

**Ruth Nettles**

---

**From:** Trina Collins [TCollins@RSBattorneys.com]  
**Sent:** Wednesday, October 24, 2007 1:22 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Pat Brady; Patti Daniel; Martin Friedman; Trina Collins  
**Subject:** Filing in Docket No.: 060726-WS; Application of Silver Lake Utilities, Inc., to Operate a Water Utility in Glades and Highlands Counties, and a Wastewater Utility in Glades County  
**Importance:** High  
**Attachments:** PSC Clerk 014 (Cost and Justification for Misc. Service Charges).ltr.10-24-2007(1).pdf

- a. Martin S. Friedman, Esquire  
Rose, Sundstrom & Bentley, LLP  
2180 W. State Road 434, Suite 2118  
Longwood, FL 32779  
PHONE: (407) 830-6331  
mfriedman@rsbattorneys.com
- b. Docket No.: 060726-WS; In re: Application of Silver Lake Utilities, Inc., to Operate a Water Utility in Glades and Highlands Counties, and a Wastewater Utility in Glades County
- c. Silver Lake Utilities, Inc.
- d. 2 pages.
- e. Letter - 2 pages.

10/24/2007

DOCUMENT NUMBER-DATE

09701 OCT 24 5

FPSC-COMMISSION CLERK

LAW OFFICES  
**ROSE, SUNDBSTROM & BENTLEY, LLP**  
2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
F. MARSHALL DETERDING  
JOHN R. JENKINS, P.A.  
KYLE L. KEMPER  
STEVEN T. MINDLIN, P.A.  
CHASITY H. O'STEEN  
DAREN L. SHIPPY  
WILLIAM E. SUNDBSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON  
ROBERT M. C. ROSE (1924-2006)

(850) 877-6555  
FAX (850) 656-4029  
www.rsbatorneys.com

REPLY TO CENTRAL FLORIDA OFFICE

October 24, 2007

E-FILING

CENTRAL FLORIDA OFFICE  
SANLANDO CENTER  
2180 W. STATE ROAD 434, SUITE 2118  
LONGWOOD, FLORIDA 32779  
(407) 830-6331  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
BRIAN J. STREET

CHRISTIAN W. MARCELL, OF COUNSEL  
(LICENSED IN NEW YORK ONLY)

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

RE: Docket No.: 060726-WS; Application of Silver Lake Utilities, Inc., to Operate a Water Utility in Glades and Highlands Counties, and a Wastewater Utility in Glades County  
Our File No.: 40001.01

Dear Ms. Cole:

The Staff has requested that Silver Lake Utilities, Inc., provide cost basis and justification for its requested miscellaneous service charges, late fee, and customer deposit.

Miscellaneous Service Charges. We have previously filed the cost basis for the requested miscellaneous service charges. The justification for miscellaneous service charges is to place the burden of these charges on the cost-causer rather than the general body of ratepayers.

Late Fee. As the Commission has noted in many Orders, the justification for a late payment fee is two-fold: "first, it is to encourage current and future customers to pay their bills on time, and second, if the payment is not made on time, to ensure that the cost associated with late payment is not passed on to customers who do pay on time." In other words, the cost of processing delinquencies should be placed upon the cost-causers. As the basis for the requested \$5.00 late fee (which the Commission has previously determined to be a default amount which was approved without the necessity to provide a cost basis) is estimated as follows:

\$3.75	Labor (search accounts, review and verify payment has not been received - 15 minutes)
.41	Postage
<u>.84</u>	Costs of envelope, paper and printing
\$5.00	

DOCUMENT NUMBER-DATE

09701 OCT 24 5

FPSC-COMMISSION CLERK

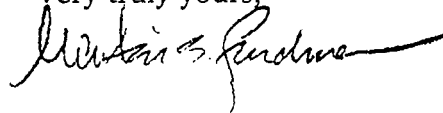
Ann Cole, Commission Clerk  
Florida Public Service Commission  
October 24, 2007  
Page 2

---

Customer Deposit. The Commission recently stated: "Not only is collecting a customer deposit to recover this two-month period of service consistent with our past practice, it is also consistent with one of the fundamental principals [sic] of rate making-ensuring that the cost of providing service is recovered from the cost-causer." If utilities do not collect adequate deposits to recover the cost of providing service, the result would be an increase in its bad debt expense. Ultimately, the bad debt expense is included in the utility's revenue requirement and, therefor, is included in the cost of service charged to the general body of ratepayers. The cost bases for the requested customer deposits are as follows (assuming the average customer will use 5,000 gallons of water per month):

Water: 38.00 x 2 months = \$76.00  
Wastewater: 46.61 x 2 months = \$93.00 (rounded)

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/mp

cc: Christopher Shoemaker, Utilities Manager  
Ms. Pat Brady, Division of Economic Regulation (via e-mail)  
Ms. Patti Daniel, Division of Economic Regulation (via e-mail)  
Paul DeChario, CPA

M:\1 ALTAMONTE\LYKES BROS (40001)\(.01) ORIGINAL CERT (Silver Lake Utilities)\PSC Clerk 014 (Cost and Justification for Misc Service Charges).ltr.wpd