

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Request for approval of change in meter installation fees and proposed changes in miscellaneous service charges in Pasco County by Mad Hatter Utility, Inc.

DOCKET NO. 050369-WS
ORDER NO. PSC-05-0776-TRF-WS
ISSUED: July 26, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

ORDER APPROVING CHANGE IN METER INSTALLATION FEES AND
MISCELLANEOUS SERVICE CHARGES

BY THE COMMISSION:

Background

Mad Hatter Utility, Inc. (Mad Hatter or utility) is a Class B water and wastewater utility in Pasco County, providing service to 2,896 water customers and 2,675 wastewater customers, per the utility's 2003 annual report. Combined water and wastewater revenues for that year were \$1,630,012, with a net operating income of \$97,973. The utility's service area is located in the Southwest Florida Water Management District, in the North Tampa Bay Water Use Caution Area.

On May 23, 2005, Mad Hatter filed a request for approval of a change in meter installation fees and miscellaneous service charges. We have jurisdiction pursuant to section 367.091, Florida Statutes.

Meter Installation Fees

Mad Hatter's meter installation charges were approved by Order No. PSC-93-0295-FOF-WS, issued February 24, 1993, in Docket No. 910637-WS, In Re: Application for a Rate Increase in Pasco County by Mad Hatter Utility, Inc. In this tariff filing, the utility requests approval to increase its water meter installation fees. The current and requested meter installation charges are shown below.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Meter Installation Charges

<u>Meter Sizes</u>	<u>Current Charges</u>	<u>Requested Charges Standard Meters</u>	<u>Requested Charges Radio Read Meters</u>
5/8" x 3/4"	\$90.00	\$182.15	\$332.79
3/4"	\$120.00	Actual Cost	Actual Cost
1"	\$175.00	Actual Cost	Actual Cost
1 1/2"	\$250.00	Actual Cost	Actual Cost
2"	\$325.00	Actual Cost	Actual Cost
3"	\$500.00	Actual Cost	Actual Cost

Mad Hatter states that it is instituting use of radio read metering systems in portions of its service territory where use of those devices are practicable. The utility will inform the customer upon application for service whether the radio read meters are available for his/her area, and the customer will be responsible for the cost as outlined above for the appropriate meter as determined by the utility. Mad Hatter further states that it is requesting a change in meter installation fees in order to recognize the cost differential for the new metering systems. In addition, the utility states it is updating the meter installation fee cost for existing standard meters where those will continue to be used. Section 367.091(6), Florida Statutes, authorizes the utility to file an application to establish, increase, or change a rate or charge other than monthly rates or service availability charges, which must be accompanied by a cost justification. As justification, the utility provided the following actual costs:

<u>Breakdown of Costs for Installation of 5/8" x 3/4" Meters</u>		
<u>Description</u>	<u>Non Radio Read Meter</u>	<u>Radio Read Meter</u>
<u>Materials</u>		
Meter	\$ 36.96	\$177.75
Brass Meter Coupling	9.98	9.98
Rubber Meter Washer	.42	.42
Plastic Meter Box	14.72	14.72
Dual Check VLV	26.38	26.38
7% Sales Tax	<u>6.19</u>	<u>16.04</u>
Total Materials	\$ 94.65	\$245.29
<u>Labor</u>		
Laborers (2) at \$25/hr – 1hr	\$ 50.00	\$ 50.00
Supervisor 1 at \$35/hr - .5hr	17.50	17.50
Truck, transportation, tools & supplies	<u>20.00</u>	<u>20.00</u>
Total Labor	\$ 87.50	\$ 87.50
Total Materials & Labor	<u>\$182.15</u>	<u>\$332.79</u>

We find that the utility's cost documentation justifies the requested installation fees.

By Orders Nos. PSC-03-0740-PAA-WS, issued June 23, 2003, in Docket No. 021067-WS, In re: Application for staff assisted rate case in Polk County by River Ranch Water Management, L.L.C., PSC-04-1256-PAA-WU, issued December 20, 2004, in Docket No. 041040-WU, In re: Application for certificate to operate water utility in Baker and Union Counties by B & C Water Resources, L.L.C., and PSC-02-1831-TRF-WS, issued December 20, 2002, in Docket No. 020388-WS, In re: Request for approval to increase meter installation fees to conform to current cost in Lake County by Sun Communities Finance, LLC d/b/a Water Oak Utility, this Commission approved meter installation fees of \$250, \$200, and \$190, respectively. Further, by 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., this Commission approved a \$300 meter installation fee for radio read meters. Therefore, we find that the meter installation fees requested by Mad Hatter are reasonable and consistent with meter installation fees for other utilities.

Based on the above, the First Revised Sheet No. 35.0 and First Revised Sheet No. 32.0 are approved as filed because they are cost-based, reasonable, and consistent with meter installation fees for other utilities. The utility shall file a proposed customer notice to reflect the approved charges. The approved charges shall be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that the notice has been approved by our staff. Within ten days of the date the order is final, the utility shall provide notice of the tariff changes to all customers. The utility shall provide proof that the customers have received notice within ten days after the date that the notice was sent.

Miscellaneous Service Charges

Mad Hatter's miscellaneous service charges were first approved January 29, 1990, and have not changed since that date. In this tariff filing, the utility requests approval to increase its water and wastewater miscellaneous service charges from \$15 to \$20 and from \$15 to \$40 for after hours, and to modify its Premises Visit (in lieu of disconnection) charge. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the utility require multiple actions. The current and requested charges are shown below.

Water Miscellaneous Service Charges

	<u>Current Charges</u>		<u>Requested Charges</u>	
	<u>Normal Hrs</u>	<u>After Hrs</u>	<u>Normal Hrs</u>	<u>After Hrs</u>
Initial Connection	\$15	\$15	\$20	N/A
Normal Reconnection	\$15	\$15	\$20	\$40
Violation Reconnection	\$15	\$15	\$20	\$40
Premises Visit (in lieu of disconnection)	\$10	N/A	N/A	N/A
Premises Visit	N/A	N/A	\$20	\$40

Wastewater Miscellaneous Service Charges

	<u>Current Charges</u>		<u>Requested Charges</u>	
	<u>Normal Hrs</u>	<u>After Hrs</u>	<u>Normal Hrs</u>	<u>After Hrs</u>
Initial Connection	\$15	\$15	\$20	N/A
Normal Reconnection	\$15	\$15	\$20	\$40
Violation Reconnection	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Premises Visit (in lieu of disconnection)	\$10	N/A	N/A	N/A
Premises Visit	N/A	N/A	\$20	\$40

The utility states that miscellaneous service charges have not been updated in over 15 years and costs for fuel and labor have risen substantially since that time. Mad Hatter further states that the Commission’s price index has increased approximately 60% in that period of time. By Order No. PSC-96-1320-FOF-WS, issued October 30, 1996, in Docket No. 950495-WS, In Re: Application for rate increase and increase in service availability charges by Southern States Utilities, Inc. for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties, this Commission expressed “concern that the rates [miscellaneous service charges] are eight years old and cannot possibly cover current costs” and directed staff to “examine whether miscellaneous service charges should be indexed in the future and included in index applications.” Currently, miscellaneous service charges may be indexed if requested in price index applications pursuant to Rule 25-30.420, Florida Administrative Code. However, few utilities request that their miscellaneous service charges be indexed. Applying the approved price indices from 1990 through 2005 to Mad Hatter’s \$15 miscellaneous service charge results in a charge of \$21.00. Also, as claimed by the utility, the costs for fuel and labor have increased substantially. Therefore, we find that the utility’s request for a \$20 charge is reasonable and is cost based. By Order No. PSC-05-0397-TRF-WS, issued April 18, 2005, in Docket 050096-WS, In re: Request for revision of Tariff Sheets 14.0 and 15.1 to change request for meter test by customer and premise visit charge, by Marion Utilities, Inc., this Commission approved a \$20 charge for connection and reconnections during normal hours and a \$40 after hours charge. Therefore, these increases shall be approved to allow the utility to recover the costs of its increased expenses for connection, reconnection, and after hours calls.

Mad Hatter’s current tariff includes a Premises Visit (in lieu of disconnection) charge. This charge is levied when a service representative visits a premises for the purpose of discontinuing service for non-payment 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. Mad Hatter seeks to replace the “Premises Visit (in lieu of disconnection)” charge with what will be called a “Premises Visit Fee.” In addition to those situations described in the definition of the current Premises Visit (in lieu of disconnection) charge, the new Premises Visit Fee will also be levied when a service representative visits a premises at a customer’s request for a complaint resolution or for other purposes and the problem is found to be the customer’s responsibility. This charge is consistent with Rule 25-30.460(1)(d),

Florida Administrative Code. In addition, by Order No. PSC-05-0397-TRF-WS, issued April 18, 2005, in Docket 050096-WS, In re: Request for revision of Tariff Sheets 14.0 and 15.1 to change request for meter test by customer and premise visit charge, by Marion Utilities, Inc., this Commission approved a Premises Visit Fee to be levied when a service representative visits a premises at the customer's request to investigate a complaint and the problem is found to be the customer's responsibility. Based on the foregoing, the Premises Visit (in lieu of disconnection) charge shall be eliminated and replaced with the requested Premises Visit Fee which we find is reasonable.

Based on the above, and having found that the increased charges are cost-based, reasonable, and consistent with fees this Commission has approved for other utilities, the utility's Second Revised Sheet No. 15.0 and First Revised Sheet No. 16.0, increasing Mad Hatter's miscellaneous service charges to \$20 and after hours charges to \$40, shall be approved as filed. The utility shall file a proposed customer notice to reflect our approved charges. The approved charges shall be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that the notice has been approved by our staff. Within ten days of the date the order is final, the utility shall provide notice of the tariff changes to all customers. The utility shall provide proof that the customers have received notice within ten days after the date that the notice was sent.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the First Revised Sheet No. 35.0 and First Revised Sheet No. 32.0 increasing the utility's meter installation fees, and the First Revised Sheet No. 15.0 and First Revised Sheet No. 16.0, increasing the miscellaneous service charges for Mad Hatter Utility, Inc. shall be approved as filed. It is further

ORDERED that Mad Hatter Utility, Inc. shall file a proposed customer notice to reflect the Commission-approved charges. It is further

ORDERED that the approved charges shall be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that the notice has been approved by our staff. It is further

ORDERED that within ten days of the date this order is finalized, Mad Hatter Utility, Inc. shall provide notice of the tariff changes to all customers. It is further

ORDERED that Mad Hatter Utility, Inc. shall provide proof that the customers have received notice within ten days after the date that the notice was sent. It is further

ORDERED that if a protest is filed within 21 days of the issuance date of this Order, the tariffs shall remain in effect with all increased charges held subject to refund pending resolution of the protest, and the docket shall remain open. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 26th day of July, 2005.


BLANCA S. BAYO, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

RRJ

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 16, 2005.

ORDER NO. PSC-05-0776-TRF-WS
DOCKET NO. 050369-WS
PAGE 7

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.