

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-

DATE: October 26, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Friedrich, Hudson) MF, SA, PD, GB
Office of the General Counsel (DuVal) MD, JC

RE: Docket No. 20170078-WU – Request for approval of an increase to convenience fees charged to customers, by Wildwood Water Company.

AGENDA: 11/07/17 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

RECEIVED-FPSC
2017 OCT 26 AM 10:05
COMMISSION
CLERK

Case Background

Wildwood Water Company (Wildwood or utility) is a Class C water utility providing service to approximately 343 residential service customers in St. Johns County according to its 2016 Annual Report. Wildwood is located in the St. Johns River Water Management District, but outside the water use caution area. The Commission granted Wildwood Water Certificate No. 648-W, effective January 16, 2009.¹

On April 3, 2017, Wildwood filed a letter requesting to increase its convenience charges by \$1.00 to account for an increase in billing services by Automated Billing Services, Inc. (ABS). In addition to verbal conversations with the utility's Vice President, Mr. Gregory Mills, staff indicated to the utility, in a letter dated May 17, 2017, that this request must be filed as a limited proceeding or staff-assisted rate case (SARC) since it would affect the utility's base facility

¹Order No. PSC-10-0367-PAA-WU, issued June 7, 2010, in Docket No. 100011-WU, *In re: Application for grandfather certificate to operate water utility in St. Johns County by Wildwood Water Company.*

charge (BFC), a monthly recurring rate. Mr. Mills indicated to staff during a phone conversation that he was unaware when he filed his initial request that it would require a limited proceeding or SARC with a filing fee and was not interested in pursuing the utility's original request with either of these proceedings at this time. In addition, the utility also verbally indicated to staff that it was interested in the Commission evaluating its miscellaneous service charges. Staff indicated to the utility that its miscellaneous service charges could be evaluated in a tariff proceeding, in which no filing fee would be required. However, the utility would have to provide its request along with the appropriate cost justification required by Section 367.091, Florida Statutes (F.S.).

Staff has made numerous attempts to assist the utility with the appropriate proceedings to address the requests for the increased billing fee and miscellaneous service charges. However, the utility has taken no further action to pursue its requests. As provided in the docket file, staff has attempted to contact the utility via phone, mail, and email. To date, the utility has not filed the request for a limited proceeding or SARC required to process its request to increase its BFC, nor has the utility filed the necessary cost justification required to process its request regarding miscellaneous service charges.

This recommendation addresses the disposition of this docket due to the utility's failure to take any action. The Commission has jurisdiction pursuant to Chapter 367.011, F.S.

Discussion of Issues

Issue 1: Should this docket be closed?

Recommendation: Yes. This docket should be closed because no further action is required. (Friedrich, DuVal)

Staff Analysis: On April 3, 2017, the Commission received a letter from Mr. Gregory Mills, the Vice-President of Wildwood, requesting to increase the convenience fees charged to its customers by \$1.00 in order to cover increased billing services costs. In his letter, Mr. Mills explained that the utility's billing service, ABS, would be increasing its billing service rate by \$1.00 per customer on June 1, 2017. Additionally, Mr. Mills verbally requested for staff to evaluate Wildwood's current miscellaneous service charges.

Wildwood's current water rates consist of a BFC of \$34.53 and a four-tier inclining block rate structure based on usage. The utility's current BFC of \$34.53 includes a \$2.50 billing fee for the billing services provided by ABS to the utility.² Additionally, Wildwood's current miscellaneous service charges were established simultaneously with its grandfather certificate.

Staff sent a letter to Mr. Mills on May 17, 2017, outlining the utility's options for its requests. In its letter, staff explained that since the requested \$1.00 increase to its present \$2.50 billing fee would affect the utility's BFC, a monthly recurring rate, the utility would need to file this request as a limited proceeding or SARC and pay the appropriate filing fee. In its letter, staff also addressed the utility's request for its miscellaneous service charges to be evaluated by explaining that they could be evaluated through a tariff proceeding in which no filing fee is required. However, in order for staff to evaluate these charges, the utility would need to file cost justification required by Section 367.091, F.S. Staff asked the utility to respond to its letter on June 7, 2017, indicating how the utility would like to proceed and a written response was never received. However, the utility verbally expressed to staff that it was not interested in a limited proceeding or SARC at this time, but, it was still interested in the Commission evaluating its miscellaneous service charges. To date, the utility has not formally requested or provided cost justification for miscellaneous service charges.

As mentioned in the case background, staff has made several attempts to assist the utility with its requests, but the utility has taken no further action. Due to the utility's apparent lack of interest in pursuing its requests, staff issued a letter, dated October 2, 2017, requesting the utility's permission to close this docket so that the utility could take the appropriate time to reevaluate its filing options. Staff does not have the authority to close a docket administratively without the petitioner's consent. Staff requested a response by October 16, 2017. To date, the utility has not responded. Therefore, staff recommends that the docket should be closed. Closing this docket does not prevent the utility from filing a separate request to initiate a new docket for the evaluation of its miscellaneous service charges. Additionally, staff's recommendation to close this docket will not prevent the utility from filing a request for a limited proceeding or SARC at a

²Order No. PSC-10-0367-PAA-WU, issued June 7, 2010, in Docket No. 100011-WU, *In re: Application for grandfather certificate to operate water utility in St. Johns County by Wildwood Water Company.*

Docket No. 20170078-WU
Date: October 26, 2017

Issue 1

later date. Staff recommends that this docket be closed because no further action is required. No filing fee has been paid by the utility, so no refund is necessary.