

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

February 22, 1996

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF ELECTRIC AND GAS (MAKIN, BULECZA-BANKS) *MAKIN*
DIVISION OF LEGAL SERVICES (JOHNSON, ELIAS) *JOHNSON* *PH*
WJ RUE

RE : DOCKET NO. 960024-GU - PEOPLES GAS SYSTEM, INC. -
PETITION FOR APPROVAL OF LATE PAYMENT CHARGE BY PEOPLES
GAS SYSTEM, INC.

AGENDA: 03/05/96 - REGULAR AGENDA - TARIFF FILING - INTERESTED
PERSONS MAY PARTICIPATE

CRITICAL DATES: 60 DAY SUSPENSION: 03/05/96

SPECIAL INSTRUCTIONS: I:\PSC\EAG\WP\960024.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Peoples Gas Systems, Inc's. (Peoples) petition for revision to its Natural Gas Tariff to include a provision for a late payment charge?

RECOMMENDATION: Yes. The petition should be approved. Prior to implementation, Peoples should provide a thirty day advance notice to its customers. A sample of the notice shall be submitted to the Commission's Division of Electric and Gas for approval prior to implementation. The tariff should become effective thirty days after the Commission vote.

STAFF ANALYSIS: On January 5, 1996, Peoples filed a petition to provide for a late payment charge. Peoples believes that implementation of a late fee charge will reduce the number of delinquent accounts. Peoples contends that as the number of delinquent accounts decline, the costs associated with supporting these accounts will decline.

DOCUMENT NUMBER-DATE

02144 FEB 22 1996

FPSC-RECORDS/REPORTING

DOCKET NO. 960024-GU
FEBRUARY 22, 1996

As of September 30, 1995, approximately ten percent (10%) of its accounts were classified as delinquent accounts. Accounts are classified as delinquent when payment is not received by the past due date indicated on the customer's bill. The past due date indicated on the bill is approximately twenty days from the date of mailing. Peoples proposes to assess a late fee payment for all customers failing to pay their bill by the past due date.

The total past due receivables were \$1,600,000 as of September 30, 1995. Assuming past due balances remain at this level, the late charges would generate \$288,000 annually and would be recorded to account 495 (other gas revenue).

The Commission has previously approved late payment charges similar to the charges requested by Peoples. The most recent approval involved Florida Power Corp.'s petition for approval of a late payment charge (Docket No. 950753-EI, Order No. PSC-95-1087-FOF-EI).

This proposed modification would allow Peoples Gas to assess a late charge equal to 1.5 percent of the unpaid balance to all delinquent accounts other than federal, state, and local entities. These 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 government agencies), and 31 U.S.C. 3901 - 3907 (federal government agencies)

Accordingly, staff recommends this petition be approved. Prior to implementation, Peoples should provide a thirty day advance notice to its customers. A sample of the notice shall be submitted to the Commission's Division of Electric and Gas for approval prior to implementation. The tariff should become effective thirty days after the Commission vote.

ISSUE 2: Should this Docket be closed?

RECOMMENDATION: Yes. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: This docket should be closed if no person whose substantial interests are affected by the action proposed by this recommendation files a petition for formal proceeding within the allowed 21-day protest period. If a protest is filed, the tariff should remain in effect.

MACFARLANE AUSLEY FERGUSON & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

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P.O. BOX 1669 (ZIP 34617)
CLEARWATER, FLORIDA 34615
(813) 441-8966 FAX (813) 442-8470

January 5, 1996

IN REPLY REFER TO:

VIA FEDEX

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

RECEIVED
JAN - 8 1996

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

FPSC-RECORDS/REPORTING

960624-60

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

Dear Ms. Bayo:

60150-76

By letter dated January 4 (yesterday), I transmitted the above
petition to you for filing.

As has become my habit of late, the letter stated that a
computer diskette containing the petition (but not the two exhibits
thereto) was also enclosed. It was not so enclosed, but is
enclosed herewith.

Please accept my sincere apology for the oversight.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a
Enclosure