

ORIGINAL

MEMORANDUM

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TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES COMMISSION CLERK

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

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

Attached is correspondence dated June 30, 2006, with attachment, to Rosanne Gervasi from County-Wide Utility Co., Inc. president, Dirk J. Leeward. Please file in the above styled docket.

DATE DOCUMENT SENT TO CCA 7/5/06

RG/pz
Attachments/Dirk Leeward to Rosanne Gervasi

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC 1
- OTH _____

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

County-Wide Utility Co., Inc.

June 30, 2006


Roseanne Gervasi, Senior Attorney
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

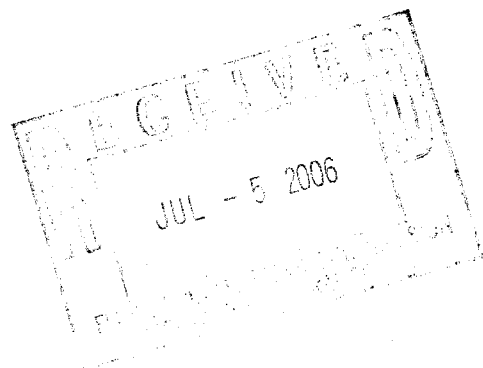
Dct (850)413-6224

Dear Ms. Gervasi:

The purpose of this letter is to certify the June 30, 2006 mailing of the customer meeting notice to all our customers regarding the July 19, 2006 customer meeting to be held at the Marion County Commission Auditorium. Please find enclosed a copy of the customer meeting notice.

Sincerely,
COUNTY-WIDE UTILITY CO., INC.


Dirk J. Leeward, President



Enc. 6/30/06 Customer Meeting Notice for 7/19/06 Scheduled meeting

Mailing Address: P.O. Box 1476 · Ocala, FL 34478-1476
Office Address: 3233 SE Maricamp Rd., Suite 601 · Ocala, FL 34471

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETINGS
TO THE CUSTOMERS OF COUNTY-WIDE UTILITY COMPANY, INC.
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 050862-WU
APPLICATION OF COUNTY-WIDE UTILITY COMPANY, INC.
FOR A STAFF-ASSISTED RATE CASE IN
MARION COUNTY

Issued: June 30, 2006

Notice is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss the application of County-Wide Utility Company, Inc. (County-Wide or utility) for a staff-assisted rate case (SARC) in Marion County. The meeting will be held at the following time and place:

6:00 p.m., Wednesday, July 19, 2006
Marion County Commission Auditorium
McPherson Complex
601 Southeast 25th Avenue
Ocala, Florida 34471-2690

All persons who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners of the Florida Public Service Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all the customers have been heard.

The Public Service Commission Staff is also attempting to meet with representatives of customer groups and homeowners associations on July 19, 2006 between 2:00 p.m. and 5:00 p.m. at the McPherson Complex. If you are a representative of a customer group or homeowners association and you have not been contacted by the Public Service Commission Staff, and wish to meet with staff, please contact Troy Rendell at (850) 413-6934 or Shannon Hudson at (850) 413-7021 of the Public Service Commission staff prior to July 17, 2006.

All persons who wish to participate in individual meetings are urged to make an appointment, since the individual meeting session may be canceled if no appointments are made.

Any person requiring some accommodation at the customer meeting(s) because of a physical impairment should call the Division of Commission Clerk and Administrative Services at (850)413-6770 at least five calendar days prior to the meeting(s). Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

PURPOSE

The purpose of this meeting is to give customers and other interested persons an opportunity to offer comments to the Public Service Commission Staff regarding the quality of service the utility provides, the proposed rate increase, and to ask questions and comment on staff's preliminary rates included in this notice as well as other issues. Staff members will summarize County-Wide's proposed filing, the preliminary work accomplished, and answer questions to the extent possible. A representative from the utility has also been invited to respond to questions.

At the beginning of the meeting, procedures will be established for the order of comments. The Public Service Commission Staff will have sign-up sheets, and customers will be called to speak in the order that they sign-up. Public Service Commission Staff will be available to coordinate customers' comments and to assist members of the public.

Any person who wishes to comment or provide information to staff may do so at the meetings, orally or in writing. Written comments may also be sent to the Commission at the address given at the end of this notice. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Public Service Commission's toll-free facsimile line at 1-800-511-0809.

BACKGROUND

County-Wide Utility Company, Inc. (County-Wide or utility) is a Class C water utility serving 482 water customers in Marion County. According to the utility's 2004 annual report, total gross revenue was \$109,074 and total operating expenses were \$108,127.

Due to a 1996 change in Marion County's Land Development Code to require fire flow in new developments, County-Wide hired an engineer to perform a capacity analysis and to look at alternatives to expand capacity and provide fire flow. After considering alternatives, County-Wide entered into an agreement with the City of Ocala for the interconnection of its system to receive bulk water and wastewater. County-Wide has constructed an interconnection between its existing system and the City of Ocala and has begun purchasing water.

On November 10, 2005, the Commission received County-Wide's application for a SARC. In this application, the utility requested interim rates. The utility's interim rates request was based on it being allowed to immediately earn a return on its major investment. By Order No. PSC-06-0063-FOF-WU, issued January 24, 2006, in the instant docket, the Commission denied the utility's request for interim rates. This denial was based on Section 367.0814(4), Florida Statutes which provides that:

[t]o establish interim relief, there must be a demonstration that the operation and maintenance expenses exceed the revenues of the regulated utility, and interim rates shall not exceed the level necessary to cover operation and maintenance expenses as defined by the Uniform System of Accounts for Class C Water and Wastewater Utilities (1996) of the National Association of Regulatory Utility Commissioners.

However, because it is critical for the utility to continue payment to the City of Ocala for the purchase of water, the Commission encouraged staff to continue to explore alternative avenues for expedited rate relief. By Order No. PSC-PSC-06-0336-PCO-WU, issued April 24, 2006, in this docket, the Commission approved a 127.60% emergency rate increase, subject to refund with interest, for County-Wide.

CURRENT AND PRELIMINARY RATES AND CHARGES

Staff has compiled the following rates and charges for the purpose of discussion at the customer meeting. These rates are preliminary and subject to change based on information gathered at the customer meeting, further staff review, and the final decision by the Commissioners. The utility's current and staff's preliminary rates and charges are as follows:

	UTILITY'S EXISTING RATES	COMMISSION APPROVED EMERGENCY RATES	STAFF PRELIMINARY RATES
Residential			
and General Service			
<u>Base Facility Charge by Meter Size:</u>			
5/8" X 3/4" *	\$13.23	\$30.11	\$12.88
3/4"			\$19.32
1" **	\$33.05	\$75.22	\$32.20
1-1/2" ***	\$66.10	\$150.44	\$64.40
2"			\$103.04
3"			\$206.08
4"			\$322.00
6"			\$644.00
<u>Residential Service Gallonage Charge</u>			
* BFC includes 3.75 kgals for existing and emergency rates			
3.75kgals - 22.5 kgals	\$1.89	\$4.30	
22.5 kgals +	\$1.02	\$2.32	
** BFC includes 9.4 kgals for existing and emergency rates			
9.4 kgals - 46.8 kgals	\$1.89	\$4.30	
46.8 kgals +	\$1.02	\$2.32	
*** BFC includes 18.8 kgals for existing and emergency rates			
18.8 kgals - 93.6 kgals	\$1.89	\$4.30	
93.6 kgals +	\$1.02	\$2.32	
0-10 kgals			\$3.45
10,001 - 20 kgals			\$4.31
20,000 kgals+			\$5.18
<u>General Service Gallonage Charge</u>			
Per 1,000 Gallons			\$3.64

SERVICE AVAILABILITY CHARGES

Currently, the utility's tariff has a provision for service availability charges for future customers. The utility's existing service availability policy includes a system capacity charge of \$350.00. Since the utility interconnected to the City of Ocala for purchased water, the system capacity charge is no longer applicable.

Staff's preliminary recommendation is that the utility's service availability policy should be revised to allow a main extension charge of \$1,012. The main extension charge would help to ensure that future customers would pay their pro-rata share of the cost of the interconnection.

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated June 19, 2006. Copies of the report may be examined by interested members of the public from 8:00 a.m. to 4:00 p.m., Monday through Friday at the following location:

County-Wide Utility Company, Inc.
3233 SE Maricamp Rd., Suite 160
Ocala, FL 34471

PROCEDURES AFTER CUSTOMER MEETINGS

After the meetings, Public Service Commission Staff will prepare a recommendation which is scheduled to be submitted to the Public Service Commission on August 17, 2006. The Public Service Commission will then vote on staff's recommendation at its August 29, 2006 agenda conference. The Commission will thereafter issue a proposed agency action (PAA) order containing rates which may be different from those contained in staff's final recommendation. Substantially affected persons have 21 days from the date the PAA order is issued to protest the Commission's proposed agency action order. Five to ten customers or persons who attend the meeting and who wish to receive a copy of the recommendation and the order should so indicate at the meeting. Those individuals are expected to distribute the information in the recommendation and the order to other customers. Anyone who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so in writing to the Commission at the address at the end of this notice.

HOW TO CONTACT THE COMMISSION

Written comments regarding the utility and the proposed rates, and requests to be placed on the mailing list for this case, may be directed to this address:

Director, Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

All correspondence should refer to "Docket No. 050862-WU, County-Wide Utility Company, Inc."

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Consumer Affairs at the following toll-free number: 1-800-342-3552.

This notice was prepared by Commission Staff for distribution by the utility to its customers.