

# Pine Harbour Waterworks, Inc.

August 15, 2016

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FPSC - COMMISSION CLERK

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

*Re: Docket No. 160169-WU -Pine Harbour Waterworks, Inc, application for approval of transfer of Pine Harbour Water Utilities, LLC in Lake County, Florida – Cost Justification for Credit Card Convenience Charge*

Dear Commission Clerk,

Pine Harbour Waterworks, Inc. (Pine Harbour) hereby submits its requested cost justification for the Credit Card Convenience Charge in the above referenced docket.

See attached cost justification. The same support documentation applies for this request since the same services are being provided consistent with the related utility companies.

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:

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	

The utility currently accepts and processes credit card payment transactions online through the common website [www.mywaterservice.com](http://www.mywaterservice.com). The payments are processed via the utility's outside customer service vendor who processes all utility billing, payment, and collection services. The outside vendor, Opus21 Management Solutions utilizes its I-Transact gateway to process the payment to the utility's bank, TD Bank. The utility's bank charges a monthly fee of \$19.95 for the "Merchant ID" in order to process the credit card payments paid online.

In addition, the various credit card companies charge per transaction fees which vary between \$0.15 to \$0.25, which are in addition to the discount rate of 0.25% per transaction. The monthly bank credit card account statements are attached, along with the total amount of bank charges and transactions per month. In addition, the customer service vendor passes through its per transaction I-Transact gateway charge of \$0.60 per transaction with no mark up.

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The utility has previously been absorbing these monthly fees and has not passed on these costs to its customers. However, the number of credit card transactions has increased over 603% from 75 transactions in January 2014 to 527 transactions in January 2015. The monthly fees have also risen from \$170 per month to \$826 per month. These represent the total amount of transactions and fees for all thirteen (13) PSC regulated utilities for 2014.

The customers have requested the ability to pay utility bills telephonically as well. This convenience is being offered to assist customers whose water and/or wastewater service have been disconnected due to non-payment of past due bills. The customers requested a more expeditious payment method in order to re-establish service in the least amount of time. The utility has moved forward with the telephonic payment process. However, an additional "Merchant ID" must be established with the bank in order to process these payments via telephone. The additional monthly charge of \$19.95 has been included in the utility's calculations. The credit card transaction fees will remain the same as the online payments.

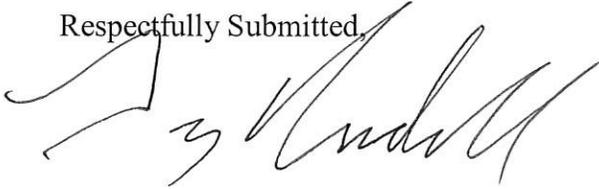
Currently, all of the PSC regulated utilities managed by U.S. Water Services Corporation utilizes the same pass-through bank account. The accountant then distributes the various payments from this common account to the appropriate utility bank account. This is a cost saving method in the fact that each utility can share the monthly bank charges without the necessity of establishing separate processing Merchant IDs. This cost savings to the utility and its customers equates to annual savings of approximately \$5,746 for both bank Merchant ID costs. (online and telephonically) . The cost justification attached calculates the accounting processing of distributions of credit card transactions to be \$0.09 per transaction based on the past number of credit card transactions.

In addition, the CSR for customer billing is required to build a profile for each customer for the credit card transaction and process each transaction through the authorized connection with the utility's bank. The utility believes the total amount of processing time per month for clerical processing to be one hour per month. The cost justification attached calculates the clerical processing of credit card transactions to be \$0.09 per transaction based on the past number of credit card transactions.

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In order to charge the cost-causers of these additional expenses incurred for the convenience of making credit card payments, Pine Harbour hereby requests the Commission approve a credit card convenience fee of \$2.60 per transaction. This requested charge is consistent with prior Commission decisions and issued orders, as addressed above.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Troy Rendell", written over the text "Respectfully Submitted,".

Troy Rendell  
Manager of Regulated Utilities  
*//For Pine Harbour Waterworks, Inc.*

**Bank Credit Card Charge Summary**

**Web Based Payment:**

Month	Total Fees	No. of Charges	Charge per Transaction	Total Charges	Percent of Charges
Jan-15	\$ 825.66	527	\$ 1.57	\$ 48,501.96	1.70%
14-Dec	\$ 685.97	456	\$ 1.50	\$ 39,779.35	1.72%
14-Nov	\$ 685.75	451	\$ 1.52	\$ 40,727.51	1.68%
14-Oct	\$ 665.33	433	\$ 1.54	\$ 41,704.83	1.60%
14-Sep	\$ 597.63	388	\$ 1.54	\$ 34,723.05	1.72%
14-Aug	\$ 577.60	405	\$ 1.43	\$ 34,199.91	1.69%
14-Jul	\$ 605.00	345	\$ 1.75	\$ 35,002.76	1.73%
14-Jun	\$ 582.15	361	\$ 1.61	\$ 32,969.08	1.77%
14-May	\$ 316.43	169	\$ 1.87	\$ 19,025.74	1.66%
14-Apr	\$ 254.64	147	\$ 1.73	\$ 13,642.73	1.87%
14-Mar	\$ 219.67	128	\$ 1.72	\$ 11,450.83	1.92%
14-Feb	\$ 208.14	103	\$ 2.02	\$ 10,988.00	1.89%
<u>14-Jan</u>	<u>\$ 169.43</u>	<u>75</u>	<u>\$ 2.26</u>	<u>\$ 7,096.63</u>	<u>2.39%</u>
Total	<u>\$ 6,393.40</u>	<u>3,988</u>	<u>\$ 1.60</u>	<u>\$ 369,812.38</u>	<u>1.73%</u>

**All Credit Card Transactions:**

Bank and Credit Card Company Fee:	\$ 1.60
I-Transact gateway Fee per Transaction (Opus21):	\$ 0.60
Telephonic processing fee (TD Bank):	\$ 0.10
Authorization fee (TD Bank):	\$ 0.05
Monthly telephonic account fee: (\$19.95x13/3,988)	\$ 0.07
Accounting (1 hr month/\$28.85 hr)	\$ 0.09
Clerical CSR (1 hr month/\$28.00 hr)	\$ 0.09
Total Customer Credit Card Convenience Fee:	\$ 2.60

**Accounting Processing/Clerical**

	Time	Rate	13 month Total	13 Mo. Transactions	Per Trans.
Accountant	1 hr month	\$ 28.85	\$ 375.05	3,988	\$ 0.09
CSC Clerical	1 hr month	\$ 28.00	\$ 364.00	3,988	\$ 0.09