

STATE OF FLORIDA

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DIVISION OF LEGAL SERVICES
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DIRECTOR
(850) 413-6199

Public Service Commission

June 28, 2000

Mr. Anthony Staiano, President
Park Water Company
25 First Avenue North
Lake Wales, Florida 33853

STAFF DATA REQUEST

Re: Docket No. 991627-WU - Application for rate increase in Polk County by Park Water Company Inc.

By this letter, the Commission staff requests that Park Water Company Inc. (Park Water or utility) provide responses to the following data requests.

1. Park Water's filing includes an increase in charges for meter installations, tap-in charges, and back flow preventor installations. Please provide a summary schedule of how each of the proposed service availability charges were calculated. For meter installations, tap-in charges, and backflow preventor connections, the schedule should show, by meter size, the cost of the meters, backflow preventors, tap-in charges, connecting fittings, meter boxes or enclosures and also show sufficient data on labor and other applicable costs to allow the determination of an average cost for meter installation, backflow preventor installation, and tap-in charges by type.
2. The utility is requesting approval of a \$10 late fee. The Commission has previously approved late payment charges based on the rationale that the general body of rate payers should not shoulder the burden of costs caused by those customers who do not timely pay their bills. Absent a breakdown of actual utility costs, the Commission has normally approved a flat \$3 late fee. By Order No. PSC-93-1824-FOF-SU, issued December 23, 1993, the Commission stated:

The utility has requested a late fee of \$5 plus 1.5 percent monthly interest on accounts delinquent for more than 20 days. However, the utility has provided no detailed, cost-based documentation that would support its request. Therefore, we find it appropriate to deny the utility's request for late fees. However, as discussed earlier, approximately 7 percent of the utility's customers do not timely pay their bills. The Commission has approved late

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payment charges for other utilities in the past, based on the rationale that the general body of ratepayers should not shoulder the burden of costs caused by those customers who do not timely pay their bills. In addition, a late fee provides customers with an incentive to pay their bills within the 20-day period provided in the utility's tariff. Based on the typical incremental costs associated with collecting from late-paying customers, the Commission has found that a late fee of \$3 recovers those incremental collection costs. Therefore, we find it appropriate to approve a \$3 late fee in this instance.

Please provide the necessary detailed cost justification for the utility's requested late fee of \$10.

3. Regarding the utility's request for a \$50 deposit charge, staff normally calculates a customer deposit charge for 5/8" 3/4" meters at two times the average monthly bill, and includes that amount in the tariff. All larger residential meters and all general service meters are stated as two times the average monthly bill in the tariff with no specific amount stated. Is the requested \$50 deposit charge for all meters? If no, please explain in detail.

Please file the original and five copies of the requested information by Thursday, July 20, 2000, with Ms. Blanca Bayó, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6185 or you may contact Bob Casey at (850) 413-6974.

Sincerely,



D. Tyler VanLeuven
Staff Attorney

DTV/RC/dm

cc: Division of Economic Regulation (Willis, Rendell, Casey, Ted Davis)
Division of Records and Reporting

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