

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for grandfather certificate to
operate water utility in Charlotte County by
Little Gasparilla Water Utility, Inc.

DOCKET NO. 130052-WU
ORDER NO. PSC-13-0177-PAA-WU
ISSUED: April 29, 2013

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING METER TAMPERING CHARGE AND LATE CHARGE
AND
ORDER GRANTING WATER CERTIFICATE
AND APPROVING RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein approving a meter tampering charge and late charge is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

On February 12, 2013, the Board of County Commissioners of Charlotte County (County) passed and adopted Resolution No. 2013-003 (Resolution), transferring regulation of the privately owned for profit water and wastewater utilities in the County to the Florida Public Service Commission (Commission). Effective upon the adoption of the Resolution, all non-exempt water and wastewater systems in the County became subject to the provisions of Chapter 367, Florida Statutes (F.S.). The Commission acknowledged the Resolution on March 14, 2013.¹

Pursuant to Section 367.171(2)(b), F.S., each utility engaged in the operation or construction of a system shall be entitled to receive a certificate for the area served by such utility on the day the chapter becomes applicable to the utility. On February 26, 2013, Little Gasparilla Water Utility, Inc. (Little Gasparilla or Utility) filed an application for a certificate under grandfather rights to provide water service in Charlotte County pursuant to Section

¹ See Order No. PSC-13-0127-FOF-WS, issued March 14, 2013, Docket No. 130049-WS, In re: Resolution of the Board of County Commissioners of Charlotte County declaring Charlotte County subject to the provisions of 367, F.S.

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FPSC-COMMISSION CLERK

367.171(2)(b), F.S. and Rule 25-30.035, F.A.C. The area served is known as Little Gasparilla Island.

The Little Gasparilla system has been in existence since 1986 and currently serves 367 residential customers. The Utility's service area is located in the Southern Water Use Caution Area under the Southwest Florida Water Management District. We have jurisdiction to consider this matter pursuant to Section 367.171, F.S.

GRANDFATHER APPLICATION

The Utility's application for a certificate under grandfather rights to provide water service in Charlotte County is in compliance with Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. The application contains a warranty deed as proof of ownership of the land on which the utility facilities are located, an accurate territory description, and adequate service territory and system maps. A description of the territory known as Little Gasparilla Island is described in Attachment A.

The Utility has been in existence since 1986 and currently serves potable water service to 367 single family homes. The water treatment plant is a reverse osmosis water treatment facility that is currently in compliance with DEP requirements. The Utility reported that there are no material customer service issues. The Utility is aware of the requirement to submit an annual report for 2013 pursuant to Rule 25-30.110, F.A.C., and remit to the Commission RAFs effective February 12, 2013, pursuant to Rule 25-30.120, F.A.C. In addition, the Utility is aware that it must maintain its books and records according to the National Association of Regulatory Commissioners' Uniform System of Accounts.

Based on the above, we hereby grant Little Gasparilla Certificate No. 661-W, effective February 12, 2013, to serve the territory described in Attachment A. This order shall serve as Little Gasparilla's certificate and shall be retained by the Utility.

RATES AND CHARGES

Charlotte County approved the rates and charges that are shown on Schedule No. 1. The rates include a base facility charge and uniform gallonage charge for water service, miscellaneous service charges, and service availability charges.

Accordingly, the Utility's rates and charges that were in effect when Charlotte County transferred jurisdiction to the Commission, shown on Schedule No. 1, are hereby approved. The rates and charges should be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. Little Gasparilla should be required to charge the approved rates and charges until authorized to change by this Commission in a subsequent proceeding.

METER TAMPERING CHARGE

Charlotte County approved meter tampering charges of \$200, \$400, and \$600 for first, second, and third offenses, respectively, and unauthorized use charges of \$250 and \$500 for second and third offenses. These charges do not appear to be cost based.

Rule 25-30.320(2)(i), F.A.C., provides that a customer's service may be discontinued without notice in the event of tampering with the meter or other facilities furnished or owned by the utility. In addition, Rule 25-30.320(2)(j), F.A.C., provides that a customer's service may be discontinued in the event of an unauthorized or fraudulent use of service. The rule allows the utility to require the customer to reimburse the utility for all changes in piping or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the deficiency in revenue resulting from the customer's fraudulent use before restoring service.

Pursuant to Rule 25-30.345, F.A.C., a utility may charge a reasonable fee to defray the cost of restoring service that was discontinued for proper cause as specified in Rule 25-30.320, F.A.C. In recent Commission decisions we have found that a meter tampering charge of \$50.00 was reasonable based on the typical costs to be incurred in investigating and resolving situations of meter tampering.² However, this fee is appropriate only where an investigation reveals evidence of meter tampering. Therefore, we find that the meter tampering and unauthorized use charges for first, second, and third offenses approved by Charlotte County shall be discontinued and that a \$50.00 meter tampering charge shall be approved as shown on Schedule No. 2. The Utility shall file revised tariff sheets with the Commission. The revised tariff sheets shall become effective on or after the stamped approval date on the revised tariff sheet pursuant to Rule 25-30.475(2), F.A.C. if no protest is filed and once the proposed customer notice has been approved by our staff as adequate, and the customers have received the approved notice. Little Gasparilla shall charge the approved meter tampering charge until authorized to change by this Commission in a subsequent proceeding.

LATE PAYMENT CHARGE

Charlotte County approved a late payment fee of 3 percent of the delinquent charge for Little Gasparilla. The purpose of a late payment 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 such delinquencies upon those who are the cost causers. A late payment fee based on a percentage of the delinquent charge does not appear to be cost based.

A \$5.00 late payment charge is consistent with our recent decisions regarding the current cost of researching, printing, mailing and tracking late payment charges.³ Therefore, we find that the late payment charge of 3 percent of the delinquent charge approved by Charlotte County shall be discontinued and a \$5.00 late payment fee shall be approved as shown on Schedule No. 2. The Utility shall file revised tariff sheets with the Commission. The revised tariff sheets shall become effective pursuant to Rule 25-30.475(2), F.A.C. on or after the stamped approval date on the revised tariff sheet, if no protest is filed and once the proposed customer notice has been approved by our staff as adequate, and the customers have received the approved notice. Little Gasparilla shall be required to charge the approved late payment charge until authorized to change by this Commission in a subsequent proceeding.

² See Order No. PSC-12-0357-PAA-WU, issued July 10, 2012, in Docket No. 100048-WU, In re: Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc.

³ See Order No. PSC-10-0257-TRF-WU, issued April 26, 2010, in Docket No. 090429-WU, In re: Request approval of imposition of miscellaneous service charges and meter tampering charge in Lake County by Pine Harbour Water Utilities, LLC.; Order No. PSC-10-0367-PAA-WU, issued on June 7, 2010, In re: Application for grandfather certificate to operate water utility in St. Johns County by Wildwood Water Company.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Little Gasparilla Water Utility, Inc. is hereby granted Water Certificate No. 661-W, effective February 12, 2013, to serve the territory described in Attachment A and shall retain this order as its certificate. It is further

ORDERED that Little Gasparilla Water Utility, Inc. shall file its annual report for 2013 pursuant to Rule 25-30.110, Florida Administrative Code, and remit to the Commission regulatory assessment fees effective February 12, 2013, pursuant to Rule 25-30.120, Florida Administrative Code. Further, the Utility shall maintain its books and records according to the National Association of Regulatory Commissioners' Uniform System of Accounts. It is further

ORDERED that the rates and charges shown on Schedule No. 1 are hereby approved and Little Gasparilla Water Utility, Inc. shall be required to charge these approved rates and charges until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that the rates shall be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code. It is further

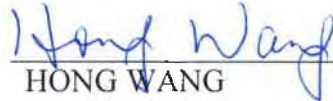
ORDERED that Little Gasparilla Water Utility, Inc. is hereby authorized to charge a \$50.00 meter tampering charge. Upon issuance of a consummating order in this docket, Little Gasparilla Water Utility, Inc. shall be required to give notice to its customers of the approved meter tampering charge. An affidavit of the noticing shall be provided to our staff prior to closing the docket. Little Gasparilla Water Utility, Inc. shall be required to charge the approved meter tampering charge until authorized to change in a subsequent Commission proceeding. The meter tampering charge shall be effective for services rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, Florida Administrative Code. It is further

ORDERED that Little Gasparilla Water Utility, Inc. is hereby authorized to charge a \$5.00 late payment charge. Upon issuance of a consummating order in this docket, Little Gasparilla Water Utility, Inc. shall be required to give notice to its customers of the approved late payment charge. An affidavit of the noticing shall be provided to our staff prior to closing the docket. Little Gasparilla Water Utility, Inc. shall be required to charge the approved late payment charge until authorized to change in a subsequent Commission proceeding. The late payment charge shall be effective for services rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, Florida Administrative Code. It is further

ORDERED that the provisions of this Order regarding the \$50.00 meter tampering charge and the \$5.00 late payment charge, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 29th day of April, 2013.



HONG WANG
Chief Deputy Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

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

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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.

As identified in the body of this order, our action regarding the approval of meter tampering and late payment charges is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file 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 May 20, 2013. If such a petition is filed, 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. In the absence of such a petition, this order shall become effective and final 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.

Any party adversely affected by the Commission's procedural or intermediate action in this matter may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida

Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

DESCRIPTION OF TERRITORY SERVED

That portion of Township 42 South, Range 20 East, in Sections 15, 16, 21, 22 and 27 in Charlotte County, Florida, bordered on the south by Little Gasparilla Pass, on the east by Placida Harbor, on the west by the Gulf of Mexico, and on the north by the south end of Don Pedro State Park and Recreational Area.

FLORIDA PUBLIC SERVICE COMMISSION
authorizes
Little Gasparilla Water Utility, Inc.
pursuant to
Certificate Number 661-W

to provide water service in Charlotte County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
PSC-13-0177-PAA-WU	4/29/2013	130052-WU	Grandfather Certificate

**Little Gasparilla Utility, Inc.
 Charlotte County**

Monthly Water Service Rates

Residential and General Service

Base Facility Charge

Meter Size
 5/8" x 3/4" \$ 49.80

Gallonage Charges

Per 1,000 gallons \$ 4.81

**Miscellaneous Service Charges
 Water**

Schedule of Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Fee	\$ 20.00	\$ 40.00
Normal Reconnection Fee	\$ 20.00	\$ 40.00
Violation Reconnection Fee	\$ 20.00	\$ 40.00
Premises Visit Fee (in lieu of disconnection)	\$ 20.00	\$ 40.00

Returned Check Charge

	<u>Charges</u>
\$50.00 or less	\$ 25.00
\$50.01 to \$300.00	\$ 30.00
\$300.01 and above	\$ 40.00

**Service Availability Charges
 Water**

System Capacity Charge

Residential - Per ERC (350 GPD)	\$4,500.00
All others-per gallon	\$ 12.86

**Little Gasparilla Utility, Inc.
Charlotte County**

Water

	<u>Current Charges</u>	<u>Approved Charges</u>
<u>Meter Tampering</u>		
Meter Tampering Fee		\$ 50.00
First Offense	\$ 200.00	N/A
Second Offense	\$ 400.00	N/A
Third Offense	\$ 600.00	N/A
<u>Unauthorized Use Charge</u>		
Unauthorized Use Charge		Actual Cost
First Offense	No Charge	N/A
Second Offense	\$ 250.00	N/A
Third Offense	\$ 500.00	N/A
<u>Late Payment</u>		
Late Payment Fee	3.00% of bill	\$ 5.00