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**LAGOON ESTATES WATER COMPANIES COMMENTS
REGARDING LATE FEES SERVICE FEE CHARGE JUSTIFICATION
W-01825A-09-0345**

We have reviewed the Staff Report for Lagoon Estates Water Company (The Company). We respectfully request that Staff reconsiders its recommendation regarding the Five Dollar (\$5.00) late fee that the Company requested.

The other two local water companies in the area Bermuda Water Company and Willow Valley Water Company both charge a Five Dollar (\$5.00) late charge, so we feel that our requested late charge is reasonable and normal and not excessive.

We are a small water utility with about half of our customers habitually paying their utility bill late. The majority of these customers call and request that their payment be deferred until a later date and are charged the 1.5% deferred payment fee. The same customers do this month after month because the charge is so minimal and normally do not pay the past due amount by their deferred payment date. The deferred payment fee of 1.5% does not deter them from doing this month after month, so we do not feel that a 1.5% late charge will deter them either.

Our average monthly bill of \$25.04 would only require that thirty eight cents (.38) be charged on a late bill. This does not even cover the postage, let alone the labor cost and other office supplies used to send out the monthly late notices. In an attempt to keep our shuts off at a minimum, we work diligently for the two weeks after shut off notices are sent out, attempting collections and tagging doors of customers who are scheduled for shut off; this incurs additional costs to the Company. Because of the number of customers late and our short staff we are at the point where we will no longer be able to continue this practice. The customer will be shut off and charged the reconnect fee.

We feel a monthly late charge of \$5.00 is not excessive. The \$5.00 will be used to cover actual costs incurred by the company because of late payments. We feel it will help deter the amount of late payments, allow us to continue the practice of tagging doors to keep shut offs at a minimum and offset added costs that the Company incurs due to sending out late notices.

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