



100 YEARS of SERVICE | 1912-2012

Item # 120883 Late Fees and Utility Terminations

RUC December 17th, 2013



GRU100

100 YEARS of SERVICE | 1912-2012

Recommendations



Bill Due Dates

Current

- Due date is 20 days from mailing date (21 counting mailing date)
- Bills may be due on a Sunday
- Causes customer complaints about bills due when we are closed

Proposed

- Change to 21 days (22 counting mailing date.)
- Bills not due on Sunday, may be due on Monday holiday
- Fewer complaints and reduce email/phone calls on Monday mornings

Bill Calculation Date

Current

- Bills calculated on Friday night, mailed Monday
- Payments made over weekend not reflected on bill. Disconnect letters may be issued
- Inconsistent with bills generated Monday – Thursday

Proposed

- Calculate bills on Sunday and mail on Monday
- Capture weekend payments, before disconnect letters generated
- All portions have similar cycle

Credit Worthiness Points

Current

- No CW points assessed when late fee assessed
- Doesn't properly reflect risk of late paying customer
- Customer can pay late for 6 months then go delinquent and not get cut do to 1st cut forgiveness policy

Proposed

- Assess 5 CW points when late fee assessed
- Customer will be at 30 CW points after 6 months of late pays and will not be given 1st cut forgiveness if delinquent

Non-Residential Late Notice

Current

- Letter @ 28 days late & \$250 balance
- Only 1 letter

Proposed

- Letter @ 14 days late & \$50 balance
- Add additional letters, based on CW points

Non-Residential Disconnect

Current

- Issue disconnection at 35 days late & \geq 30 CW points

Proposed

- Issue disconnection at 21 days late & \geq 30 CW points

Residential New Service

Current

- Options
 - Billed in 3 installments, no payment upfront
 - Waived w/ enrollment in EFT or w/ satisfactory Letter of Credit from previous utility company
- Issues
 - 2 months of service before eligible for disconnect
 - 0 CW points, so no disconnection created at first late date
 - Disconnect issued for 2nd late, approx. 3 months of svc
 - Customer's acct may close out without any payment to bill or deposit. Full amount lost

Proposed

- Options
 - Pay full deposit upfront
 - Pay ½ upfront and remainder on first bill
 - Enroll in EFT or provide satisfactory Letter of Credit from previous utility company
 - Investigating partial or no deposit based on third party credit report
- New customers assessed 30 CW points when account opened to eliminate “forgiveness” for first delinquent bill

GRU100

100 YEARS of SERVICE | 1912-2012

Deposits



Residential Deposit Amount

Current

- Current deposit required for all services = \$210
- Only covers one month's bill
- Over 2 months of usage can occur before disconnected
- Not consistent with industry standard

Proposed

- Increase deposit to \$410 for all services
- Will be closer to 2 months average bill
- Only at risk for several days vs. over a month
- More in line with industry standard

Comparison to other utilities

Deposit Comparisons

Area	Utility	Electric	Gas	Water	Wastewater	Total Deposit	Notes
Gainesville	GRU	\$ 100.00	\$ 50.00	\$ 20.00	\$ 40.00	\$ 210.00	standard
Clay County	Clay Electric	\$250.00				\$ 410.00	standard
	Teco Peoples Gas		\$ 85.00				2 x average
	Clay County Utility Authority			\$ 75.00			standard
Ocala	Ocala Utilities (E&W)	\$250.00		w/ Elec	w/ Elec	\$ 335.00	greater of standard or 2.25 x avg
	Teco Peoples Gas		\$ 85.00				2 x average
Tampa	Tampa Electric	\$226.00				\$ 401.00	2 x average
	Teco Peoples Gas		\$ 85.00				2 x average
	City of Tampa Utility Authority			\$ 90.00	w/ Water		standard
Jacksonville	JEA	\$200.00		\$ 100.00	w/ Water	\$ 385.00	greater of standard or 2 x avg
	Teco Peoples Gas		\$ 85.00				2 x average
Tallahassee	City of Tallahassee	\$270.00	w/ Elec	w/ Elec	w/ Elec	\$ 270.00	standard
Orlando	OCU (E&W)	\$205.00		\$ 30.00	\$ 75.00	\$ 395.00	2 x average
	Teco Peoples Gas		\$ 85.00				2 x average
Daytona Beach	FPL	\$190.00				\$ 531.00	2 x average
	Teco Peoples Gas		\$ 85.00				2 x average
	City of Daytona			\$ 128.00	\$ 128.00		standard

Residential Deposit Requirements

	Current	Proposed	Difference
Service			
Electric	\$100.00	\$215.00	\$115.00
Gas	\$50.00	\$80.00	\$30.00
Water	\$20.00	\$40.00	\$20.00
Wastewater	\$40.00	\$75.00	\$35.00
Totals	\$210.00	\$410.00	\$200.00

Non-Residential Deposit Policy

- GRU
 - Current deposit required
 - 2 Mo Avg Bill
 - Surety Bond
 - Irrevocable Letter of Credit
 - ½ cash deposit and EFT
 - Deposit Return
 - Upon account closure
 - Deposit Interest
 - Paid Monthly

Non-Residential Deposit Policy

- American Public Power Survey 2013
 - Collect Deposits for new Commercial Accounts
 - 86.2% Yes 13.8% No
 - How long is the deposit kept if account in good standing
 - 27.5% 1 Year
 - 1.6% 18 Months
 - 18.2% 2 Years
 - 45.2% Until account is closed
 - 7.5% Other (responses ranged from 30mo to 10 yr)
 - Is interest paid on deposit
 - 44.9% Yes 55.1% No

GRU100

100 YEARS of SERVICE | 1912-2012

Summary of Ordinance Changes



Where changes needed if approved

- Ordinances

- 27.7 - Deposits
- 27.14 - Combined Statements
- Schedule A - Residential Deposits

Ordinances

- 27.7 Deposits

- Clarify credit worthiness point system and when payment record is unsatisfactory
- Add requirement for 2 x avg. bill for unsatisfactory history
- Remove automatic waiver of deposit for new NR account, if customer has current service in good standing

Ordinances

- **27.14 Combined Statements**
 - Change due dates to proposed dates
 - Remove requirement for deposit review before disconnect reconnect, if 90+ CW points
- **Schedule A – Residential Deposits**
 - Change to proposed deposit amounts