 1/4 hr x 2)	\$15.21	Field Labor (\$45.63hr x 1/4 hr x 2)	\$22.81
Transportation (\$0.535/mile x 26 miles-to/from) x 2	\$27.82	Transportation (\$0.535/mile x 26 miles-to/from) x 2	\$27.82
Total	\$57.03	Total	\$64.63

Premises Visit Charge

The premises visit charge is levied when a service representative visits the premises at the customer's request for complaint resolution and the problem is found to be the customer's responsibility. In addition, the premises visit charge can be levied when a service representative visits a premise for the purpose of discontinuing service for nonpayment of a due and collectible bill, and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill. A premises visit requires one trip. Gator calculated premises visit charges of \$31.10 for normal hours and \$36.20 for after hours. The calculations are shown below in Table 4.

Table 4
Premises Visit Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor (\$28.00/hr x 1/4hr)	\$7.00	Administrative Labor (\$28.00/hr x 1/4hr)	\$7.00
Field Labor (\$30.42/hr x 1/3 hr)	\$10.14	Field Labor (\$45.63/hr x 1/3 hr)	\$15.21
Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91	Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91
Total	\$31.05	Total	\$36.12

Table 5
Requested Miscellaneous Service Charges

	Normal Hours	After Hours
Initial Connection Charge	\$31.10	\$36.20
Normal Reconnection Charge	\$57.10	\$64.70
Violation Reconnection Charge	\$57.10	\$64.70
Premises Visit Charge	\$31.10	\$36.20

Late Payment Charge

Gator is also requesting a \$6.50 late payment charge to recover the cost of supplies, labor, and RAFs associated with processing late payment notices. Gator is requesting a fixed charge for its

late payment charge consistent with Commission practice and its sister utilities managed by US Water Services Corporation (USWSC). The purpose of this charge is not only to provide an incentive for customers to make 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. Section 367.091, F.S., authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges.

Gator calculated the actual costs for its late payment charge to be \$8.07. The Utility states that it will take approximately 15 minutes to process each delinquent account. The delinquent customer accounts will be processed by the administrative contract employee with an hourly salary of \$28.00, resulting in a labor cost of \$7.00 ($\$28.00 \times 0.25\text{hr}$). This is consistent with prior Commission decisions where this Commission has allowed 10-15 minutes per account per month for the administrative labor associated with processing delinquent customer accounts.¹ However, \$8.07 would be the highest late payment charge amongst all other water and wastewater utilities regulated by the Commission.² Therefore, Gator is requesting a charge of \$6.50, consistent with recent Commission decisions. The Utility's calculation for its requested late payment charge is shown below in Table 6.

Table 6
Late Payment Charge

Labor	\$7.00
Supplies	\$0.22
Postage	\$0.49
Markup for RAFs	\$0.36
Total	\$8.07

Credit Card Convenience Charge

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:

¹Order Nos. PSC-16-0041-TRF-WU, issued January 25, 2016, in Docket No. 20150215-WU, In re: Request for approval of tariff amendment to include miscellaneous service charges for the Earlene and Ray Keen Subdivisions, the Ellison Park Subdivision and the Lake Region Paradise Island Subdivision in Polk County, by Keen Sales, Rentals and Utilities, Inc. and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

²Order Nos. PSC-14-0105-TRF-WS, issued February 20, 2014, in Docket No. 20130288-WS, In re: Request for approval of late payment charge in Brevard County by Aquarina Utilities, Inc.; PSC-15-0535-PAA-WU, issued November 19, 2015, in Docket No. 20140217-WU, In re: Application for staff-assisted rate case in Sumter County by Cedar Acres, Inc.; and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

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	PSC-16-0169-PAA-WU	PSC-17-0043-PAA-WU

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. Credit card charges and collections are contracted out through Invoice Cloud who then retains the credit card charge for their costs. Therefore, this is merely a pass through item that covers the cost of processing. Gator is requesting a credit card convenience charge of \$2.60 per transaction consistent with the charges approved by the Commission for its related utilities.

Non-Sufficient Funds (NSF) Charge

Gator currently does not have a NSF charges in place. However, Gator is requesting NSF charges as set forth in Section 68.065(2), F.S. to be consistent with Commission practice and its sister utilities managed by USWSC. Section 367.091, F.S., requires rates, charges, and customer service policies to be approved by the Commission. The Commission has authority to establish, increase, or change a rate or charge. Section 68.065, F.S., 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 prior Commission decisions. 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.

I. Customer Deposits

Rule 25-30.311, F.A.C., contains criteria for collecting, administering, and refunding customer deposits. Rule 25-30.311(1), F.A.C., requires that each company's tariff shall contain its specific criteria for determining the amount of initial deposits. Gator currently has a very nominal initial customer deposit based on the previous owner's low rates. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of rate payers. In addition, collection of customer deposits is consistent with one of the

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fundamental principles of rate making: ensuring that the cost of providing service is recovered from the cost causer.

Rule 25-30.311(7), F.A.C., authorizes utilities to collect new or additional deposits from existing customers not to 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. The two billing periods reflect the lag time between the customer's usage and the Utility's collection of the revenues associated with that usage. Commission practice has been to set initial customer deposits equal to two months' bills based on the average consumption for a 12-month period for each class of customers.³ Wherefore, Gator requests that new revised customer deposits be calculated by the FPSC staff based upon the recommended rates.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Trendell", with a stylized flourish at the end.

Troy Rendell
Vice President
Investor Owned Utilities
//For Gator Waterworks, Inc.

³Order Nos. PSC-2017-0428-PAA-WS, issued November 7, 2017, in Docket No. 20160195-WS, In re: Application for staff-assisted rate case in Lake County by Lakeside Waterworks, Inc. and PSC-17-0113-PAA-WS, issued March 28, 2017, in Docket No. 20130105-WS, In re: Application for certificates to provide water and wastewater service in Hendry and Collier Counties, by Consolidated Services of Hendry & Collier, LLC.