

Commercial Utility Services

Fort Pierce Utilities Authority (FPUA) serves approximately 5,000 commercial customers, many of them successful, long time businesses. FPUA is located in our downtown area near other government agencies, at 206 S. 6th St. Our employees live near and shop in these businesses, and are encouraged to spend their money with the businesses in our community. We realize small businesses are the lifeblood of our community and we aid their operations through our support and patronage. FPUA sponsors and participates in many charitable events and our employees volunteer for many events throughout the community.

Our intent here is not to provide instructions on “How to Run Your Business” or overstep our boundaries. However, after working with many businesses over the years, staff has noticed that some of these topics surprised a start-up business owner that had a good idea but was not aware of the utility related considerations and other issues.

IRSC, SBDC and SCORE

Indian River State College (IRSC) has resources and classes available to assist in developing or maintaining a business. Small Business Development Center (SBDC) is a government agency which provides a vast array of technical assistance to small businesses and aspiring entrepreneurs. Service Corps of Retired Executives (SCORE) consist of volunteer business people assisting small businesses solve business problems. Volunteers give freely of their time, energy and knowledge to help others.

Make a Business Plan

A business plan is necessary for any financing and will help keep the business on track. You may be able to present the plan to IRSC, SCORE, or SBDC to determine if the plan is sufficient.

Of Major Importance to Consider for Any Business Venture

Business start-ups should call FPUA (772) 466-1600 ext. 3900 to inquire about the average bills for the location, the utilities serving the location (may need city water and wastewater if property doesn't have those services), what the deposit amount will be, and verify potential upgrades necessary for electric, water, wastewater, grease traps, and natural gas to ensure the associated costs are within the business's budget. A site may be a beautiful location for a restaurant, but may not have a grease trap, which is required in a restaurant; or the location may need an upgrade for the grease trap due to the type of cooking they intend to do (frying costs more), or may need another type of service upgrade, and that can be expensive. The property may be older and not energy efficient, or have an outdated air conditioning unit or other equipment which could make for a high utility bill. Utility costs can be a large expense for certain types of businesses, and the utility costs could be lowered by using energy efficient equipment.

Stated best practices for start-ups are to keep capital reserves to support the business until the business begins to profit, and for incidentals, including money needed to cover utility costs. Other start-up expenses to be considered include building renovations (inside and out), parking lot renovations (handicap spaces, landscaping) and other costs necessary to satisfy City/County permitting requirements and ordinances, all required before opening. Also keep in mind funding will be needed for potential changes due to inspections by City/County/Fire Dept. which may be required to open the business.

Deposits

Deposit calculations are performed in accordance with FPUA Deposit Resolutions. Deposits are necessary to cover FPUA revenue loss that may occur when utility customers experience cash flow deficits and are unable to pay their bill. Commercial deposits are based on an average of two-month's utility bills at the location. If the last business was a laundry mat and the new business is a laundry mat, we base the new deposit on the history at the location, assuming the same equipment is in place. If the old business is different from the new business, such as the prior laundry mat is now an insurance office, we calculate the deposit based on hours of operation, square footage, type of business, etc., along with our current rates, to determine the deposit. Utility rate calculations include write-offs or unpaid balances from other customers. It is unfair for our current customer base to support the costs of a failed business; so to avoid this potential risk, FPUA fully deposits our commercial accounts.

The reason FPUA uses an "average two-month bill" is that service is provided for thirty (30) days before FPUA bills the customer for service. The customer is then allowed to use services for another thirty days. If no payment is received for the first thirty days by the due date, we disconnect for non-payment, thereby leaving a sixty (60) day, or two-month bill outstanding. So in essence, the customer is paying their last two billings in advance when establishing service. This is an industry-wide standard, supported by the Florida Public Service Commission and the Florida Statutes. There are some utilities that require more than a two-month bill for deposit. FPUA Deposit Resolutions are available at www.fpu.com. If the business has payment issues along the way, FPUA is often asked to extend the customer beyond their normal date for disconnecting the service for non-payment for several days or more. The first thing our representatives will do is compare the deposit to the amount owed. If the customer already owes more than the deposit, it is doubtful the customer will get an extension for payment. For that reason, it may be better to have more deposit on hand than necessary when starting the business. The business is not required to place cash with FPUA for the deposit, although cash is one option. The customer may apply to their bank for a Letter of Credit, or apply to their insurance company for a Surety Bond. The customer pays those agencies a percentage of the required deposit amount each year, and the agency will cover the debt if the business closes and is unable to pay the final balances. FPUA must provide the language needed for these alternate options, via a form.

Commercial Applications

FPUA has a very detailed application process for two reasons: To make sure we have all of the businesses proper information, and to make sure FPUA is aware of the type of business operation to better serve the customer and ensure our services are provided properly without negatively affecting other customers. The application is available on www.fpu.com. Once the application process is complete and approved, the services will be turned on, usually the next business day. Failure to properly disclose everything requested on the application, or to have adequate services available for the business, may result in an interruption of services until the business is in compliance with FPUA's Rules and Regulations and requirements for service.

Rates

FPUA has a variety of rates available to customers, based on load type, meter size and other factors. The choice of the appropriate rate schedule, when the customer is eligible for more than one, is the responsibility of the customer.

FPUA also has Economic Development Rates; the most current rates available are in our Rate Resolutions on our web site.

Demand Metering

Demand metering allows a utility company to recover costs associated with keeping enough "generation capacity" on-line to meet the electricity demands of certain customers. These customers in the FPUA system are any commercial account with a twenty-one (21) kilowatt demand or higher. If you desire a more verbose discussion of demand, please go to our web site.

Collection Policies

FPUA sends customers a utility bill. The bill is due twenty (20) days later. A penalty charge of 1.5% is applied if not paid by this date, and a Past Due or Cut-off notice is mailed to the customer. When the next month's bill is ready to be mailed, if the previous bill has not been paid, a \$15.00 Late Payment Charge is applied and the account is subject to disconnection for non-payment. Once disconnected, most typical reconnects are \$35.00, but if FPUA personnel had to disconnect the service at the pole it is \$75.00. The charge for a large CT Meter is \$300.00, due to the complexity of the disconnect/reconnect. Reconnects for payment are completed the same day, by 7:00 p.m. FPUA would prefer not to interrupt a business's operations, so please pay by the due date or call us for an arrangement.

Other

Please review our website for other important information, especially, http://www.fpu.com/important_information/resolutions.php for the Rules and Regulations of Customer Service, Service Charges, Deposit information and Rates.

Taxes, Surcharges and Gross Receipts

FPUA collects: City of Fort Pierce Utility Taxes for the City of Fort Pierce customers; Outside the City Surcharges for the St. Lucie County (SLC) customers; St. Lucie County Franchise Fees for SLC customers; Florida State Sales Taxes; SLC School Taxes; and State of Florida Gross Receipts Tax. These calculations are based on the amount of utilities used. In addition, FPUA forwards 6% of FPUA's total gross revenues to the City of Fort Pierce, which is included in our base rates.

Department of Revenue (DOR)

Check the Department of Revenue (DOR) website about applicable taxes. Also, check with the DOR's web site about possible tax exemptions available to certain businesses and charitable organizations. Many FPUA customers qualify for these exemptions and avoid sales taxes on electric and gas. Once that exemption is received from the DOR, the customer may also be eligible for utility tax exemptions for electric and water, via the City of Fort Pierce. There are also Manufacturer's Exemptions, Enterprise Zones, etc. which offer incentives and tax breaks. Check to see what is available at your address.

Inactive Account Charges

Inactive meters at a location still incur minimum charges. See FPUA's Resolutions for amounts and options.

Capital Improvement Charges

Capital Improvement Charges (CIC's) are costs to off-set impact to FPUA for the Services and Facilities furnished by FPUA. These may apply to new customers or existing services where demand for services increases.

FPUA's Board of Directors adopted an Installment Payment Program with the implementation of Resolution No. UA 2012-8, which is available for certain customers and situations. This program is not available for developers of Residential projects on sub-divided parcels or multi-family Residential projects.

See the Resolution numbers mentioned above, or go to www.fpu.com for the most current Resolution that applies to CIC's and Installment Payments.