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May 13, 2016

Via mail & email: contact@psc.state.fl.us rarfax2@psc.state.fl.us

Office of Commission Clerk
Docket No. 160023-WS,
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED-FPSC
2016 MAY 16 AM 9:08
COMMISSION
CLERK

Re: Docket No. 160023-WU – Application for transfer of majority organizational control of Sunny Shores Water Co., holder of Certificate No. 578-W in Manatee County, from Jack E. Mason to Jack E. Mason, II and Debbie A. Mason

Dear Mr. Johnson:


I am responding to the four issues in your letter dated April 22, 2016, in regards to the request for approval for a late payment charge by Sunny Shores Water Co. They are as follows:

1. In regards to the estimation of the number of delinquent payment notices sent, the estimation of forty delinquencies per month should have instead read forty delinquent payments per quarter. This is really irrelevant to the calculation set forth in the letter as it was a total cost per late payment for each billing cycle of Sunny Shores Water Co.
2. There is no documentation for the \$30 per hour. This is a best guess estimation taking into account everything that has to occur when a payment is late. The labor involves double checking the checks received to make sure they did not miss or improperly apply a payment, preparing and sending a disconnect notice with final payment date, prepare and deliver a second disconnect notice which has to be hand delivered and posted on the customer's door with a copy mailed to customer, copying all of this documentation for the records of the company, the cost of transportation and gas to deliver the notices and all of the time it takes to accomplish all of the above. It is usually the same people every quarter who are delinquent in their payments. My calculation of \$7.50 per delinquent notice will barely cover the cost and expenses of doing all of the above in order to be paid.

3. My client is satisfied with the 5% late fee charge on its delinquent bills. At \$3.49, this may not actually cover their costs of processing a delinquent payment. But Sunny Shores Water Co. is satisfied with the 5%. For customers who have greater usage, the 5% amounts to a larger dollar amount. Even if the Public Service Commission would approve a larger amount, this is the charge that the company wishes to invoke in regards to its customers as it feels this is a reasonable amount.
4. Note that the customer base of Sunny Shores Water Co. is very seasonable. Water usage differs from quarter to quarter with usage being greater during the winter months when the snow birds are in Manatee County. On the average, the company estimates twenty to thirty percent of its customers exceed the minimum water usage of 10,800 gallons.

Please let me know if I can provide you with any further information.

Very truly yours,



Cheryl L. Gordon

CLG:cbl
Enclosures

cc: Jack Mason and Debbie Mason (Via Email)

COMMISSIONERS:
JULIE I. BROWN, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

STATE OF FLORIDA



DIVISION OF ECONOMICS
GREG SHAFER
DIRECTOR
(850) 413-6410

Public Service Commission

April 22, 2016

RECEIVED

APR 27 2016

Per _____

Sunny Shores Water Company
Attn: Jack and Debbie Mason
3827 116th St. W
Bradenton, FL 34210

Re: Docket No. 160023-WU – Application for transfer of majority organizational control of Sunny Shores Water Company, Inc., holder of Certificate No. 578-W in Manatee County, from Jack E. Mason to Jack E. Mason, II and Debbie A. Mason.

Dear Mr. and Mrs. Mason:

This letter is in response to Sunny Shores Water Company's (Sunny Shores or utility) request for a late payment charge. After reviewing the utility's request for a late payment charge, staff has a few questions that we believe will help in our analysis.

1. In the utility's request, it was indicated that 40 delinquent notices are processed each month. The utility bills on a quarterly basis. Please explain in detail why the utility is processing delinquent notices on a monthly basis.
2. The request indicates that the labor cost per hour is \$30. Please provide documentation in support of the labor cost.
3. The utility's tariff authorizes a flat rate of \$69.85, which includes usage up to 10,800 gallons. For those customers using 10,800 gallons or less, their total bill would be \$69.85. If the utility's late payment charge was five percent of the bill, it would result in a late payment charge of \$3.49. Please indicate whether the utility believes it would fully recover its actual cost of processing a delinquent notice if a late payment charge was approved based on the five percent.

Mr. and Mrs. Mason

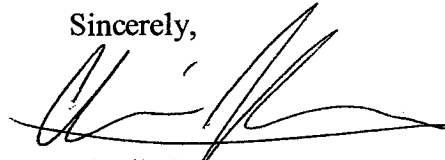
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April 22, 2016

4. Please indicate for a quarterly billing cycle the average percentage of customer bills that exceed 10,800 gallons.

Please respond to staff's data request by May 13, 2015. Furthermore, please submit the following information to the Office of Commission Clerk, Docket No. 160023-WS, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850. The information should not be addressed to staff. If you have any questions, please feel free to contact me at (850) 413-6218.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charlie Johnson', written over a horizontal line.

Charlie Johnson
Public Utility Analyst I

cc: Office of Commission Clerk (Docket No. 160023-WU)
Cheryl Gordon