

FLORIDA PUBLIC SERVICE COMMISSION  
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M E M O R A N D U M

APRIL 4, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)  
FROM: DIVISION OF WATER & WASTEWATER (GILCHRIST)  
DIVISION OF LEGAL SERVICES (AGARWAL)  
RE: DOCKET NO. 960219-WS - BAYSIDE UTILITIES, INC. - REQUEST  
FOR ESTABLISHMENT OF PAYMENT PLAN FOR 1995 REGULATORY  
ASSESSMENT FEES  
COUNTY: BAY  
AGENDA: APRIL 16, 1996 - REGULAR AGENDA - INTERESTED PERSONS MAY  
PARTICIPATE  
CRITICAL DATES: NONE  
SPECIAL INSTRUCTIONS: I:\PSC\WAW\WP\960219.RCM

CASE BACKGROUND

Bayside Utilities, Inc. (Bayside or utility) is a Class "C" utility providing water and wastewater services to approximately 307 residential customers in Bay County. Bayside reported gross revenues of \$56,059 for water and \$62,691 for wastewater on its 1995 Regulatory Assessment Fee Return, and, as a result, the utility owes \$5,345.37 for 1995 regulatory assessment fees (RAFs), plus penalty and interest of \$1,870.88, a total amount of \$7,216.25. By correspondence dated January 15, 1996, Bayside requested a payment plan for the amount owed for 1995 RAFs. The purpose of this recommendation is to address the utility's request.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DISCUSSION OF ISSUES

ISSUE 1: Should Bayside be permitted to pay its 1995 regulatory assessment fees in accordance with a payment schedule?

RECOMMENDATION: Yes. The utility should be ordered to pay regulatory assessment fees for 1995 (including penalty and interest) by December 31, 1996, at a minimum of \$902.03 per month until all fees for 1995 have been paid. The first payment should be due on May 1, 1996, and subsequent payments should be made by the 10th of each month. The Commission's approval of this payment schedule would be subject to the final approval of the Department of Banking and Finance. Furthermore, the Commission should place the utility on notice that if 1996 regulatory assessment fees are not paid by the due date of March 31, 1997, a proceeding will be initiated to require the utility to place into an interest bearing escrow account 4.5% of the total monthly service revenues billed by the utility. (GILCHRIST)

STAFF ANALYSIS: Section 350.113 (5), Florida Statutes, provides that the Commission, "for good cause shown by written request, may extend for a period not to exceed 30 days the time for paying any fee ...." Rule 25-30.120 (1), Florida Administrative Code, requires utilities to pay a regulatory assessment fee in the amount of four and one-half per cent of gross revenues for the entire year. Rule 25-30.120 (2) (a), Florida Administrative Code, provides that "[r]egulatory assessment fees shall be filed ... on or before March 31 for the preceding year ended December 31." Rule 25-30.120 (2) (b), Florida Administrative Code, provides that "[e]ach utility shall have up to and including the due date in which to: 1. remit the total amount of its fee, or 2. Remit an amount which the utility estimates is its full fee, or 3. Seek and receive from the Division of Administration a 30-day extension of its due date ...." If a utility fails to timely pay the regulatory assessment fee as provided in Rule 25-30.120 (2) (b), Florida Administrative Code, a penalty shall be assessed and interest charged, as provided in Section 350.113 (4), Florida Statutes, and Rule 25-30.120 (5), Florida Administrative Code.

On January 26, 1996, staff received a letter from Dorothy Burton, the owner of the utility explaining that the utility was gravely affected by Hurricane Opal. Ms. Burton explained that the storm surge damaged over two hundred of the mobile homes and that revenues for this utility have decreased because approximately 86 of the residents have moved as a result of their mobile homes being totally destroyed by Hurricane Opal.

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On February 14, 1996, staff contacted the utility by telephone, whereby, we talked with Mr. Jeter, Manager of the utility. Since the utility's 1995 Annual Report is not due until March 31, 1996, we asked Mr. Jeter to provide us with a copy of the utility's 1995 RAF Return for verification of the gross revenues collected by the utility in 1995. Also, we notified Mr. Jeter that the owner's request for a payment plan would be subject to the approval of the Commission.

On February 22, 1996, a copy of the utility's 1995 RAF Return was filed with the Commission. For 1995, Bayside reported gross revenues of \$56,059 for water and \$62,691 for wastewater. As a result, the utility owes RAFs of \$5,345.37 plus penalty and interest of \$1,870.88 for a total amount of \$7,216.25. On March 5, 1996, we notified Mr. Jeter that because the utility will not have 1995 RAFs paid off by the due date of March 31, 1996, the utility will be required to pay penalty and interest up to the date the debt is to be paid off. Staff believes, and Mr. Jeter agrees that a monthly payment of \$902.03 would be reasonable. At the rate of \$902.03 per month, RAFs for 1995, including penalty and interest shall be paid off by December 31, 1996.

Based on the above discussion, staff recommends that the utility be allowed to pay its 1995 RAFs, including penalty and interest by December 31, 1996, at a minimum of \$902.03 per month until all fees for 1995 have been paid. The first payment shall be due on May 1, 1996, and subsequent payments shall be made by the 10th of each month. The Commission's approval of a payment plan for 1995 RAFs is subject to the final approval of the Department of Banking and Finance. The Commission has approved requests for payment plans to pay delinquent RAFs in Dockets Nos. 940974-WU, 940982-WS, 951244-WS, and 951585-WU, Orders Nos. PSC-94-1463-FOF-WU, PSC-94-1464-FOF-WU, PSC-95-1514-FOF-WS, and PSC-96-0282-FOF-WU, respectively.

The Commission should place the utility on notice that if 1996 RAFs are not paid by the due date of March 31, 1997, a proceeding will be initiated to require the utility to place into an interest bearing escrow account 4.5% of the total monthly service revenues billed by the utility.

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ISSUE 2: Should the docket be closed?

RECOMMENDATION: Yes. (AGARWAL)

STAFF ANALYSIS: The first payment for delinquent 1995 RAFs is due on May 1, 1996 and subsequent payments shall be due by the 10th of each month. No further action is required in this docket, therefore, this docket should be closed.