Commissioners: THOMAS M. BEARD, CHAIRMAN **BETTY EASLEY** J. TERRY DEASON SUSAN F. CLARK LUIS J. LAUREDO



**DIVISION OF WATER &** WASTEWATER CHARLES HILL DIRECTOR (904) 488-8482

## Public Service Commission



July 28, 1992

Mr. Richard D. Sims Shady Oaks Mobile-Modular Estates, Inc. P. O. Box 280012 Zephyrhills, Florida 33682-0012

> Docket No. 900025-WS, Application for a Staff-Assisted Rate Case in Pasco County by Shady Oaks Mobile-Modular Estates, Inc.

Dear Mr. Sims:

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I have reviewed your July 19, 1992 memorandum to Ms. Jennie Lingo regarding the utility's annual report and the revised tariff sheets. I would like to take this opportunity to clarify certain issues that you raised in that memorandum.

A utility is required to submit revised tariff sheets any time there is a change in one or more of the following: 1) communities served; 2) rates and charges; 3) rules and regulations; 4) service availability policy; 5) standard forms; 6) technical terms and abbreviations; or 7) territory served. This is consistent with Section 367.091, Florida Statutes. Therefore, although the Commission voted at the July 7, 1992 Agenda Conference to implement the same base facility and gallonage charges that were approved in Order No. 24084, the utility must nevertheless submit revised tariff sheets because the newly-approved rates are different than the flat rates the utility currently charges its customers.

The utility must also prepare a proposed customer notice to submit for Staff's approval. This notice, which must be received by the utility's customers prior to the implementation of the revised rates, must contain both the current and revised rates for all classes of service. The customer notice as well as the tariff sheets must be approved by Staff before the rates will be allowed to go CMU tarte effect. Although Staff is available to answer questions and offer assistance when needed, the responsibility for the actual preparation of the proposed customer notice and the revised tariff sheets rests solely with the utility. The requirements for tariff filings by utilities are stated in Chapter 25-9, Florida Administrative Code entitled "Filing Tariffs."

In your memorandum, you also indicate that you want the utility to have the authority to disconnect service for nonpayment. Based on my conversation with the staff attorney assigned to this case, the utility may disconnect for nonpayment of utility services. However, the utility may put itself at risk if disconnections are made for nonpayments occurring during the period of time in 1991 that the utility was enjoined from collecting water and wastewater rates. Diri \_\_\_\_

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This period remains in dispute, and it is my understanding that the court case has been appealed by the Commission.

Finally, Staff does not have the authority to grant your request for a waiver of your escrow requirement for the months of July and August of this year. A request of this nature must be brought before the Commission for a decision. Staff will prepare a recommendation for the Commissioners' consideration at the August 18, 1992 Agenda Conference. However, based on the information presented thus far I do not believe Staff will support a waiver of the escrow requirement at this time. In the event you choose not to have this matter brought before the Commission, please notify my staff by August 3, 1992.

I hope you found this correspondence to be informative. If you have any other questions or comments, please do not hesitate to contact Ms. Lingo at our office.

Sincerely,

Charles H. Hill, Director

Division of Water and Wastewater

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CHH\FJL (soak0728.fjl)

cc: Division of Water and Wastewater (Shafer, Bethea, Lingo, Rieger)
Division of Legal Services (Feil)
Division of Records and Reporting (docket file)