MEMORANDUM

TO:

DIVISION OF RECORDS AND REPORTING

FROM:

DIVISION OF WATER AND WASTEWATER

DATE:

DECEMBER 9, 1997

RE:

DOCKET NO. 971471-SU- Highlands Utilities Corporation Request for a \$5.00 late payment charge.

Please file the attached letter in the above referenced docket.

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FPSC-RECORDS/REPORTING



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POST OFFICE AND 1947

December 9, 1997

VIA TELECOPY

Ms. Sonica Hines Division of Water and Wastewater Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0873

RE: Highlands Utilities Corporation
Docket No. 971471-SU; Application for approval to implement
monthly late payment charge on delinquent accounts
Our File No. 28087.05

Dear Sonica:

In our recent telephone conference, you requested that I provide you with the basis for which Highlands Utilities Corporation was requesting a \$5.00 late payment charge. I am cognizant that the Public Service Commission has granted various late payment charges for water and/or wastewater utilities beginning as early as 1978. The first flat fee rate charge was granted to Ortega Utility in 1989 in the amount of \$3.00. My rough calculation was that if you considered inflation since 1989, that \$3.00 late charge would be approximately \$5.00 in today's dollars. I do note also that the PSC by order number PSC-96-1409-FOF-WU in November, 1996 approved a \$5.00 late payment charge for Crystal River Utilities, Inc.

Therefore, I believe that a \$5.00 late payment charge is reasonable and should be approved for Highlands Utilities Corporation. Should you disagree with my rationale, I would request a \$3.00 late charge for residential customers and a \$5.00 late charge for general service customers whose bills tend to be higher.

Ms. Sonica Hines December 9, 1997 Page 2

If I can provide you with any additional information, please do not hesitate to give me a call.

Very truly yours,

MARTIN S. PRIEDMAN

MSF/bar

cc: Ms. Lorri Lammie