

County-Wide Utility Co., Inc.

COPY

September 2, 2005

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No. 050588 - WU; County-Wide Utility Co., Inc., Inc. Petition on behalf of County-Wide Utility Co., Inc., for Establishment of an Approved AFUDC Rate

Dear Ms. Bayo:

Enclosed please find for filing in the above referenced docket the original and five (5) copies of County-Wide Utility Co., Inc.'s petition for Establishment of an Approved AFUDC Rate.

Should you have any questions regarding this matter, please do not hesitate to give me a call.

Sincerely,
COUNTY-WIDE UTILITY CO., INC.



Dirk J. Leeward, President
countywide@mfi.net

Enclosure

Mailing Address:
Office Address:

P.O. Box 1476 – Ocala, FL 34478-1467
3233 SE Maricamp Rd., Suite 601 – Ocala, FL 34471

Phone (352) 873-8686
Fax (352) 245-1144

DOCUMENT NUMBER - DATE
0842 | SEP -6 05
FPSC-COMMISSION CLERK

In re: Petition by County-Wide
Utility Co., Inc. for establishment
of an approved AFUDC rate

Docket No. _____

PETITION FOR ESTABLISHMENT OF AN APPROVED AFUDC RATE

County-Wide Utility Co., Inc. (Applicant), pursuant to Chapter 367, Florida Statutes, and Rule 25-30.116, Florida Administrative Code, requests the Florida Public Service Commission (Commission) to establish an approved allowance for funds used during construction (AFUDC) rate, and in support states:

INFORMATION PROVIDED IN ACCORDANCE WITH RULE 25-22.036(7)

1. The name and address of the Applicant is:
County-Wide Utility Co., Inc.
3233 SE Maricamp Rd., Suite 601
Ocala, FL 34471

2. The name and address of the Applicant's representative authorized to receive notices and communications with respect to the Application is:
Dirk J. Leeward, President
County-Wide Utility Co., Inc.
P. O. Box 1476
Ocala, FL 34478-1476
Telephone: (352) 690-0009
Facsimile: (352) 245-1144
E-mail: Countywide@mfi.net

FACTS

1. The Applicant is currently certificated to provide water service in the State of Florida. County-Wide Utility Co., Inc. is not exempt from regulation by the Commission pursuant to Section 367.022, Florida Statutes. County-Wide Utility Co., Inc. may implement an approved AFUDC charge only with the approval of the Commission under the criteria established in Rule 25-30.116, Florida Administrative Code.

2. Most of the Utilities have had an AFUDC rate established in a prior proceeding before the Commission. County-Wide Utility Co., Inc. has never had an FUDC rate established before the Commission. The Applicant now seeks approval for such a rate effective January 1, 2005.

3. The calculation of the appropriate new AFUDC rate is set out in the attached supporting Schedules.
4. This calculation is in accordance with the requirements of Rule 25-30.116, Florida Administrative Code.
5. Approval of such rate is necessary in order for County-Wide Utility Co., Inc. to accurately accrue and recover its costs of providing service.

SCHEDULES ATTACHED

1. **Schedule A** shows the capital structure, cost rates and weighted average costs of capital that form the basis for the AFUDC rate calculated in accordance with the provisions of Rule 25-30.116(2), Florida Administrative Code.
2. **Schedule B** shows the capital structure adjustments and adjusted capital structure that form the basis for the AFUDC rate calculated in accordance with the provisions of Section 25-30.116(2), Florida Administrative Code.
3. **Schedule C** shows the calculation of the methodology set out in Rule 25-30.116, Florida Administrative Code.

REQUESTED ACTIONS

The Applicant requests the Commission to:

1. Consider the information provided in this Petition and approve the Petition and the new AFUDC rate shown in Schedule A.
2. Order the date of the new AFUDC rate be effective for January 1, 2005.
3. Grant such other relief to County-Wide Utility Co., Inc. as is just and reasonable.

Respectfully submitted on this
2nd day of September, 2005 by:
Dirk J. Leeward, President
County-Wide Utility Co., Inc.
3233 SE Maricamp Rd., Suite 601
Ocala, FL 34471
Telephone: (352) 690-0009
Facsimile: (352) 245-1144
E-Mail: Countywide@mfi.net

By: _____

County-Wide Utility Co., Inc.
Average Cost of Capital Used to Calculate Annual AFUDC Rate
For the Twelve Months Ended June 30, 2005

<u>Line No.</u>	<u>Proforma Average Balance 06/30/2005</u>	<u>Percent Ratio</u>	<u>Cost of Each Percent</u>	<u>Weighted Cost</u>
1	<u>Capital Structure</u>			
2	\$ -	0.00%		0.00%
3	Long-term debt			
4	23,917	3.35%	6.50%	0.22%
5	690,000	96.65%	8.32%	8.04%
6	<u>\$ 713,917</u>	<u>100.00%</u>		<u>8.26%</u>

County-Wide Utility Co., Inc.
Schedule of Average Capital Structure and Adjustments
For the Twelve Months Ended June 30, 2005
(Unaudited)

Line No.		Average Balance <u>per Books</u>	Proforma <u>Adjustments</u>	Adjusted Average Balance
1	<i>Class of Capital</i>			
2	Common equity (deficit)	\$ (12,305)	\$ 12,305 (1)	\$ -
3	Long-term debt	<u>23,917</u>	<u>690,000</u> (2,3)	<u>713,917</u>
4		<u>\$ 11,612</u>	<u>\$ 702,305</u>	<u>\$ 713,917</u>

5 Notes: (1) Remove negative equity.

6 (2) Add Construction Loan of \$690,000, 1-month LIBOR plus 2.8% until March 10, 2006,
7 8.32% thereafter.

8 (3) The Company is installing an interconnection with the City of Ocala to its present well
9 site; will be taking its wells out of service; and, extending its lines into an undeveloped
10 area in its service territory to serve a Walgreen's anchored shopping plaza. The bid for the
11 construction was accepted, and the commitment for the loan was signed in June, 2005.
12 The Company is requesting an AFUDC rate which will include the cost of the money
13 borrowed to fund this project. Since the construction loan did not exist in the most recent
14 12-month period. A proforma adjustment has been made to recognize this cost of debt.

Sunshine Utilities of Central Florida, Inc.
Schedule of Average Capital Structure
For the Twelve Months Ended June 30, 2005
(Unaudited)

Line No.	Common Equity				Long Term Debt	
	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Total	Note Payable - James K Leeward	
1	July, 2004	\$ 1,000	\$ 18,600	\$ (27,494)	\$ (7,894)	
2	August, 2004	1,000	18,600	(26,539)	(6,939)	
3	September, 2004	1,000	18,600	(26,288)	(6,688)	
4	October, 2004	1,000	18,600	(26,897)	(7,297)	
5	November, 2004	1,000	18,600	(26,140)	(6,540)	
6	December, 2004	1,000	18,600	(36,724)	(17,124)	41,000
7	January, 2005	1,000	18,600	(35,106)	(15,506)	41,000
8	February, 2005	1,000	18,600	(34,252)	(14,652)	41,000
9	March, 2005	1,000	18,600	(33,266)	(13,666)	41,000
10	April, 2005	1,000	18,600	(37,002)	(17,402)	41,000
11	May, 2005	1,000	18,600	(37,012)	(17,412)	41,000
12	June, 2005	1,000	18,600	(36,138)	(16,538)	41,000
13	12-month average	<u>\$ 1,000.0</u>	<u>\$ 18,600</u>	<u>\$ (31,905)</u>	<u>\$ (12,305)</u>	<u>\$ 23,917</u>
14	Interest rate					<u>0.0650</u>

County-Wide Utility Co., Inc.
 Calculation of AFUDC Rate
 (Unaudited)

Line
No.

1
2
3
4
5
6
7
8
9
11
12
13

I.

II.

Formula

$$M = \left[\left(1 + \frac{A}{100} \right)^{1/12} - 1 \right] \times 100$$

Where:

M = Discounted monthly AFUDC rate
 A = Annual AFUDC rate

Application

$$M = \left[\left(1 + \frac{8.26}{100} \right)^{1/12} - 1 \right] \times 100$$

$$M = \left[\left(1.0826 \right)^{1/12} - 1 \right] \times 100$$

$$M = \left[1.00663572 - 1 \right] \times 100$$

$$M = 0.663572$$