

FLORIDA PUBLIC SERVICE COMMISSION

**Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850**

MEMORANDUM

FEBRUARY 7, 1991

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF WATER AND SEWER (RASBERRY) *RAM*
DIVISION OF LEGAL SERVICES (FRAZIER) *mod for NF*

RE : UTILITY: ST. GEORGE ISLAND UTILITY COMPANY, LTD.
~~ST. GEORGE ISLAND UTILITY COMPANY, LTD.~~
COUNTY: FRANKLIN
CASE: APPLICATION FOR TARIFF APPROVAL TO INCREASE MISCELLANEOUS SERVICE CHARGES AND IMPLEMENTATION OF A LATE FEE

AGENDA : FEBRUARY 19, 1991 - CONTROVERSIAL AGENDA - PARTIES MAY PARTICIPATE

CRITICAL DATES: SIXTY DAY SUSPENSION DATE - MARCH 11, 1991

SPECIAL INSTRUCTIONS: NONE

CASE BACKGROUND

St. George Island Utility Company, Ltd. (Utility) is a Class B water utility located in Franklin County. Based on the 1989 Annual Report on file at the Commission, operating revenues for the company totaled \$270,617. Net operating income was reported as (\$28,122). The utility has approximately 828 residential customers.

On January 10, 1991, the utility filed a petition with the Commission for approval to increase miscellaneous service charges and to implement a late fee.

DOCUMENT NUMBER-DATE

01222 FEB -7 1991

FPSC-RECORDS/REPORTING

DOCKET NO. 910065-WU
FEBRUARY 7, 1991

DISCUSSION OF ISSUES

ISSUE 1: Should the utility's proposed tariff to increase miscellaneous service charges and to implement a late fee be suspended?

RECOMMENDATION: Yes. (RASBERRY)

STAFF ANALYSIS: On January 10, 1991, the utility filed a petition with the Commission for approval to increase miscellaneous service charges and to implement a late fee. The purpose of this filing is to provide a disincentive for customers who are chronically late in paying their bills. The utility has stated in its filing that far too many customers wait until they are threatened with disconnection before paying their bill. It was also cited in this filing that more than 100 customers received disconnect notices in the month of December, and many of these customers did not pay their bill until the utility came out to disconnect service. The utility believes that because of the practices of these customers, a great deal of expense is being incurred, and that an increased reconnection fee and implementation of a late fee would encourage most of the customers to pay on time.

Pursuant to Staff Advisory Bulletin (SAB) 13, 2nd Revised, "a request for approval of a type or level of service charge different than those contained in this SAB must be accompanied by supporting cost justification as specified in the Water and Sewer Minimum Filing Requirements (MFRs), [Schedule E-4]." The utility did not file enough information for staff to properly analyze and process its request to increase miscellaneous service charges, and to implement a late fee.

After verbally discussing the need for more information with the utility and following up with a formal request in writing, it is apparent that the utility will not be able to provide the needed data in a timely manner. Section 367.091(5), Florida Statutes, provides that the rate schedules proposed by the utility shall become effective within sixty (60) days after filing unless the Commission issues an order withholding consent to the operation of the proposed rates.

We recommend that it is reasonable and necessary to require further explanation of the data filed by the utility. In consideration of the above, we recommend suspension of the proposed rate schedules.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: No, the docket should not be closed until staff prepares the final recommendation and final disposition is determined by the Commissioners.

STAFF ANALYSIS: The docket should not be closed until the final vote by Commissioners.

(STGE02.7)