

Director of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32399-0850

971441-511

RE: Gulf Aire Wastewater Treatment Plant  
Gulf Aire Properties, Inc.  
Application for approval of Late Payment Charge

Dear Mrs. Bayo

I am writing to request approval of a late payment charge for Gulf Aire Properties, Inc. D/B/A Gulf Aire Wastewater Treatment Plant. The Utility has experienced significant and continuing occurrences of late payments over the past several years. The Utility seeks approval of a \$3.00 late payment charge on each delinquent bill.

The purpose of this charge is not only to provide an incentive for customers to make timely payment, thereby reducing the number of delinquent account, but also to place the cost burden of processing such delinquent notices and accounts squarely upon those who are the cost causers. As such, our requested charge of \$3.00 is based upon consideration of both of these goals.


I am attaching hereto as Schedule No. 1 a schedule of total monthly bills sent out each month and total number of late notices, demonstrating that the Utility is currently sending late notices on an average of almost 88 accounts per month, or over 31 % of its total bills. Attached hereto as Schedule No. 2 is a calculation of the costs of processing delinquent accounts in order to justify the proposed late charge of \$3.00

Finally, I am also enclosing two original of the proposed revised tariff sheets to incorporate this late charge into the approved charges for this utility. Please return one of these originals with the commission's approval stamp once this application is approved.

I trust that the information provided will be all that is needed in order to approve this charge. We would appreciate your prompt attention to this matter so that we implement this charge in the very near future.

Should you need any further information, please let me know.

Sincerely,



Ike Duren  
President

DOCUMENT NUMBER - DATE

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FPSC-RECORDS/REPORTING

Schedule # 1

Month	Total # Of Bills Sent Out This Month	Total # Of Deliquent Bills Sent Out This Month
Jan.	282	89
Feb.	282	88
Mar.	282	87
April	282	88
May	282	88
June	282	88
July	282	87
Aug.	282	87
Sept.	282	89
Oct.	282	89

Schedule # 2

Calculation to Justify Late Payment Charges On Customers Late Notices

Employee	Actual Hourly Rate (Includes benefits, payroll taxes, etc.)	Estimated hours to process late notices per month	Estimated labor costs
Phillips	\$8.78	8	\$ 70.24
Alisa	\$13.59	8	108.70
Total monthly estimated labor costs			\$ 178.94
Divided by average # of late notices per month			88
Average estimated labor cost per late notice			2.03
Average cost forms & postage per late notice (including computer generation)			.90
Actual cost per month per late payment notice			\$ 2.93
*Requested monthly late payment notice charge			\$ 3.00

- The Utility believes that because the Commission has generally approved late payment charges in the amount of \$3.00 for several other utilities, that such a charge should be approved in this case. In addition, because the late payment charge is in part authorized to recover the cost of dealing with late payments, and also in part authorized for the purpose of discouraging late payment, Gulf Aire Wastewater Treatment Plant, requests that the Commission approve a charge slightly higher than that justified by the cost of processing late payment services in order to recognize the second objective as outlined above.