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January 4, 1996

IN REPLY REFER TO:

Ansley Watson, Jr.
P. O. Box 1531
Tampa, Florida 33601

VIA FEDEX

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32301

960024-64

Re: **Petition for approval of late payment charge by Peoples Gas System, Inc.**

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System, Inc., please find the original and 12 copies of the captioned petition.

*A computer diskette containing the petition (but not the two exhibits thereto) is also enclosed.

Please acknowledge your receipt of the enclosures on the *duplicate copy of this letter enclosed for that purpose, and return the same to me in the enclosed *preaddressed envelope.

Thank you for your usual assistance.

Sincerely,

*NOT ENCLOSED


ANSLEY WATSON, JR.

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AWjr/a
Enclosures

cc: Mr. Lamar Finley
Mr. Joseph W. McCormick

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FPSC BUREAU OF RECORDS

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of)
late payment charge by Peoples)
Gas System, Inc.)
_____)

Docket No.

Submitted for Filing:
1-5-96

PETITION

Peoples Gas System, Inc. ("Peoples" or the "Company"), by its undersigned attorneys, petitions the Commission for approval of revisions to its Natural Gas Tariff on file with the Commission to provide for a late payment charge. In support of its petition, Peoples states:

1. Peoples proposes to apply a late payment charge to customers' past due balances, the purpose of which is to more properly collect the costs associated with unpaid balances on customer accounts from those customers who do not pay their bills on time. Such a late payment charge should also encourage prompt payment by Peoples' customers, thereby helping Peoples reduce expenses associated with unpaid balances. As of September 30, 1995, 10 percent (10%) of Peoples' accounts were past due.

2. Peoples' approved Natural Gas Tariff does not currently include a late payment charge on past due balances. The Company's proposed late payment charge would apply when a customer fails to pay a bill by the "past due" date indicated on the bill. The proposed late payment charge (other than for accounts of federal, state or local governmental entities) is 1.5 percent of any unpaid

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prior months' billings. The excepted governmental entities are subject to imposition of a late payment charge in accordance with Sections 215.422, Florida Statutes (state agencies), 218.70 - .79, Florida Statutes (local governmental agencies), and 31 U.S.C. 3901 - 3907 (federal governmental agencies), and Peoples would impose late payment charges on their accounts at a rate no greater than allowed, and in a manner permitted, by the applicable statutes.

3. Although not denominated as a "late payment charge," the form of agreement required for transportation service under Peoples' Natural Gas Tariff contains a provision requiring the customer's payment of interest on delinquent amounts, which reads as follows (see Peoples' Natural Gas Tariff, Original Sheet No. 8.114-10):

Section 10.1 Interest. If any amount due hereunder from either party is delinquent, interest shall be calculated on the overdue amount at an annual rate of interest equal to the prime interest rate of Citibank, N.A., published in New York, New York, plus one percent (1%), calculated from the date that such amount was due until the date that it is paid (or credited).

In the event the late payment charge for which Peoples seeks approval herein is approved, Peoples will file a revised Sheet No. 8.114-10 deleting the language quoted above, and substituting the late payment charge language for which approval is sought herein.

5. The Commission has previously approved late payment charges similar to the charge proposed herein by Peoples, the most recent such approval having been by Commission Order No. PSC-95-1087-FOF-EI (Docket No. 950753-EI, In Re: Petition for approval of late payment charge and field collection charge by Florida Power

Corporation).¹ Consistent with the prior actions of the Commission, and for the reasons hereinabove stated, Peoples requests the Commission's approval for the Company's late payment charge as set forth in the proposed revised tariff sheet (First Revised Sheet No. 5.401) attached to this petition as Exhibit A. A copy of the proposed revised sheet in legislative format is attached hereto as Exhibit B.

6. Upon the Commission's approval of Peoples' proposed late payment charge, the Company will modify its monthly customer bills to reflect the applicable charge and the past due date by which the bills must be paid to avoid imposition of such charge.

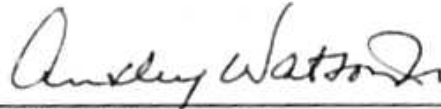
7. Peoples requests that the Commission approve this petition, and grant its Staff authority to administratively approve the effective date of First Revised Sheet No. 5.401 to coincide with the date on which the Company's billing system will be capable of implementing and administering the late payment charge, which date is currently estimated to be March 31, 1996.

WHEREFORE, Peoples Gas System, Inc. respectfully requests that the Commission (a) approve the late payment charge set forth in

¹ See also: In Re: Review of Southern Bell Telephone and Telegraph Company's Late payment Charge, Docket No. 870456-TL, Order No. 17915 (July 27, 1987); In Re: Application of Vineyards Utility, Inc. for Water and Sewer Certificate in Collier County, Docket No. 870331-WS, Order No. 18622 (December 31, 1987); In Re: Tariff Proposed by Alltel Florida, Inc. to Establish a Late Payment Charge of 1.5 Percent of Amounts Outstanding, etc., Docket No. 871048-TL, Order No. 18632 (January 1, 1988); In Re: Application by Sunray Utilities, Inc. for Water and Sewer Certificates in Nassau County, Docket No. 870649-WS, Order No. 20252 (November 3, 1988); and In Re: Tariff Proposed by Florida Power & Light Company, Docket No. 900836-EI, Order No. 23895 (December 18, 1990).

Exhibit A to this petition and (b) authorize its Staff to administratively approve the effective date of the revised tariff sheet upon proper notification by the Company.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ausley Ferguson & McMullen
P. O. Box 1531, Tampa, Florida 33601
Telephone: (813) 273-4321
Facsimile: (813) 273-4396

IV
BILLING

A. **BILLING PERIODS.** Bills for Gas Service will be rendered each month. Bills shall be considered received by Customer when mailed to the most recent billing address supplied by Customer to Company.

B. **INITIAL OR FINAL BILLS.** When the period of Gas Service for which an initial or final bill is rendered is less than fifty (50) percent of the normal billing period, the customer charge or minimum bill shall be one-half (1/2) of the charge per applicable rate schedule. When the period of Gas Service is fifty (50) percent or more of the normal billing period, there shall be no reduction in the customer charge or minimum bill. The energy charge for gas consumed shall be at the applicable billing rate.

C. **NON-RECEIPT OF BILLS.** Failure of Customer to receive a bill shall not relieve Customer of its obligation to pay the bill.

D. **METER READINGS NOT COMBINED.** If a Customer takes Gas Service under more than one rate schedule at a single delivery point, the bill shall be calculated separately for the Gas Service provided under each such rate schedule.

If a Customer takes Gas Service under one or more rate schedules at two or more points of delivery, a bill shall be calculated separately for Gas Service provided under each rate schedule at each point of delivery.

If Company must, for reasons of its convenience, establish more than one point of delivery at a single premise, the readings of the meters for like classes of service will be combined.

E. **DELINQUENT BILLS.** A bill shall be considered delinquent upon the expiration of twenty (20) days from the date of mailing or other delivery thereof by Company.

Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of 1.5%, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities, agencies, and instrumentalities at a rate no greater than allowed, and in a manner permitted by applicable law.

F. **DISCONTINUANCE OF SERVICE AND/OR CHANGE OF OCCUPANCY.** Unless otherwise provided in the specific rate schedule under which Customer receives Gas Service, a Customer intending to discontinue Gas Service shall furnish notice of such intent to Company not less than five business days prior to the desired date of such discontinuation.

Customer shall be responsible for all Gas Service provided to the premises at which discontinuance is desired until the expiration of five business days following Company's receipt of the notice required above.

Company will automatically terminate Gas Service to a Customer after acceptance by Company of a Request For Gas Service of a succeeding occupant of the premises previously occupied by the Customer requesting termination of Gas Service.

G. **DISCONTINUANCE OF SERVICE FOR NON-PAYMENT OF BILLS.** Gas Service will be discontinued for non-payment of bills but only after Company has made a diligent attempt to have the Customer make payment, including at least five (5) business days' written notice to Customer, such notice being separate and apart from any bill for Gas Service, unless the controversy over the non-payment has been resolved through mutual agreement, or successfully disputed by Customer.

BILLING (Continued)

Notwithstanding any other provision of this rule, Company shall not discontinue Gas Service to a residential Customer if such discontinuance will cause or severely aggravate a medical emergency of the Customer, a member of the Customer's family or other permanent resident of the premises where Gas Service is rendered provided that the Customer conforms to the procedures described in subparagraph (1) of this Section G. As used in this section, "medical emergency" means that the discontinuance of Gas Service would require hospitalization as certified by a medical doctor.

- (1) Company will postpone the discontinuance of Gas Service for a period of seven days to enable the Customer to arrange for payment, if the Customer produces a licensed Florida physician's statement or notice from a public health or social services official which identifies the medical emergency and specifies the period of time during which discontinuance will aggravate the medical condition. Thereafter, Company may discontinue Gas Service unless the Customer demonstrates by affidavit that:
 - a) neither the Customer nor any other permanent resident of the premises where Gas Service is rendered is able to make payment of the bill; or
 - b) that the Customer has sought available public assistance funds and will apply a reasonable portion of any payments of public funds or other income available to the Customer to the amount due; or
 - c) that the medical condition for which disconnection of gas service was postponed continues to exist.
- (2) Failure to submit the affidavit, failure to apply a reasonable portion of any public assistance funds or other income of the Customer to the amount owed to Company, or failure to respond to reasonable inquiries regarding the continued validity of the facts stated in the affidavit shall permit Company to discontinue Gas Service.
- (3) During the period that Gas Service is continued under the provisions of this section, the Customer shall continue to be responsible for the cost of the residential Gas Service.

H. ADJUSTMENT OF BILLS FOR METER ERROR. Whenever a meter is found to have an average error as defined in Commission Rule 25-7.62, of more than two percent (2%) fast, Company will refund to Customer the amount billed in error for one half the period since the last meter test. This one half period will not exceed twelve (12) months unless it can be shown that the error was due to some cause, the date of which can be fixed, in which case the overcharge will be computed back to but not beyond such date, based upon available records. If the meter has not been tested in accordance with Commission Rule 25-7.64, the period for which it has been in service beyond the regular test period will be added to the twelve (12) months in computing the refund. The refund will not include any part of any minimum or customer charge.

Company may backbill Customer if a meter is found to be slow, non-registering or partially registering. Company may not backbill for any period greater than twelve (12) months from the date it removes the meter of a Customer, which meter is later found by Company to be slow, non-registering or partially registering. If it can be ascertained that the meter was slow, non-registering or partially registering for less than twelve (12) months prior to removal, then Company may backbill only for the lesser period of time. Customer may extend the payments of the backbill over the same amount of time for which Company issued the backbill.

- (1) Whenever a meter tested is found to have an average error of more than two-percent (2%) slow, Company may bill Customer an amount

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