

# OKALOOSA WATERWORKS, INC.

June 8, 2020

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

*Re: Docket No. 20200155-WU - Application for water certificate in existence in Okaloosa County by Okaloosa Waterworks, Inc. – Miscellaneous Service Charges*

Dear Commission Clerk,

Okaloosa Waterworks, Inc. (Okaloosa) hereby requests revisions to the existing miscellaneous service charges, customer deposits, and an initial meter installation charge. In support thereof, Okaloosa provides the following information.

Recently in Order No. PSC-2018-0334-PAA-WU, issued June 28, 2018, the Commission approved a Grandfather Certificate to Seminole Waterworks, Inc. (Seminole) in Leon County. In addition, the Commission approved revised miscellaneous service charges and customer deposits for Seminole. Section 367.091, Florida Statutes (F.S.), authorizes this Commission to change miscellaneous service charges.

Additionally, 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.

Okaloosa acknowledges that although very similar in nature, the personnel that perform the actual connections/disconnections/reconnections have considerable longer transportation mileage. These employees have to drive from the Sunny Hills Utility Company near Chipley, Florida. Therefore, these charges may not actually cover the actual costs of the utility. However, Okaloosa also acknowledges that these personnel typically perform these services while in the area performing other operations and/or maintenance. Therefore, Okaloosa agrees that the Miscellaneous Service Charges approved in the above orders should also be approved for Okaloosa.

In support of its request, Okaloosa provide the following cost justification in accordance with Section 367.091(6), F.S.

## **Initial Connection Charge**

4939 Cross Bayou Boulevard ~ New Port Richey, FL 34652  
Tel: (866) 753-8292 Fax: (727) 848-7701

The initial connection charge is levied for service initiation for new customers. A Okaloosa representative makes one trip when performing the service of an initial connection. Based on labor and transportation to and from the service territory, Okaloosa requests initial connection charges of \$31.10 for normal hours and \$36.20 for after hours. The calculations are shown below in Table 1.

**Table 1  
Initial Connection Charge Calculation**

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor (\$28/hr x 1/4hr)	\$7.00	Administrative Labor (\$28/hr x 1/4hr)	\$7.00
Field Labor (\$30.42/hr x 1/3 hr)	\$10.14	Field Labor (\$45.63/hr x 1/3 hr)	\$15.21
Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91	Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91
Total	\$31.05	Total	\$36.12

**Normal Reconnection Charge**

A normal reconnection charge is levied for the reconnection of service subsequent to a customer requested disconnection. A normal reconnection requires two trips, which includes one to turn service off and the other to turn service on. Okaloosa requests normal reconnection charges of \$57.10 for normal hours and \$64.70 for after hours. The calculations are shown below in Table 2.

**Table 2  
Normal Reconnection Charge Calculation**

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor (\$28/hr x 1/4hr x 2)	\$14.00	Administrative Labor (\$28/hr x 1/4hr)	\$14.00
Field Labor (\$30.42/hr x 1/4 hr x 2)	\$15.21	Field Labor (\$45.63/hr x 1/4hr x 2)	\$22.81
Transportation (\$0.535/mile x 26 miles-to/from x 2)	\$27.82	Transportation (\$0.535/mile x 26 miles-to/from x 2)	\$27.82
Total	\$57.03	Total	\$64.63

**Violation Reconnection Charge**

The violation reconnection charge is levied prior to reconnection of an existing customer after discontinuance of service for cause. The service performed for violation reconnection requires two trips, which includes one trip to turn off service and a subsequent trip to turn on service once the violation has been remedied. Okaloosa requests violation reconnection charges of \$57.10 for normal hours and \$64.70 for after hours. The calculations are shown below in Table 3.

**Table 3  
Violation Reconnection Charge Calculation**

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor (\$28/hr x 1/4hr x 2)	\$14.00	Administrative Labor (\$28/hr x 1/4hr x 2)	\$14.00
Field Labor (\$30.42/hr x 1/4 hr x 2)	\$15.21	Field Labor (\$45.63hr x 1/4 hr x 2)	\$22.81
Transportation (\$0.535/mile x 26 miles-to/from) x 2	\$27.82	Transportation (\$0.535/mile x 26 miles-to/from) x 2	\$27.82
Total	\$57.03	Total	\$64.63

**Premises Visit Charge**

The premises visit charge is levied when a service representative visits the premises at the customer's request for complaint resolution and the problem is found to be the customer's responsibility. In addition, the premises visit charge can be levied when a service representative visits a premise for the purpose of discontinuing service for nonpayment of a due and collectible bill, and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill. A premises visit requires one trip. Okaloosa requests premises visit charges of \$31.10 for normal hours and \$36.20 for after hours. The calculations are shown below in Table 4.

**Table 4  
Premises Visit Charge Calculation**

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor (\$28.00/hr x 1/4hr)	\$7.00	Administrative Labor (\$28.00/hr x 1/4hr)	\$7.00
Field Labor (\$30.42/hr x 1/3 hr)	\$10.14	Field Labor (\$45.63/hr x 1/3 hr)	\$15.21
Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91	Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91
Total	\$31.05	Total	\$36.12

**Table 5  
Miscellaneous Service Charges**

	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

**NON-SUFFICIENT FUNDS CHARGES**

Okaloosa currently has a return check charge of \$35.00. 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, Okaloosa is requesting NSF charges consistent with prior Commission decisions.<sup>1</sup> 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.

**LATE PAYMENT CHARGE**

Currently, Okaloosa has an existing late payment charge equal to ten percent (10%) of the total bill owed. These charges may be approved under the “grandfather” provisions; however, Okaloosa is requesting a set dollar amount. Okaloosa 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, Okaloosa is requesting a charge of \$6.50 consistent with a recent Commission approval in Order No. PSC-2018-0334-PAA-WU.

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 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, Okaloosa is requesting recovery of the costs of supplies, postage, and RAFs associated with processing delinquent accounts. Wherefore, Okaloosa 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

<sup>1</sup>Order 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.

As previously stated, Okaloosa 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, Okaloosa requests approval of the following Miscellaneous Service Charges:

	Existing Current	Requested	
	Normal and After Hours	Normal Hours	After Hours
Initial Connection Charge	\$200.00	\$31.10	\$36.20
Normal Reconnection Charge	\$25.00	\$57.10	\$64.70
Violation Reconnection Charge	\$50.00	\$57.10	\$64.70
Premises Visit Charge	\$00.00	\$31.10	\$36.20
	Existing Current	Requested	
Late Payment Charge	10% of total bill owed	\$6.50	
NSF Charge	\$35.00	Pursuant to Section 68.065(2), F.S.,	

**INITIAL CUSTOMER DEPOSITS**

Okaloosa currently has an existing customer deposit amount of \$50.00 for “members” and \$200.00 for renters. These amounts 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.<sup>2</sup> The average monthly residential usage is approximately 3,000 gallon. Based on this average water demand, the appropriate initial customer deposit would equate to \$73.30 reflecting the average residential customer bill for two months.

<sup>2</sup>Order 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.

Based on the above, the appropriate water initial customer deposit requested by Okaloosa is \$73.30 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.

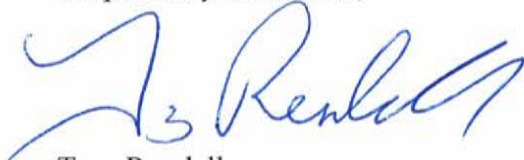
**Meter Installation Charge**

Currently the utility does not have an initial meter installation charge. The meter installation charge is to pay for the cost of the meter for new installations, including the meter box, etc. These meters are similar to the ones used in Black Bear Waterworks. In Order No. PSC-11-0478-PAA-WU, issued October 24, 2011, the Commission approved a meter installation charge for these types of meters of \$420. In doing so, the Commission stated "We have recognized that the higher costs for electronic transmitting meters have offsetting cost efficiencies because the utility is able to remotely read the meters and download the information directly into its billing systems."<sup>3</sup>

Therefore, Okaloosa requests the following meter installation charge:

402 Meter Base Only 5/8 X 3/4	\$ 73.75
Potable Registers Only	\$ 114.85
Hot Rods	\$ 102.00
Couplings	\$ 11.00
Meter Box	\$ 22.49
Material	<u>\$ 324.09</u>
Labor (1/2 Hour)	<u>\$ 28.96</u>
	<u><b>\$ 353.05</b></u>

Respectfully Submitted,



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

<sup>3</sup> Order No. PSC-07-0983-PAA-WS, issued December 10, 2007, in Docket No. 060726-WS, In re: Application for certificates to provide water and wastewater service in Glades County and water service in Highlands County for Silver lake Utilities, Inc. and Order No. PSC-03-1474-TRF-WU, issued December 31, 2003, in Docket No. 030956-WU, In re: Application for approval of revised service availability charges to increase meter installation fees in Osceola County by O&S Water Company, Inc.