

ORIGINAL

MEMORANDUM

March 14, 2006

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COMMISSION
CLERK

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (GERVASI) *RG*

RE: DOCKET NO. 050862-WU - Application for staff-assisted rate case in Marion County by County-Wide Utility Co., Inc.

A copy of the attached e-mail was placed on the correspondence side of the above styled docket in January, 2006. Please file the attached e-mail in the actual docket file.

DATE DOCUMENT SENT TO CCA 3/15/06

RG/pz
Attachments/Dirk Leeward to Rosanne Gervasi

- CMP _____
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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Rosanne Gervasi

From: Dirk Leeward [CountyWide@mfi.net]
Sent: Wednesday, January 04, 2006 3:58 PM
To: Rosanne Gervasi
Subject: Request for Interim Rates and Expedited Staff Assisted Rate Case - Docket 050862-WU
Attachments: SARC Cover Letter 3.pdf

Dear Commissioners:

When we applied for our SARC on November 8th, we requested that the Commission allow interim rates. The staff has recommended that our request be denied.

As we detailed in the attached application, our company has invested about \$1 million dollars into the system (almost all of it in the last year) to upgrade service, provide fire protection, and to avoid spending additional funds to replace a failing water tank. The interest alone on the debt for this investment is estimated to be over \$7,000 per month while our current net operating income is about break-even. Our gross revenues for 2004 were only \$110,000, which is about \$9,100 per month. As you can see, by not allowing interim rates, this investment will cause an extreme financial burden on our company.

We have already installed the connection to the City of Ocala and taken our water plant offline, we have no alternative other than to buy bulk water from the City.

As a company with no rate base and selling water at break-even, we need immediate relief and believe this situation constitutes an emergency.

After multiple conversations with Troy Rendell, we realize that staff is trying to follow precedent set many years ago for a huge water utility, but we feel that our situation is quite different. There is no question that we have invested the time and money to upgrade our system. We do not feel there is any statutory prohibition to letting our small company earn a fair return on that investment and not require us to subsidize it for the first year.

Should the interim rates not be approved, we ask that you instruct staff to expedite our SARC. Your auditor has already reviewed our books and commented that the condition of our records were in the top 1% of the companies that he has audited. We will cooperate fully and as quickly as possible.

Thank you for your consideration.

County-Wide Utility Co., Inc.

Dirk J. Leeward, President