



Public Service Commission

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RECORDS AND REPORTING

DATE: MAY 23, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAY)

FROM: DIVISION OF LEGAL SERVICES (JAEGER) *RS*
 DIVISION OF WATER AND WASTEWATER (BINFORD) *me*
 DIVISION OF CONSUMER AFFAIRS (STOKES) *BS*

RE: DOCKET NO. 000611-WS - COMPLAINT OF TAYLOR TIRE AND SERVICE CENTER, INC., AGAINST ALOHA UTILITIES, INC., IN PASCO COUNTY REGARDING A BILLING DISPUTE.

AGENDA: 06/06/2000 - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\000611WS.RCM

CASE BACKGROUND

Staff first became aware that Taylor Tire and Service Center, Inc. (Taylor Tire or customer) was having a dispute with Aloha Utilities, Inc. (Aloha or utility), over billing, when on July 8, 1999, the Division of Consumer Affairs (CAF) received correspondence from Mrs. Judith A. Taylor on behalf of Taylor Tire. Mrs. Taylor alleged that at least once a year, Aloha, overbills the water account (In this instance, the utility had billed Taylor Tire for 77,300 gallons of water used in only one month). She stated that for the past 13 years, the account has remained under the same ownership with the same services. Mrs. Taylor also contended that due to road construction, the business was slow. She stated that "[e]ither the equipment is malfunctioning or the road construction crew has caused a problem."

CAF received Aloha's response on July 26, 1999. The utility stated that it found "seasonal increases over the history of this

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account." Aloha also reported that Mrs. Taylor called the utility on June 10, 1999, requesting a reread of the meter due to a high bill. On the same day, the utility indicated that the meter reading was checked, which showed consumption since the last reading. Aloha reported that it detected no water leaks. On June 11, 1999, the utility alleged that it discussed the outcome of its investigation with Mrs. Taylor's husband, Mr. Mark Taylor.

On August 4, 1999, CAF sent Mrs. Taylor a letter explaining that it appears that her account was properly billed for the May 31, 1999, bill.

Aloha contacted CAF on February 22, 2000, and stated that the customer had not paid the disputed bill, and was also past-due on the current charges. The utility also stated that it had given notice of disconnection to the customer on February 15, 2000, and that it was going to disconnect the customer's service on February 23, 2000. CAF notified Aloha that the customer had been previously contacted about the outcome of the CAF investigation, and that no further action was pending.

On February 24, 2000, Mr. Taylor called CAF. The results of the investigation were explained to him. On that same day, CAF received a telephone call from a legislative representative about the customer's account. CAF asked Aloha to reconnect the customer's service pending a further investigation. The utility indicated that the customer did not comply with disconnection notices, and that therefore it would not reconnect the service.

That same day, CAF called Mr. Taylor, who stated that he paid his monthly bills, except the disputed amount of \$440. CAF called the utility again, and was told that the customer was paying his current bills. Aloha also stated that the past-due amount was \$397. At staff's request, Aloha agreed to have a meter test performed on the meter that served Taylor Tire, provide CAF with a copy of the customer's billing history, and reconnect the customer's service on the morning of February 25, 2000.

When CAF called the customer on the morning of February 25, 2000, the service was still off. CAF sought assistance from a staff member of the Division of Water and Wastewater (WAW). When that staff member contacted Aloha, the utility advised him that the customer's service would not be restored without payment. The customer paid the delinquent amount under protest, and advised staff that the water was turned off for only about one day.

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CAF received a copy of Aloha's February 25, 2000, letter to WAW explaining its previous report to CAF. The utility stated that a delinquent notice was mailed to the customer on February 15, 2000, requesting payment. The utility also provided staff with the customer's billing history information and bench meter test results. The meter test results indicated that the meter was not registering too fast, but slow on the low and intermediate flows. Due to the meter problem, Aloha alleged that the account was undercharged by approximately 15 percent. The utility did not backbill the customer's account for the slow registration.

INFORMAL CONFERENCE

On February 29, 2000, CAF received Mr. Taylor's written informal conference request. An informal conference was held on May 3, 2000, with the customer, the utility, and a CAF staff member. Mr. Taylor stated that his May 31, 1999, bill was for 77,300 gallons of water, \$114 for the water charge and \$258 for the wastewater charge, and argues that this is an unbelievable amount of water for an automotive repair facility. Mr. Taylor contended that his average bill is between 5,000-7,000 gallons of water, sometimes higher or lower.

Mr. Taylor also asserted that during the high bill period, April 28, 1999, through May 28, 1999, there was road construction in his area (road construction was to widen Little Road to four lanes). As a result, Mr. Taylor alleged that it caused broken water lines near his business and a 30-35 percent reduction in his business. During this period, Mr. Taylor claimed that his meter had to be removed to redo some of the lines. Mr. Taylor contended that when he was notified by Kimmins Construction (Kimmins), Pasco County's contractor, that there was a problem, the meter serving his business was laying on the ground. He alleged that Kimmins broke the water pipe on both sides of the meter, and believed that Aloha had to repair it. Mr. Taylor claimed that Aloha was in the area on a daily basis at a pump station.

Mr. Taylor believes that the meter test results are irrelevant. He stated that the meter could have failed during the road construction work. Mrs. Taylor asserted that the problem is "connected" to the road construction. Mr. Taylor continued to dispute the high consumption, and stated that his biggest concern was with the wastewater charge. He indicated that the wastewater charge should be adjusted to 10,000 gallons of water. Mr. Taylor understands the charge for water, but is certain that most of that water was not returned to the wastewater system. He therefore requested that the wastewater charge be capped at 10,000 gallons.

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During the conference, Mr. Taylor also objected to the disconnection of his service for nonpayment of the disputed amount. Mr. Taylor alleged that he did not receive Aloha's February 15, 2000, disconnection notice.

Mr. Stephen G. Watford, Aloha, contended that the water went through the meter, and cannot explain how the water was used. He asserted that it is a common question for customers to ask where the water went, but the utility does not have the answer. Mr. Watford stated that the customer has a 1½ inch meter and that 77,300 gallons of water is not an exorbitant amount for that meter size, although it is more than the customer's average usage. The utility stated that it sent the customer a delinquent notice on February 15, 2000, and then contacted CAF to find out if there was a pending complaint (and found there was no pending action). Therefore, Aloha maintains that the account was properly billed for the water that passed through the meter, which resulted in the \$114.64 water charge and \$258.01 wastewater charge.

The informal conference held on May 3, 2000 was concluded without a settlement. Rule 25-22.032(8), Florida Administrative Code, states that if a settlement is not reached at the informal conference, then staff will file a recommendation within 20 days following the informal conference for the Commission to issue a notice of proposed agency action or to set the matter for hearing pursuant to Section 120.57, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Did Aloha Utilities, Inc., violate any of the Commission's rules regarding the billing of Taylor Tire and Service Center, Inc.'s account?

STAFF RECOMMENDATION: No. The utility appears not to have violated any of the Commission's rules, and the utility appears to have billed the correct amount. Therefore, no further action is required. (STOKES, BINFORD, JAEGER)

STAFF ANALYSIS: Rule 25-30.335(1), Florida Administrative Code, states that:

Except as provided in this rule, a utility shall render bills to customers at regular intervals, and each bill shall indicate: the billing period covered; the applicable rate schedule; beginning and ending meter reading; the amount of the bill; the delinquent date or the date after which the bill becomes past due; and any authorized late payment charge.

Mr. Taylor provided staff with a copy of his May 31, 1999, bill for the disputed charge. It shows that his account was billed for 77,300 gallons of water from April 28, 1999, through May 28, 1999. His total bill was \$372.65, which included \$114.64 for the water charge and \$258.01 for the wastewater charge. The customer alleged that the water pipe was broken on both sides of the meter by Pasco County's contractor, Kimmins Construction Company.

The meter test results indicated that the meter was registering within the accuracy limits at the maximum flow and registering below the accuracy limits on the intermediate and minimum flows. Due to the slow registration, Aloha asserted that the customer was undercharged approximately 15 percent each month. The utility states that it will not backbill the customer's account for the slow registration.

Based on staff's review, it does not appear that Aloha violated any of the Commission's rules regarding the billing of Taylor Tire's account for the \$372.65 charge. Therefore, the utility appears to have billed the correct amount, and Taylor Tire paid the correct amount when it paid this bill under protest. Based on the above, no further action is necessary at this time.

ISSUE 2: Did Aloha Utilities, Inc., comply with the Commission's rules before Taylor Tire and Service Center, Inc.'s, water service was disconnected for nonpayment of \$372.65?

STAFF RECOMMENDATION: Yes, the utility appears to have complied with Rule 25-30.320(2), Florida Administrative Code, for disconnecting service. (STOKES, BINFORD, JAEGER)

STAFF ANALYSIS: Rule 25-30.320(2), Florida Administrative Code, states that:

As applicable, the utility may refuse or discontinue service under the following conditions provided that, unless otherwise stated, the customer shall be given written notice and allowed a reasonable time to comply with any rule or remedy any deficiency:

(g) For nonpayment of bills, including nonpayment of municipal sewer service under circumstances specifically provided in section 159.18(2), F.S., or noncompliance with the utility's rules and regulations in connection with the same or a different type or a different class of utility service furnished to the same customer at the same premises by the same or affiliated utility only after there has been a diligent attempt to have the customer comply, including at least 5 working days' written notice to the customers. Such notice shall be separate and apart from any bill for service. . . .

Aloha contended that a five working days' notice of disconnection was mailed to the customer on February 15, 2000, for payment of the disputed amount. Prior to service disconnection, the customer did not notify staff that the bill was still in dispute, after staff's August 4, 1999, letter to the customer.

Staff believes that Aloha complied with the Commission's rules before the customer's service was disconnected for nonpayment of \$372.65.

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ISSUE 3: Should this docket be closed?

STAFF RECOMMENDATION: Yes. If no person whose substantial interests are affected by the Commission's order in this docket timely files a protest within 21 days of the issuance of this order, this docket should be closed upon the issuance of a consummating order. (STOKES, BINFORD, JAEGER)

STAFF ANALYSIS: If no person whose substantial interests are affected by the Commission's order in this docket timely files a protest within 21 days of the issuance of this order, this docket should be closed upon the issuance of a consummating order.