

Types of Fees

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Customer Service Fees

Whenever a customer requests that a water meter be put into service a utility employee usually must go to the service location to obtain a meter reading and turn on the meter. A flat fee to recover the employee's labor and vehicle cost is charged. These fees are non-refundable.

Collection/Reconnection Fee

When a customer service visit is necessary to reconnect a service that was terminated for nonpayment, the utility may charge the customer a service fee. These fees are non-refundable.

Damage Costs

Occasionally a customer will damage a water meter or meter connections by turning the service on or off without using the proper tools. A utility will want the customer to reimburse the costs of the meter, connections, etc. that were damaged. Actual labor costs or a customer service fee may also be charged.

Fees for Calls Outside of Normal Working Hours

The utility may choose to charge for customer-initiated service calls outside of normal working hours. This charge may be actual costs incurred or a flat fee that has already been established for these types of calls. Either way the goal is to recover some, or all, of the costs involved.

Returned Check Service Fees

A city may choose to charge a service fee for handling returned checks. This is easily justified because some costs are incurred by the water and sewer utility to collect these monies. Sometimes having a published charge discourages customers from giving the utility bad checks. Cities should consult their auditors or attorneys when establishing these fees as there are maximum charges allowable under state law. It is important for utilities to view service fees as a way to recover the costs of providing specific services to their customers. Utilities should avoid inflated service fees that can harm customer relations. Also, it is important that the customer be aware of fees before the service is provided. At the time a customer applies for service he or she should be given a handout that lists appropriate policies or fees. These may also be published in local newspapers and newsletters or inserts that customers receive. This is especially important when changes are made to existing fee schedules.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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