

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for NSF and late payment charges in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities Inc. of Florida.

DOCKET NO. 160104-WS
ORDER NO. PSC-16-0253-TRF-WS
ISSUED: June 29, 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 LATE PAYMENT CHARGE
AND NON-SUFFICIENT FUNDS CHARGE

BY THE COMMISSION:

Background

Utilities, Inc. of Florida (UIF or utility) is a Class A water and wastewater utility serving approximately 33,193 water and 26,450 wastewater utility customers in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties.

Following the consolidation of the utility's systems in Docket No. 150235-WS, the utility requested a revision of its non-sufficient funds (NSF) charges and late payment charges so that the charges would be consistent across all systems. On April 20, 2016, UIF filed an application for approval of NSF charges and late payment charges for those systems in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties that do not currently have those approved charges. UIF currently has only two systems, formerly known as Lake Placid Utilities, Inc. and Cypress Lakes Utilities, Inc., that have an approved late payment charge. Additionally, UIF has only three systems, formerly known as Utilities, Inc. of Sandalhaven, Tierra Verde Utilities, Inc., and Utilities, Inc. of Eagle Ridge, that do not have an approved NSF charge. This Order addresses UIF's requests. We have jurisdiction to consider this matter pursuant to Section 367.091(6), Florida Statutes (F.S.).

Decision

Late Payment Charge

Section 367.091(6), F.S., authorizes this Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges. The utility requested a \$5.25 late payment charge for those systems that do not currently have an approved late payment charge to recover the cost of supplies and labor associated with processing late payment notices.

The utility's 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(6), F.S.

Approximately 1.61 percent or 960 (1.61% x 59,642) of UIF's bills are delinquent on a monthly basis. The utility's requested charge is based on an aggregate of all UIF systems. The utility indicated that it processes six late payment charges an hour. UIF's combined employees' salary is \$44.68 per hour and at six transactions an hour results in a labor cost of \$7.45 (\$44.68/6). UIF provided a cost justification for a late payment charge of \$8.14. The cost basis for the late payment charge, including labor, is shown in Table 1.

Table 1
Cost Basis for Late Payment Charge

Labor	\$7.45
Printing	0.20
Postage	<u>0.49</u>
Total	<u>\$8.14</u>

For administrative efficiency, the utility would like to have a unified late payment charge for all UIF systems. Therefore, the utility only requested a charge of \$5.25, which is the previously approved charge for two UIF systems, formerly known as Lake Placid Utilities, Inc. and Cypress Lakes Utilities, Inc.¹ We find that the cost justification provided by the utility indicates that the requested late payment charge of \$5.25 for the remaining UIF systems is reasonable.

Based on Commission staff's research, since the late 1990s, this Commission has 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 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.

¹ See Order Nos. PSC-14-0335-PAA-WS, in Docket No. 130243-WS, issued June 30, 2014, In re: Application for staff-assisted rate case in Highlands County by Lake Placid Utilities Inc.; PSC-14-0283-PAA-WS, in Docket No. 130212-WS, issued May 30, 2014, In re: Application for increase in water/wastewater rates in Polk County by Cypress Lakes Utilities, Inc.

² See Order Nos. PSC-14-0335-PAA-WS, in Docket No. 130243-WS, issued June 30, 2014, In re: Application for staff-assisted rate case in Highlands County by Lake Placid Utilities Inc.; 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.; PSC-13-0177-PAA-WU, in Docket No. 130052-WU, issued April 29, 2013, In re: Application for grandfather certificate to operate water utility in Charlotte County by Little Gasparilla Water Utility, Inc.; 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.

Based on the above, this Commission finds that UIF's request to uniformly implement a late payment charge of \$5.25 shall be approved. UIF shall be required to file a proposed customer notice to reflect the Commission-approved charge for those systems where the charge is not currently approved. The approved charge shall be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). In addition, the approved charge shall not be implemented until Commission staff has approved the proposed customer notice. The utility shall provide proof of the date notice was given within ten days after the date of the notice.

Non-Sufficient Funds Charge (NSF 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.

Three of UIF's wastewater systems, formerly known as Utilities, Inc. of Sandalhaven, Tierra Verde Utilities, Inc., and Utilities, Inc. of Eagle Ridge, do not currently have an approved NSF charge. This Commission finds that UIF 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 prior Commission 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, UIF's request to uniformly implement a NSF charge shall be approved. UIF shall revise its tariffs to reflect the NSF charges currently set forth in Section 68.065, F.S. UIF shall be required to file a proposed customer notice to reflect the Commission-approved charge for those systems where the charge is not currently approved. The NSF 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 notice. The utility shall provide proof of the date the notice was given within 10 days of the date of the notice.

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 Utilities, Inc. of Florida's request to uniformly implement a late payment charge is hereby granted. It is further

ORDERED that Utilities, Inc. of Florida's request to uniformly implement a non-sufficient funds charge is hereby granted. It is further

ORDERED that Utilities, Inc. of Florida shall file revised tariff sheets consistent with our vote. It is further

ORDERED that Utilities, Inc. of Florida shall be required to file a proposed customer notice to reflect the Commission-approved charges. It is further

ORDERED that all approved charges in the Order shall be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. It is further

ORDERED that all approved charges shall not be implemented until Commission staff has approved the proposed customer notice. It is further

ORDERED that Utilities, Inc. of Florida shall provide proof of the date notice was given within 10 days after the date of the notice. It is further

ORDERED that if no timely protest is filed, this docket shall remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the utility and approved by staff. If a protest is filed within 21 days of the issuance date of the Order, the tariff sheets shall remain in effect with all charges held subject to refund pending resolution of the protest. If no timely protest is filed, a consummating order shall be issued and, once staff verifies that the notice of the charges has been given to customers, the docket shall be administratively closed.

By ORDER of the Florida Public Service Commission this 29th day of June, 2016.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
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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.

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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 July 20, 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.