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REPLY TO CENTRAL FLORIDA OFFICE

August 22, 2007

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VIA ELECTRONIC TRANSMISSION

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No.: 070366-WU - Application to amend water tariff to allow collection of customer deposits by O & S Water Company, Inc.
Our File No.: 35012.07

Dear Ms. Cole:

The following information is being provided in response to the August 3, 2007 data request:

1. For the period June 2006 through May 2007 the company had late payments for 4,147 accounts.
2. The bad debt expense (those accounts over 120 days old) total \$6,017.49.
3. The deposit should be based upon a two (2) month billing period since that is the standard provided for by the Commission Rule. That Rule is based upon the fact that a customer is two (2) months in arrears before service can be discontinued (actually almost 2½ months). Since bills are rendered in arrears, when the bill is rendered the customer is already indebted for one (1) month's service. The customer then has twenty (20) days to pay that invoice and is subject to discontinuance of service upon five (5) business day's notice thereafter. Thus, the second month's billing is also due when the delinquency occurs, which puts the Utility at risk for over two (2) month's worth of service.
4. For simplicity, it was the Utility's intent that when a new or additional deposit is required pursuant to Rule 25-30.311(7), Florida Administrative Code such

customers would be expected to deposit the same amount as new customers to wit: \$73.00. However, if the Commission determines that those customers' deposits should be based upon the actual average of two (2) month's consumption, the Utility is not opposed to doing so.

5. The Utility reads the meters during the first week of the month and the initial bill is mailed on the fifteenth of the month. If the bill is not paid by the sixth day of the following month then within a day or two the Utility mails the five (5) working days notice of discontinuance of service. Service is then discontinued, thus, service would be discontinued around the middle of the following month.

Should the staff require any additional information, they should not hesitate to contact me.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/tlc

cc: Mr. Jack Olsen (via email)
Mr. Troy Rendell, Division of Economic Regulation (via email)
Mr. Jared Deason, Division of Economic Regulation (via email)

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