

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: August 5, 2020

TO: All Certificated Water and Wastewater Utility Companies
J.R. Kelly, Office of Public Counsel

FROM: Kathryn G.W. Cowdery, Senior Attorney, Office of General Counsel *KC*

RE: Docket No. 20200119-WS – Proposed amendment of Rule 25-30.335, F.A.C.,
Customer Billing

The Florida Public Service Commission is reviewing the water and wastewater Customer Billing rule for possible amendment. A copy of the draft rule is attached. We are asking for input about this draft rule from water and wastewater utilities. Questions 1 – 4 are specifically directed to draft Subsection (5), which states:

(5) If a customer requests a permanent termination of service and the same customer subsequently requests service at the same location within 6 months of the termination, the utility must bill the customer the base facility charges or 40 percent of the flat rate or rates that include minimum usage for the service termination period. The customer is responsible for payment of all outstanding rates and charges for the termination period to restoration of service.

The purpose of this subsection is to make sure that customers who disconnect service and reconnect within 6 months pay the base facility charge while they are out-of-residence. Staff is concerned that there are some customers who request “permanent” termination, but who are in reality are out-of-residence for only a temporary period of time. Staff believes that any customer who is out-of-residence for six months or less should be required to pay the base facility charge or equivalent rate when out of residence in order to allow the utility to maintain revenue stability and maintain the facilities necessary to provide service upon demand.

Please answer the following questions about draft subsection (5):

1. Has your utility had customers who requested a permanent termination of service, but who reconnected within six months of that termination at the same location/address?

If Yes:

- a. Please explain the number of customers, or approximate number, who have done this per year for the past five years.

- b. Have these customers been required to pay base facility charges, or the equivalent flat rate, during their absence?
 - c. What charges have these customers been required to pay upon reconnection?
2. Has your utility had customers who requested a permanent termination of service, but who reconnected more than six months from that termination at the same location/address?

If Yes:

- a. Please explain the number of customers, or approximate number, who have done this per year for the past five years.
 - b. Have these customers been required to pay base facility charges, or the equivalent flat rate, during their absence?
 - c. What charges have these customers been required to pay upon reconnection?
 - d. If possible, please approximate the amount of time these customers were out-of-residence before reconnecting service.
3. Please estimate what costs, if any, your utility would incur if it were required to give notice to all customers about the requirements of Subsection (5):
 - a. In a bill insert, or
 - b. As a separate mailing to all customers
4. Do you think that adding draft subsection (5) would be helpful to your utility? Please explain why or why not.
5. Please give any other comments you might have about this draft rule.
6. Do you consider your utility a small business pursuant to Section 288.704, F.S.? If yes, will the proposed amendments to the rule have an adverse impact on your utility? If yes, please describe the type of adverse impacts.
7. Would the proposed amendments to the rule directly or indirectly increase regulatory costs to your utility in excess of \$200,000, in the aggregate within one year after the implementation of the rule?
8. Would the proposed amendments to the rule directly or indirectly increase transactional costs, such as filing fees, license fees, equipment cost, procedural costs, monitoring, reporting, or filing costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule

All Water and Wastewater Utilities
August 5, 2020

Thank you for your time in reviewing the Commission's draft rule changes. Please file your responses with the Florida Public Service Commission, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, referencing Docket No. 20200119-WS, no later than Friday, September 4, 2020.

If you have any questions, please contact Kathryn Cowdery at kcowdery@psc.state.fl.us.

KGWC

Cc: Commission Clerk

1 **25-30.335 Customer Billing.**

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

6 (2) When a utility is unable to obtain an actual meter read, estimated bills may be
7 provided.

8 (a) If the utility estimates a bill, ~~the bill statement shall prominently show~~ the word
9 “Estimated” must be prominently displayed on the face of the bill.

10 (b) The utility is obligated to timely correct any problems within the utility’s control
11 causing the need to estimate bills. In no event may ~~shall~~ a utility provide an estimated bill to
12 any one customer account more than four times in any 12-month period due to circumstances
13 that are within the utility’s control and service obligations.

14 (c) Upon issuance of a second estimated bill in a 6-month period, the utility must ~~shall~~
15 provide the customer with an explicit written explanation for the estimation, along with the
16 utility contact information and the Commission toll-free complaint number, 1(800) 342-3552.

17 (d) The utility must ~~shall~~ maintain records, for a minimum of two years, detailing the
18 number, frequency, and causes of estimated bills, and those records must ~~which shall~~ be made
19 available upon request to the Commission or to any party to a rate proceeding for the utility.

20 (3) When service is rendered for less than 50 percent of the normal billing cycle, the utility
21 must ~~shall~~ prorate the base facility charges, flat rates, or rates that include minimum usage as
22 though the normal billing cycle were 30 days, ~~except that~~ The utility may elect ~~not to~~ not
23 issue an initial bill ~~for service~~ if the service is rendered for ~~during~~ a time period ~~which is~~ less
24 than 50 percent of the normal billing cycle. Instead, the utility may elect to issue a single bill
25 combining ~~combine~~ the amount owed for the service rendered during the initial time period

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

1 with the amount owed for the next billing cycle, ~~and issue a single bill for the combined time~~
2 ~~period. For service taken under flat rate schedules, 50 percent of the normal charges may be~~
3 ~~applied.~~

4 (4) If a customer requests a temporary discontinuance of service or is out of residence:

5 (a) Utilities that have the base facility charge rate structure must continue to bill the base
6 facility charge.

7 (b) Utilities that have a flat rate or a rate that includes minimum usage must bill the
8 customer 40 percent of the flat or minimum rate contained on the applicable tariff.

9 (5) If a customer requests a permanent termination of service and the same customer
10 subsequently requests service at the same location within 6 months of the termination, the
11 utility must bill the customer the base facility charges or 40 percent of the flat rate or rates that
12 include minimum usage for the service termination period. The customer is responsible for
13 payment of all outstanding rates and charges for the termination period to restoration of
14 service.

15 (6) (4) A utility may not consider a customer delinquent in paying his or her bill until the
16 21st day after the utility has mailed or presented the bill for payment.

17 (7) (5) A ~~Each~~ utility must ~~shall~~ establish each point of delivery as an independent
18 customer account and must ~~shall~~ calculate the amount of the bill accordingly, except where
19 physical conditions make it necessary to use additional meters or points of delivery for one
20 class of service to a single customer on the same premises, or where such multiple meters or
21 delivery points are used for the convenience of the utility.

22 (8) (6) A utility may not incorporate municipal or county franchise fees into the amount
23 indicated as the cost for service on the customer's bill. Rather, the utility must ~~shall~~ show any
24 such franchise fee as a separate item.

25 (9) (7) The utility must ~~shall~~ maintain a record of each customer's account for the most
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1 current 2 years so as to permit reproduction of the customer's bills during the time that the
2 utility provided service to that customer.

3 ~~(8) If a utility utilizes the base facility and usage charge rate structure and does not have a~~
4 ~~Commission authorized vacation rate, the utility shall bill the customer the base facility charge~~
5 ~~regardless of whether there is any usage.~~

6 *Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented ~~367.091~~, 367.121 FS.*

7 *History—New 9-14-74, Amended 6-21-79, Formerly 25-10.97, 25-10.097, Amended 11-10-86,*
8 *11-30-93, 6-17-13, _____.*

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