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REPLY TO CENTRAL FLORIDA OFFICE

July 20, 2006

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06 0506 - WU

Ms. Blanca Bayo Commission Clerk and Administrative Services Director Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399

RE:

O & S Water Company, Inc.

Request for Late Payment Charge

Our File No.: 35012.07

Dear Ms. Bayo:

This letter is being filed on behalf of O & S Water Company, Inc., requesting the approval of a tariff amendment to include a late payment fee of \$5.00. Although some of the earlier PSC Orders appeared to require a specific breakdown of the cost justification, the more recent decisions acknowledge the reasonableness of a \$5.00 late payment fee as indicated by the following language from PSC Order No. PSC-06-0331-PAA-WS:

The utility has requested authorization to implement a \$5.00 late payment charge. The purpose of a late payment charge is not only to provide an incentive for customers to make timely payments, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing such delinquencies solely upon those who are the cost causers. In Order No. PSC-06-0170-PAA-WS, the Commission found that the majority of utilities that have Commission-approved late fees have those late fees set at \$5.00.1 The \$5.00 late payment fee appears reasonable, therefore, staff recommends that it be approved for Gold Coast.

DOCUMENT NUMBER - DATE

06470 JUL 248

FPSC-COMMISSION CLERK

Order No. PSC-06-01700-PAA-WS, issued March 1, 2006, in Docket No. 050281-WS, In re: Application for increase in water and wastewater rates in Volusia County by Plantation Bay Utility Company. Original Tariff forwarded

Ms. Blanca Bayo Commission Clerk and Administrative Services Director Florida Public Service Commission July 20, 2006 Page 2

Also enclosed are the original and two (2) copies of Third Revised Sheet No. 16.0 reflecting the late payment charge. Should the Staff have any questions regarding this request, please ask them to contact me.

Very truly yours,

MARTIN S. FRJEDMAN

For the Firm

MSF/mp Enclosure

cc: Mr. Jack Olsen (w/enclosure)

M:\1 ALTAMONTE\0&S WATER CO\(07) MISC\PSC Clerk (Late Payment Charge) 03.ltr.wpd

(Continued from Sheet No. 15.0)

- 27.0 The Company shall file with the Commission copies of all Guaranteed Revenue Contracts or special contracts for the sale of its product or services in a manner not specifically covered by its standard regulations or approved rate schedules prior to execution.
- 28.0 <u>MISCELLANEOUS SERVICE CHARGES</u> The Company may charge the following miscellaneous service charges in accordance with the terms state herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company requires multiple actions.

<u>INITIAL CONNECTION</u> - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

<u>VIOLATION RECONNECTION</u> - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

<u>PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION)</u> - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

<u>LATE PAYMENT</u> - This charge would be levied when a customer's billing account is not paid within 30 days, and is therefore delinquent.

## Schedule of Miscellaneous Service Charges

Initial Connection Fee		\$ <u>15.00</u>
Normal Reconnection Fee		\$ <u>15.00</u>
Violation Reconnection Fee		\$ <u>15.00</u>
Premises Visit Fee (in lieu of disconnection)		\$ <u>10.00</u>
Late Payment		\$ 5.00
EFFECTIVE DATE	, 2006	
TYPE OF FILING -	Tariff	

<u>Jack Olsen</u>	
ISSUING OFFICER	
President	
TITLE	