



Park Water Company
 25 1st Avenue North
 Lake Wales, FL 33853

ORIGINAL

July 17, 2000

Ms. Blanca Bayo,
 Division of Records and Reporting
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399-0850

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

In accordance with your request for additional data request, this letter addresses each issue in detail.

1. The charts below show the cost of installing meters.

Cost to install 3/4 X 5/8 meter	
3/4 X 5/8 meter	\$ 36.50
3/4 backflow preventer	\$ 20.00
3/4 pvc ball valve	\$ 4.50
3/4 pvc male adapter	\$ 0.20
meter box	\$ 13.50
8 X 1 inch tapping saddle	\$ 42.00
1" corporation valve	\$ 16.00
1" galvanized elbow	\$ 1.00
installation labor	\$ 40.00
Total	\$ 173.70

Cost to install 1" meter	
1" meter	\$ 95.00
1" backflow preventer	\$ 90.00
1" meter couplings	\$ 22.00
1" pvc ball valve	\$ 6.00
1" pvc male adapter	\$ 0.30
1" galvanized unions	\$ 20.00
1" galvanized elbow 45 degree	\$ 4.00
1" galvanized nipples	\$ 2.00
meter box	\$ 13.50
8 X 1 inch tapping saddle	\$ 42.00
1" corporation valve	\$ 16.00
1" galvanized pipe 3 ft.	\$ 16.00
1" galvanized elbow 90 degree	\$ 1.00
installation labor	\$ 70.00
Total	\$ 397.80

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EXH 1
 Responses Forwarded To

Phone: (863) 638-1285

LEGAL/VAN LUYK

DOCUMENT NUMBER-DATE

08837 JUL 20 8

Fax: (863)638-7441

FPSC-RECORDS/REPORTING

2000 JUL 20 AM 7:40
 DIVISION OF RECORDS AND REPORTING
 POLK COUNTY, FLORIDA

Cost to install 1 1/2" meter	
1 1/2" meter	\$ 180.00
1 1/2" backflow preventer	\$ 175.00
1 1/2" pvc ball valve	\$ 9.75
1 1/2" meter couplings	\$ 34.00
1 1/2" pvc male adapter	\$ 0.55
1 1/2" galvanized unions	\$ 18.00
1 1/2" elbows 45 degrees	\$ 10.40
1 1/2" galvanized nipples	\$ 2.40
1 1/2" galvanized pipe	\$ 26.00
Meter box	\$ 13.50
8 X 2 saddle	\$ 42.00
2" corporation valve	\$ 16.00
2" galvanized elbow 90 degree	\$ 4.20
Installation labor	\$ 220.00
Total	\$ 751.80

Cost to install 2" meter	
2" meter	\$ 255.00
2" backflow preventer	\$ 250.00
2" pvc ball valve	\$ 12.65
2" pvc male adapter	\$ 0.60
2" meter couplings	\$ 44.00
2" galvanized unions	\$ 20.00
2" galvanized elbows 45 degree	\$ 16.80
2" galvanized nipples	\$ 3.00
2" galvanized pipe	\$ 44.00
Meter box	\$ 13.50
8 X 2 inch saddle	\$ 42.00
2" corporation valve	\$ 16.00
2" galvanized elbow 90 degree	\$ 4.20
Installation labor	\$ 240.00
Total	\$ 961.75

Note 1: Labor is charged at \$40 per hour

Note 2: All charges as requested in tariff have been rounded for simplicity.

Backflow Preventor Installation Charges should read as follows:

¾" Backflow charge - \$50

All other sizes – Actual Cost

Customer Connection Charges were calculated as follows:

Using our present charge for a ¾ X 5/8-inch meter of \$400.00, we divided \$400 by the maximum flow through a ¾ X 5/8-inch meter, which is 30 gallons per minute. The result is \$13.33 per 1 gallon per minute. When applied to other size meters, the results are as follows. Please see results on next page.

- 1" meter – Flow rate of 50 gpm X 13.33 = \$670.00
- 1 1/2" meter – Flow rate of 100 gpm. X 13.33 = \$1,330.00
- 2" meter – Flow rate of 160 gpm X 13.33 = \$2,130.00
- 4" meter – Flow rate of 1000 gpm X 13.33 = \$13,330.00
- 6" meter – Flow rate of 2000 gpm X 13.33 = \$26,660.00

2. Park Water Company is requesting a late fee of \$10. I have attached exhibit 1 to this letter, which supports a minimum late fee of \$10. The exhibit shows that 199 customers on average paid late each month during an 11-month period. The average number of bills sent per month during this period was 739. Therefore an average of 27% of the utilities customers do not timely pay their bills. This leaves an average past due amount of \$5,783.64 each month. The chart below shows the results retrieved from exhibit 1.

Late Paying Customers			
Month	Bills Sent	Bills Past Due	Total \$ Past Due
Aug-99	738	173	\$ 4,299.00
Sep-99	738	247	\$ 7,439.00
Oct-99	738	167	\$ 9,109.00
Nov-99	738	206	\$ 7,499.00
Dec-99	739	157	\$ 3,422.00
Jan-00	739	224	\$ 5,149.00
Feb-00	739	278	\$ 7,469.00
Mar-00	740	146	\$ 4,073.00
Apr-00	740	198	\$ 5,535.00
May-00	740	202	\$ 5,126.00
Jun-00	740	195	\$ 4,500.00
Total	8129	2193	\$ 63,620.00
Average/month	739	199.36	\$ 5,783.64

Late Payer of 199 divided by average bills of 739 = 27% past due bills per month

Cash flow is so very important to a small business like Park Water Company. The number one reason that businesses fail is poor cash flow. We at Park Water Company must pay our bills as they come due on a monthly basis. This becomes a challenge because we cannot rely on receiving our water revenue in a timely fashion. The requested \$10 late fee by Park Water Company should grab the attention of our customers enough so that we won't continue to see 27% of the customers paying late. The intent is most certainly not to penalize our customers, but to make the late paying customers more responsible about paying their water bill on time. I don't believe that a \$3 late fee will have the desired reduction in late payers. I hope that with the 10 dollar late fee we can reduce the number of past due customers dramatically.

3. Park Water Company requests that the $\frac{3}{4}$ X $\frac{5}{8}$ meters be charged a \$50 deposit, which represents an average bill for two months water usage. Park Water Company requests that all general service meters are stated as two times the average monthly bill in the tariff with no specific amount stated.

I hope that the data submitted along with this letter helps in determining the proper charges for the Park Water Company service availability charges, late fees, and customer deposits.

Sincerely,

A handwritten signature in cursive script that reads "Anthony Staiano".

Anthony Staiano