

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of) DOCKET NO. 960657-GU
modifications to tariff that) ORDER NO. PSC-96-1000-FOF-WU
would add late payment charge to) ISSUED: August 5, 1996
customers' past due balances and)
revise method for calculating)
Maximum Allowable Construction)
Cost (MACC), by St. Joe Natural)
Gas Company, Inc.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER DENYING TARIFF REVISION FOR LATE PAYMENT
CHARGE AND APPROVING TARIFF REVISION
FOR GOVERNING MAIN AND SERVICE EXTENSION

BY THE COMMISSION:

On May 24, 1996, St. Joe Natural Gas Company, Inc. (St. Joe) filed a petition for approval of modifications to two tariffs.

St Joe's current tariff does not provide for a late payment charge. St. Joe proposes to charge ten dollars or 1.5% of any unpaid balance, whichever is greater, for all delinquent customers except for accounts of state, local, and federal government entities. Unless otherwise agreed by contract, government entities will be assessed the applicable late payment charges in accordance with Section 215.422, Florida Statutes (state agencies), Sections 218.70-218.79, Florida Statutes (local government entities), and 31 U.S.C. 3901-3907 (federal government agencies).

On average, approximately 10% of St. Joe's accounts are past due. The average cost of processing a late notice is eighty seven cents. St. Joe contends that the proposed late charge will recover costs associated with delinquent customer accounts directly from those customers that do not pay their bills timely.

We find that the proposed late charge of \$10 is unfair to residential and other low volume customers. Any delinquent payment that is less than \$666 would be subject to the \$10 late charge and any delinquent payment over \$666 would be subject to the 1.5% late charge.

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FPSC-RECORDS/REPORTING

Currently, over 90% of St. Joe's customer bills consist of residential customers. The average residential bill is \$14.61. A late charge of \$10 would represent nearly 70% of a residential customer's total bill. Furthermore, a customer with a \$14.61 delinquent payment would incur the same \$10 late charge as a customer with a \$600 delinquent payment.

Accordingly, St. Joe's petition for revision of its Natural Gas Tariff to include a provision for late payment charge is denied because a late charge of \$10 is unfair to residential and small volume customers. However, if St. Joe chooses to re-file its tariff modification to specify a late payment charge of either 1.5% or \$3.00, whichever is greater, the tariff revision may be administratively approved.

Prior to implementation, St. Joe shall provide a thirty day advance notice to its customers. A clearly stated notice to customers may be included on the bill rather than mailed separately. A sample of the notice shall be submitted to the Commission's Division of Electric and Gas for approval prior to implementation.

St. Joe's petition also requests approval of modifications to tariffs governing main and service extensions. St. Joe presently extends its facilities to provide service in accordance with the provisions of Rule 25-7.054, Florida Administrative Code.

We approve St. Joe's proposal to increase its maximum allowable construction cost (MACC) calculation from four to ten times the estimated annual gas revenues. The current four year MACC limits St. Joe's ability to expand in the residential market. Excluding the cost of gas, the average monthly residential bill is approximately \$3.61. Applying to current MACC calculation, based on four times the annual gas revenue, St. Joe would derive only \$173.28 from customer for extensions needed to serve that customer. The average cost of an extension needed to serve a residential customer for 1995, however, was approximately \$263.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that St. Joe Natural Gas Company, Inc.'s request for revision of its natural gas tariff to include a late payment charge is hereby denied. It is further

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ORDERED that St. Joe Natural Gas Company, Inc. may refile a tariff modification specifying a late payment charge of either 1.5% or \$3.00, whichever is greater, and that staff may administratively approve the tariff revision, as discussed within the body of this Order. It is further

ORDERED that St. Joe Natural Gas Company, Inc.'s request for approval of modifications to its tariffs governing main and service extensions is, hereby, approved. It is further

ORDERED that the modifications to St. Joe Natural Gas Company, Inc.'s tariffs governing main and service extensions are effective on July 16, 1996. It is further

ORDERED that each tariff modification is severable from the others and if a protest is filed it shall be specific to the respective proposed tariff. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 5th day of August, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

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 action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), 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 26, 1996.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.