

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by Countywide
Utility Company for approval of
tariff filing for new customer
classification for 1" meter in
Marion County.

DOCKET NO. 980616-WU
ORDER NO. PSC-99-1071-PAA-WU
ISSUED: May 25, 1999

The following Commissioners participated in the disposition of
this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION
ORDER CONTINUING DECLINING BLOCK RATE STRUCTURE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service
Commission that the action discussed herein is preliminary in
nature and will become final unless a person whose interests are
substantially affected files a petition for a formal proceeding,
pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

Countywide Utility Company (Countywide or utility) is a Class
C utility located in Marion County. The utility provides water
service only. Based on its 1997 annual report, the utility has 374
residential customers. Countywide recorded revenues of \$77,047 and
expenses of \$82,800, resulting in a net operating loss of \$5,753.

On May 6, 1998, the utility filed for approval of a general
service tariff sheet containing a new customer classification for
a one-inch meter pursuant to Section 367.091, Florida Statutes. By
Order No. PSC-98-0971-FOF-WU, issued July 16, 1998, we approved the
tariff filing for a new customer classification for one-inch meter
service. Also, by that order, the utility was put on notice that
its proposed declining block rate structure may not be consistent
with this Commission's water conservation usage goals. The docket

DOCUMENT NUMBER-DATE

06580 MAY 25 99

FPSC-RECORDS/REPORTING

was held open to allow us to complete an investigation into whether it was appropriate to restructure the utility's declining block rates.

CONCLUSION AND FINDINGS

The utility is currently charging the following rates:

Residential

| <u>Meter Size</u> | <u>Base Facility Charge</u> |
|------------------------|-----------------------------|
| 5/8" x 3/4" | \$12.02 |
| Gallonge Charge | |
| Per 1,000 gallons | |
| 3,751 - 22,500 gallons | \$ 1.68 |
| Over 22,500 gallons | \$ 0.92 |

General Service

| <u>Meter Size</u> | <u>Base Facility Charge</u> |
|------------------------|-----------------------------|
| 5/8" x 3/4" | \$12.02 |
| 1" | \$29.58 |
| Gallonge Charge | |
| Per 1,000 gallons | |
| 9,400 - 46,800 gallons | \$ 1.68 |
| Over 46,800 gallons | \$ 0.92 |

We find that it is not appropriate to restructure the utility's rates at this time because: (1) the utility is not located in a water use caution area, therefore the Water Management District is not compelling the utility to implement a conservation-oriented rate structure; (2) based on 1997 data, water consumption for this utility is not excessive; the total average consumption is 6,526 gallons per bill, which is below the 10,000 gallon threshold that usually determines whether a more aggressive conservation-oriented rate structure is appropriate; and (3) only 3.5% of the total number of bills were above the 10,000 gallon threshold. Therefore, the utility's declining block rate structure shall remain in effect, and the utility shall continue charging its approved tariff rates. However, we shall again address the issue of rate restructuring in the utility's next rate proceeding.

ORDER NO. PSC-99-1071-PAA-WU
DOCKET NO. 980616-WU
PAGE 3

Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, this docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Countywide Utility Company's declining block rate structure shall remain in effect. It is further

ORDERED that Countywide Utility Company shall continue charging its approved tariff rates. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 25th day of May, 1999.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

SMC

ORDER NO. PSC-99-1071-PAA-WU
DOCKET NO. 980616-WU
PAGE 4

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 15, 1999.

In the absence of such a petition, this order shall become final and effective upon the issuance of a consummating order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.