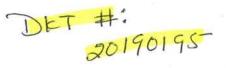
FILED 11/8/2019 DOCUMENT NO. 10837-2019 FPSC - COMMISSION CLERK

CK# 2000 81500 ab 11-4-19 October 23, 2019 PR VAL WATERWORKS, INC.

NOV 08 2019 2 98 .

Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850



Re: Application for transfer of water and wastewater systems of Regency Utilities, Inc. and Water Certificate No. 641-W and Wastewater Certificate 551-S to Duval Waterworks, Inc. in **Duval County**

Request for Miscellaneous Service Charges - Pursuant to Section 367.091, Florida Statutes and Rule 25-30.460, Florida Administrative Code

Request for Transfer - Water & Wastewater <u>I.</u>

Duval Waterworks, Inc. hereby submits its request and application for transfer of the water and wastewater systems of Regency Utilities, Inc. to Duval Waterworks, Inc. (Duval) in Duval County, Florida. Duval also hereby requests the transfer of Certificates Nos. 641-W and 551-S. Attached hereto is Duval's application pursuant to Sections 367.071, Florida Statutes (F.S.), and Rule 25-30.037, Florida Administrative Code (F.A.C.). Duval is a Florida Corporation incorporated to do business on August 20, 2019. An Asset Purchase Agreement was signed on September 6, 2019 for the water and wastewater assets of Duval Utilities, Inc.. The closing of the sale transaction occurred on September 30, 2019.

Request for Miscellaneous Service Charges II.

Duval further requests the following Miscellaneous Service Charges pursuant to Rule 25-3(2460, F.A.C..

Late Payment Charge

Currently the utility has a late payment charge of \$5.00. Duval is requesting a revision to a \$6.50 late payment charge to recover the cost of supplies, labor, and RAFs associated with processing late payment notices. The purpose of this charge is not only to provide an incentive for customers to make timely payment, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing delinquent accounts solely upon those who are cost causers. Section 367.091, F.S., authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges.

Duval calculated the actual costs for its late payment charge to be \$8.07. It will take approximately 15 minutes to process each delinquent account. The delinquent customer accounts will be processed by the administrative contract employee with an hourly salary of \$28.00, resulting in a labor cost of \$7.00 (\$28.00 x 0.25hr). 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. However, \$8.07 would be the highest late payment charge amongst all other water and wastewater utilities regulated by the Commission. Therefore, Duval is requesting a charge of \$6.50, consistent with recent Commission decisions. The Utility's calculation for its requested late payment charge is shown below in Table 6.

Table 6

Late Payment Charge

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

Non-Sufficient Funds (NSF) Charge

Duval currently does not have a NSF charges in place. However, Duval is requesting NSF charges as set forth in Section 68.065(2), F.S. to be consistent with Commission practice and its sister utilities managed by USWSC. Section 367.091, F.S., requires rates, charges, and customer service policies to be approved by the Commission. The Commission has authority to establish, increase, or change a rate or charge. 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,

¹Order Nos. PSC-16-0041-TRF-WU, issued January 25, 2016, in Docket No. 20150215-WU, <u>In re: Request for approval of tariff amendment to include miscellaneous service charges for the Earlene and Ray Keen Subdivisions, the Ellison Park Subdivision and the Lake Region Paradise Island Subdivision in Polk County, by Keen Sales, <u>Rentals and Utilities, Inc.</u> and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, <u>In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.</u></u>

²Order Nos. PSC-14-0105-TRF-WS, issued February 20, 2014, in Docket No. 20130288-WS, <u>In re: Request for approval of late payment charge in Brevard County by Aquarina Utilities, Inc.</u>; PSC-15-0535-PAA-WU, issued November 19, 2015, in Docket No. 20140217-WU, <u>In re: Application for staff-assisted rate case in Sumter County by Cedar Acres, Inc.</u>; and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, <u>In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.</u>

Duval Waterworks, Inc. Request for Transfer

4. or five percent of the face amount of the check, whichever is greater.

Approval of NSF charges is consistent with prior Commission decisions. Furthermore, 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.

Duval calculated the required filing fee based upon current ERCs served pursuant to Rule 25-30.020, F.A.C. Duval does not have either a water or wastewater treatment facilities as it is a consecutive system. The filing fee of \$1,500 – (\$750/water; \$750/wastewater) is attached hereto.

Respectfully submitted,

Troy Rendell Vice President

Investor Owned Utilities

// for Duval Waterworks, Inc.