

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: July 21, 2015
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Kelly J. Thompson, Public Utility Analyst II, Division of Economics *KJ SH*
RE: Docket No. 140217-WU Application for staff-assisted rate case in Sumter County by Cedar Acres, Inc.

Please include the attached into the above mentioned docket file.

RECEIVED - FPSC
15 AUG - 5 PM 2:42
COMMISSION
CLERK

7/10/2015
Dave Welch
Artesian Water Treatment Inc.
Po Box 1074
Tavares, FL 32778

Kelly Thompson
Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Re: Cedar Acres Docket#140217-WU
Cost Justification Formula used for Connect/Disconnect/Violation Fee

Ms. Thompson,

The formula I used for establishing the costs associated with the fee schedule I enclosed is as follows:

In most all cases violation disconnection and reconnection require 2 trips to the facility

Our average labor cost is \$20.50 per hour and allowing for additional cost of time and ½ after hours being after 4:00 pm Monday through Friday.

Oakland Hills facility is exactly 37 miles to this facility or 74 miles round trip to our office.

We are allowing 12 minutes (.2) for additional contact with the customer, processing payment etc.

We charge .50 cents per mile (flat fee) which includes fuel costs along with vehicle insurance, usage, repairs and liability insurance costs as we are an independent contractor. The associated costs do not change for after hours. The charge for initial connection or normal reconnection are typically done during business hours and the costs shown are minimal since most is administrative.

If you need more information please let me know.

Thank you,

Dave Welch

Artesian Water Treatment Inc.

TYPE OF CHARGES

	BUSINESS HOURS	AFTER HOURS	
INITIAL CONNECTION FEE	N/A	N/A	Done normally during business hours
NORMAL RECONNECT FEE	N/A	N/A	done normally during business hours
VIOLATION RECONNECTION FEE	\$80.00	\$105.00	Please see note below
PREMISES VISIT FEE	\$10.00	N/A	done during business hours

Actual Costs	business hours		after hours	
	labor/hr	man hours	labor/hr	man hours
	\$20.50 X	2.2	\$30.75 X	2.2
labor	\$42.10		\$67.65	
transportation	\$37.00		\$37.00	
total cost	\$79.10		\$104.50	

Cedar Acres, Inc.
4700 Sheridan St
Suite N
Hollywood, FL 33021
954-963-2225
SimonsJSR@aol.com

June 25, 2015

Mr. Bart Fletcher
Division of Accounting and Finance
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Reference: Amendment of Miscellaneous Service Charges
Cedar Acres, Inc. Docket No. 140218-WU

Dear Mr. Fletcher,

We are requesting the following changes be made to the water tariff sheets for Cedar Acres, Inc. No charges are currently on our tariff sheets for connection/re-connection fees and late fees. There are a substantial number of delinquent accounts currently. In 2014 we billed \$35,353 and received payments of \$21,380. To date, we have not sent notice of potential disconnection of water service. Artesian Water will be going out to disconnect those that fail to remit payment after noticing.

Proposed Rate Schedule for Cedar Acres Inc.

Costs related to distribution of Cut-off or Delinquency Notices:

Cost per notice: estimate of 57 notices/billing period

\$.10	Envelope
\$.02	Paper
\$.05	Ink
\$.49	Postage
\$.10	PSC Flyer
\$4.24	Labor – 8 hrs/billing cycle @\$35/hr Man-hours in research, compilation, duplication, production of cut-off notices.

Costs to cut-off and turn back service:

This is being worked out with the Public Service Commission staff. Please let us know if any other additional information or corrections are needed.

Regards,

A handwritten signature in cursive script that reads "Stayce Smith".

Stayce Smith
Finance Manager

Kelly Thompson

From: simonsjsr@aol.com
Sent: Tuesday, July 07, 2015 2:35 PM
To: Kelly Thompson
Subject: Re: Cedar Acres

Kelly,

There were late payments but we were more concerned with the 88 accounts that have not paid at all before and during the test year and beyond. A check that arrives a week or month late was better than no payment. No connections have ever been turned off or reconnected. That will change shortly.

Stayce

-----Original Message-----

From: Kelly Thompson <KTHOMPSON@PSC.STATE.FL.US>
To: 'simonsjsr@aol.com' <simonsjsr@aol.com>
Sent: Mon, Jul 6, 2015 4:31 pm
Subject: RE: Cedar Acres

So there were no late payments during the test year?

From: simonsjsr@aol.com [<mailto:simonsjsr@aol.com>]
Sent: Monday, July 06, 2015 4:01 PM
To: Kelly Thompson
Subject: Re: Cedar Acres

Kelly,

This was an easy one.

Stayce

-----Original Message-----

From: Kelly Thompson <KTHOMPSON@PSC.STATE.FL.US>
To: 'simonsjsr@aol.com' <simonsjsr@aol.com>
Sent: Mon, Jul 6, 2015 3:13 pm
Subject: RE: Cedar Acres

Stayce,

For the test year, about how many late payments, initial connections, etc. were there? Please complete the attached table and send back to me please.

Thanks
Kelly

Kelly Thompson
Public Utility Analyst II
Rate Design Section
Florida Public Service Commission
(850) 413-6986

Water Test Year Miscellaneous Service Charges

Charge Type	# of Connections
Initial Connection	0
Normal Reconnection	0
Violation Reconnection	0
Premises Visit	0
Late Payment charge	0