

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Tariff revision for payment of charges for reconnection, reimbursement for extra expenses, and payment of charges for off-hour service connection in Martin County by Indiantown Company, Inc.

DOCKET NO. 000248-WS
ORDER NO. PSC-00-1374-TRF-WS
ISSUED: July 31, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
E. LEON JACOBS, JR.
LILA A. JABER

ORDER APPROVING REVISED TARIFFS

BY THE COMMISSION:

BACKGROUND

Indiantown Company, Inc. (Indiantown or utility) is a Class B water and wastewater utility, providing service to approximately 1,709 water and 1,576 wastewater customers in Martin County. According to its 1999 Annual Report, the utility recorded water revenues of \$498,642 and wastewater revenues of \$556,171 with expenses of \$629,091 and \$811,932, respectively. The utility's service area is located in a water use caution area in the South Florida Water Management District.

On February 11, 2000, Indiantown filed an application for approval of new tariff sheet which requires that payments be made in person at the service company's business office during regular business hours. On February 23, 2000, the utility revised its tariff application to delete the premises visit charge (in lieu of disconnection). By Order No. PSC-00-0751-PCO-WS, issued April 17, 2000, we suspended Indiantown's tariff filing to allow us time to investigate the proposed changes to the tariff filing. On June 14, 2000, Indiantown filed revised tariff sheets which include a revised premises visit charge (in lieu of disconnection).

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

TARIFF FILING

As stated previously, on February 11, 2000, Indiantown filed an application for approval of new tariff sheet which requires that payments be made in person at the service company's business office during regular business hours. The utility asserts that the revised tariff was necessary because an increased number of customers are going to the homes of the business office personnel and paying in cash. Furthermore, the utility contends that the same is true for field personnel who are not equipped to account for and safeguard cash. Moreover, the utility states it is not good business practice to have company personnel accept money (mostly cash) outside of the business hours and off business premises.

On February 23, 2000, the utility revised its tariff application to delete the premises visit charge (in lieu of disconnection) because if payment could only be accepted at the business office, the premises visit charge would be in conflict with the new tariff sheet. Further, the utility stated that the current tariff encourages the customer to not pay timely because all the customer needs to do is to pay the amount due plus \$10 premises visit charge at the customer's home, instead of having to go to the trouble of being without service for a period of time and then having to go to the business office to pay the amount due plus \$15 for violation reconnection. We note that the utility has no late payment charge.

We initiated an investigation regarding the proposed tariff filings. We note that our staff had concerns that deletion of the premises visit charge (in lieu of disconnection) might harm customers who had the ability and willingness to pay the full amount at the time of disconnection. Therefore, our staff sent data requests asking for additional information regarding this issue and related issues. However, on June 14, 2000, Indiantown filed revised tariff sheets which include a revised premises visit charge (in lieu of disconnection).

Indiantown is requesting approval of the new tariff sheets filed on June 14, 2000. The proposed tariff for the Payment of Charges for water and wastewater service states that:

"PAYMENT OF CHARGES Payment of charges for [water/wastewater] service, for delinquent bills, for premise visits and for reconnection, reimbursement for

extra expenses and payment of charges for off hour service connection, as described in Rule Numbers 18.0, 19.0, 20.0 and 21.1 of this tariff, must be made in person at the Service Company's Business office during regular business hours, or must be mailed and received at the business office in advance of the work to be done. Payments will not be accepted by personnel in the field or by office personnel at a location outside of the Service Company's business office."

The revised Premises Visit Tariff (in Lieu of Disconnection) states as follows:

Premises Visit Charge (In Lieu of Disconnection) This charge would 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 indicates a readiness, willingness and intention to pay the bill at the Service Company's business office before the end of the next business day or otherwise work out a satisfactory payment arrangement with the business office. Such forbearance by the service representative will not be forthcoming on the subsequent visit to discontinue service, if the delinquent bill has not been paid as promised or a satisfactory payment schedule has not been arranged.

We find that the utility's proposed tariff sheets to require that payments be made in person at the service company's business office during regular business hours or mailed and received at the business office in advance of the work to be done and the revised premises visit charge (in lieu of disconnection) do not create an undue hardship to the customers. The revised premises visit charge (in lieu of disconnection) provides a 24 hour grace period for customers who are willing and able to make full payment at the time of disconnection. Also, the premises visit charge of \$10 and the reconnection fee of \$15 will not be increased.

Rule 25-30.460, Florida Administrative Code, Miscellaneous Service Charges, allows for a premises visit charge (in lieu of disconnection) to be levied when the utility's representative visits the premises to disconnect service for nonpayment of the customer's bill and does not discontinue service because the customer pays the utility representative or otherwise makes

satisfactory payment arrangements. Although the utility's revised tariff sheets do not permit receipt of payments by field personnel, the utility's revised premises visit tariff outlines the procedure by which the customer can otherwise make satisfactory payment arrangements. Thus, the utility's proposed revised premises visit charge tariff is consistent with the meaning and intent of Rule 25-30.460, Florida Administrative Code. Furthermore, Rule 25-30.460, Florida Administrative Code, does not require the utility's representative to accept cash or other types of payment in the field.

Based on the foregoing, we approve the utility's proposed revised tariff sheets filed on June 14, 2000 for Payment of Charges for water and wastewater service and the revised Premises Visit Charge (in Lieu of Disconnection) for water and wastewater service. The revised tariff sheets shall be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code, provided customers have received notice. Pursuant to Rule 25-30.425, Florida Administrative Code, the tariff sheets will be approved upon our staff's verification that the tariffs are consistent with our decision and the proposed customer notice is adequate. The notice shall be approved by our staff prior to distribution. We suggest that the notice contain language that states in Spanish that a copy of the notice is available in Spanish at the utility's business office.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the revised tariff sheets filed on June 14, 2000 by Indiantown Company, Inc. for Payment of Charges for water and wastewater service and the revised Premises Visit Charge (in Lieu of Disconnection) for water and wastewater service are hereby approved. It is further

ORDERED that the revised tariff sheets shall become effective for service rendered on or after the stamped approval date of the revised tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code, provided that the customers have received notice. It is further

ORDERED that in the event that a protest is filed within 21 days of the issuance of this Order, this tariff shall remain in effect pending resolution of the protest. It is further

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ORDERED that in the event no protest is timely filed by the expiration of the protest period, this Order shall become final and effective upon the issuance of a Consummating Order and this docket shall be closed.

By ORDER of the Florida Public Service Commission this 31st day of July, 2000.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

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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 Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 21, 2000.

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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.