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RECORDS AND  
REPORTING

990946-TLU

July 21, 1999

**BY HAND DELIVERY**

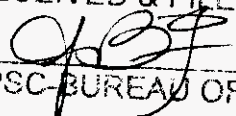
Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Dear Ms. Bayo:

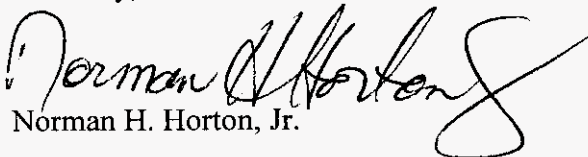
Enclosed for filing are an original and fifteen copies of Sebring Gas System, Inc.'s Petition for Approval of Late Payment Charge.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

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Sincerely,

  
Norman H. Horton, Jr.

NHH/amb

Enclosure

cc: Mr. Jerry Melendy  
Parties of Record

DOCUMENT NUMBER-DATE

08673 JUL 21 99

FPSC-RECORDS/REPORTING

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Petition for approval of late payment )  
charge by Sebring Gas System, Inc. )  
\_\_\_\_\_ )

Docket No. *990946*  
Filed: July 21, 1999

**PETITION**

Sebring Gas System, Inc. ("Sebring" 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, Sebring states:

1. Sebring is a public utility providing natural gas to customers in and around Sebring.

The address of Sebring is:

Sebring Gas System, Inc.  
3515 U.S. Highway 27 South  
Sebring, FL 33870-5452

Notices, orders and other documents issued in this docket should be provided to:

Norman H. Horton, Jr., Esq.  
Messer, Caparello & Self, P.A.  
Post Office Box 1876  
Tallahassee, FL 32302-1876  
850/222-0720 (telephone)  
850/224-4359 (telecopier)

Mr. Jerry Melendy  
Sebring Gas System, Inc.  
Sebring, FL 33870-5452  
(813) 385-0194 (telephone)  
(813) 385-3423 (telecopier)

- 2 Sebring 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 Sebring's customers, thereby helping Sebring reduce expenses associated with unpaid balances. From January 1998 to May 1999, the percentage of Sebring's gas customers delinquent in payment averaged 12.85%.

3. Sebring's 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

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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 prior months' billings or \$5.00, whichever is greater. The excepted governmental entities are subject to imposition of a late payment charge in accordance with Section 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 Sebring would impose late payment charges on their accounts at a rate no greater than allowed, and in a manner permitted, by the applicable statutes.

4. In the past, late payment fee requests have been handled on a case-by-case basis. In re: Application for Staff-Assisted Rate Case in Osceola County by Morningside Utility, Inc., Docket No. 980445-WU, Order No. PSC-98-1585-FOF-WU (November 25, 1998). In Order No. PSC-98-1585-FOF-WU, the Commission has acknowledged the need for late payment charges; stating:

Presently, our rules provide that late paying customers may be required by the utility to provide an additional deposit. However, there is no further incentive for late paying customers to pay their bills on time. We find that the cost causer should pay the additional costs incurred to the utility by late payments, rather than the general body of the utility's rate payers.

5. The Commission has previously approved late payment charges of 1.5% of the total bill<sup>1</sup>, and has also approved flat rate late payment charges of \$5.00.<sup>2</sup> Consistent with the prior

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<sup>1</sup> In Re: Petition by City Gas Company of Florida for Approval of Revisions to Natural Gas Tariff, First Revised Sheets 12 and 15, to Provide for Late Payment Charge, Docket No. 971520-GU, Order No. PSC-98-0261-FOF-GU (February 9, 1998); In Re: Petition for Approval of Late Payment Charge by Peoples Gas System, Inc., Docket No. 960024-GU, Order No. PSC-96-0371-FOF-GU (March 18, 1996); In Re: Petition for approval of late payment charge and field collection charge by Florida Power Corporation, Docket No. 950753-EI, Order No. PSC-95-1087-FOF-EI (August 31, 1995).

<sup>2</sup> In Re: Morningside Utility, Inc., Docket No. 980445-WU, Order No. PSC-98-1585-FOF-WU (November 25, 1998); In Re: Crystal River Utilities, Inc., Docket No. 960716-WU, Order No. PSC-96-1409-FOF-WU (November 20, 1996).

actions of this Commission, and for the reasons stated, Sebring 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. 9.0505) 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 Sebring's 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. Sebring requests that the Commission approve this petition, and grant its Staff authority to administratively approve the effective date of First Revised Sheet No. 9.0505 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 October 15, 1999.

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

**MESSER, CAPARELLO & SELF, P.A.**



NORMAN H. HORTON  
FLOYD R. SELF  
THOMAS A. SUTER  
Post Office Box 1876  
Tallahassee, FL 32302-1876  
850/222-0720 (telephone)  
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RULES AND REGULATIONS  
(Continuation)

I. RETURNED CHECK CHARGE (Continued)

After a charge for returned check is placed on the Customer's account, the amount of the returned check charge is considered the same as any charge placed on the account.

J. 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% or \$5.00, whichever is greater, 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.

Issued by: Jerry Melendy, Jr., V.P.      Effective:  
Issued on:

RULES AND REGULATIONS  
(Continuation)

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Issued by: Jerry Melendy, Jr., V.P.      Effective:  
Issued on:

Exhibit "B"