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DIVISION OF WATER & WASTEWATER
 CHARLES H. HILL
 DIRECTOR
 (850) 413-6900

980778

Public Service Commission

May 18, 1999

Mr. Ken Knowlton, President
 Crooked Lake Park Sewerage Company
 227 Caloosa Lake Circle North
 Lake Wales, Florida 33853

Dear Mr. Knowlton:

During a phone conversation in March, 1999, you stated that you discovered that a bank located in your certificated area is being provided wastewater service by Crooked Lake and has never been billed by the utility. On March 24, 1999, you faxed a copy of the bank's water usage for the months January, 1998, through February, 1999. The staff engineer has visited the utility's service area and verified that the utility is providing wastewater service to the bank.

Rule 25-30.350, Florida Administrative Code, states that a utility may not backbill customers for any period greater than 12 months for any undercharge in billing, which is the result of the utility's mistake. It also states that the utility shall allow the customer to pay for the unbilled service over the same time period as the time period during which the underbilling occurred or some other mutually agreeable time period.

Following the guidelines of Rule 25-30.350, F.A.C., I have calculated the amount for backbilling the American Bank and Trust. This calculation is based on the bank's consumption from March, 1998 through February, 1999 times the tariffed rates for a general service customer (see attached tariff sheet). The calculation is as follows:

	WATER CONSUMPTION	MONTHLY BILL
MARCH 1998	25,000	\$ 59.75
APRIL 1998	10,000	23.90
MAY 1998	13,000	31.07
JUNE 1998	46,000	112.98
JULY 1998	50,000	143.30
AUGUST 1998	55,000	161.20
SEPTEMBER 1998	59,000	175.52
OCTOBER 1998	50,000	143.30
NOVEMBER 1998	37,000	75.28
DECEMBER 1998	17,000	40.63
JANUARY 1999	22,000	52.58
FEBRUARY 1999	16,000	38.24
	<u>400,000</u>	<u>\$1,057.75</u>

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DOCUMENT NUMBER - DATE
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I have included the unbilled revenue of \$1,058 for the bank in test year revenue for the current rate case in Docket No. 980778-SU. The number of bills and consumption for the bank has also been included in the calculation of rates in the current rate case.

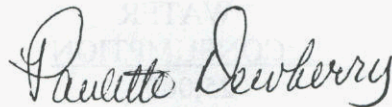
In addition, Regulatory Assessment Fees (RAFs) at 4.5% are due on the unbilled revenue for the bank. The period used for calculating the unbilled revenue is March, 1998 through February, 1999. The amount for RAFs for the unbilled revenue for the period March, 1998 through December, 1998 is \$43.51 ($\$966.90 \times .0450$). This payment is due 30 days from the date the utility receives the last payment of unbilled revenue from the bank for the period March, 1998 through December, 1998. The unbilled revenue for the bank for the period January, 1999 and February, 1999 should be recorded on the utility's books and included in the utility's 1999 Annual Report. RAFs for this time period should be reported and paid along with RAFs that will be due March 31, 2000.

Based on the staff audit for the current rate case, your utility did not bill one of its customers, the mobile home park, for December, 1997 and January, 1998. The amount of unbilled revenue for the mobile home park is \$2,153. The RAFs due is \$96.89. This payment should be made 30 days from receipt of this letter.

When you decide the payment plan for the backbilling, please notify me. The check for payment of the regulatory assessment fee should be made payable to the Florida Public Service Commission for the amount due. The payment should be mailed to: Bureau of Fiscal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, ATTN: Evelyn Sewell. Please send a copy of this letter when making payment.

If you have any questions, please call me at (850) 413-6962.

Sincerely,



Paulette Dewberry
Professional Accountant Specialist

PD:tys(knowlton.ltr)

- cc: Division of Records and Reporting
- Division of Water and Wastewater (Hill, Willis, Rendell, Chase, Davis, TLDavis)
- Division of Legal Services (Jaeger, McRae)
- Division of Administration (Sewell, Knight)