

SEMINOLE WATERWORKS, INC.

FILED 2/9/2018
DOCUMENT NO. 01081-2018
FPSC - COMMISSION CLERK

February 9, 2018

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

Re: Re: Docket No. 20170155-WU - Application for grandfather water certificate in Leon County and application for pass through increase of regulatory assessment fees, by Seminole Waterworks, Inc.

Dear Commission Clerk,

As a follow up to, and in addition to the previous submittal concerning Miscellaneous Service Charges, Seminole Waterworks, Inc. (Seminole) hereby submits the following additional information.

In Document No. **07748-2017** Seminole acknowledged that although existing charges were in existence at the time of acquisition, some of these miscellaneous charges are higher than comparable utilities. Seminole is in agreement with Commission Staff that the Miscellaneous Service Charges should be revised to comparable related utilities. In support of this request Seminole offers the following information for consideration.

Recently in Order No. PSC-2017-0334-PAA-WS, issued August 23, 2017, the Commission approved Miscellaneous Service Charges for LP Waterworks, Inc. Additionally, in Order No. PSC-2017-0491-TRF-WS, issued December 28, 2017, the Commission approved these same charges for Lakeside Waterworks, Inc. These are related utilities in that the customer services, operations, and maintenance are all performed by the same company, U.S. Water Service Corporation. Seminole acknowledges that although very similar in nature, the personnel that perform the actual connections/disconnections/reconnections have considerable longer transportation mileage. These employees either have to drive from the Sunny Hills Utility Company near Chipley, Florida or are performed by the part-time operator who resides in the City of Panacea, Florida. Therefore, these charges may not actually cover the actual costs of the utility. However, Seminole also acknowledges that these personnel typically perform these services while in the area performing other operations and/or maintenance. Therefore, Seminole agrees that the Miscellaneous Service Charges approved in the above two orders should also be approved for Seminole.

NON-SUFFICIENT FUNDS CHARGES

Seminole already has existing NSF charges which could be approved under the "grandfather" provisions. However, authorization to collect NSF charges consistent with 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.

Therefore, Seminole is requesting NSF charges consistent with prior Commission decisions.¹ Furthermore, as previously stated by the Commission, 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.

CONVENIENCE CHARGE

When Seminole acquired the utility from Rowe Utilities, Inc. in February 2016, it also implemented a credit card convenience charge. This charge was noticed to the customers prior to implementation and may be approved under the “grandfather” provisions. The Commission recently approved a similar convenience charge of \$2.60 for Brevard Waterworks, Inc., LP Waterworks, Inc., Pine Harbour Waterworks, Inc., and Lakeside Waterworks, Inc., among other related utilities. The aforementioned Utilities, as well as Seminole, are all managed by U.S. Water Corporation, and the administrative costs for the convenience charge are the same. This convenience charge benefits the customers by allowing them to expand their payment options. Furthermore, this fee will insure Seminole’s remaining customers do not subsidize those customers who choose to pay using this option.

LATE PAYMENT CHARGE

Currently, Seminole has an existing late payment charge equal to ten percent (10%) of the total bill owed. This charge may be approved under the “grandfather” provisions; however, Seminole is requesting a set dollar amount. Seminole calculated the actual cost to be \$8.07 for late payment charges. However, this charge would be one of the highest late payment charges. Therefore, Seminole is requesting a charge of \$6.50 consistent with a recent Commission approval in Docket No. 20170255-WS.

The actual costs were calculated as follows: It will take approximately 15 minutes per account to research, compile, and produce late notices. This is consistent with prior Commission decisions where the Commission has allowed 10-15 minutes per account per month for the administrative labor associated with processing delinquent customer accounts. The delinquent customer

¹Order 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.

accounts will be processed by the administrative contract employee, which results in labor cost of \$7.00 (\$28.00 x 0.25hr) per account. Additionally, Seminole is requesting recovery of the costs of supplies, postage, and RAFs associated with processing delinquent accounts. Wherefore, Seminole is providing the following cost justification required by Section 367.091, F.S.

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

As previously stated, Seminole is not requesting the actual cost, but is willing to accept a lesser amount in order to be more in line with the Commission’s recent decision.

Wherefore, Seminole requests approval of the following Miscellaneous Service Charges:

	Existing Current	Requested	
	Normal and After Hours	Normal Hours	After Hours
Initial Connection Charge	\$50.00	\$31.10	\$36.20
Normal Reconnection Charge	\$50.00	\$57.10	\$64.70
Violation Reconnection Charge	\$165.00	\$57.10	\$64.70
Premises Visit Charge	\$10.00	\$31.10	\$36.20
	Existing Current	Requested	
Late Payment Charge	10% of total bill owed	\$6.50	
NSF Charge	\$25.00 if check value is <\$50.00 \$30.00 if check value is between \$50.00 and \$300.00	Pursuant to Section 68.065(2), F.S.,	
Credit Card Convenience Charge	\$2.60	\$2.60	

INITIAL CUSTOMER DEPOSITS

Seminole currently has an existing customer deposit amount of \$50.00. This amount may be approved under the “grandfather” provisions. However, this amount does not cover two months’ average bills. Rule 25-30.311, F.A.C., contains the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad

debt expense for a utility and, ultimately, the general body of ratepayers. Historically, the Commission has set initial customer deposits equal to two times the average estimated bill.² The average monthly residential usage is 4,558 gallon. Based on this average water demand, the appropriate initial customer deposit would equate to \$69.14 reflecting the average residential customer bill for two months.

Based on the above, the appropriate water initial customer deposit requested by Seminole is \$69.14 for the residential 5/8" x 3/4" meter size. The initial customer deposits for all other residential meter sizes should remain at two times the average estimated bill for water service.

Respectfully Submitted,



Troy Rendell
Vice President
Investor Owned Utilities
// for Seminole Waterworks, Inc.

²Order Nos. PSC-13-0611-PAA-WS, issued November 19, 2013, in Docket No. 130010-WS, In re: Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC., and PSC-14-0016-TRF-WU, issued January 6, 2014, in Docket No. 130251-WU, In re: Application for approval of miscellaneous service charges in Pasco County, by Crestridge Utility Corporation.