

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by FLORIDA WATERWORKS)	DOCKET NO. 860184-PU
ASSOCIATION for investigation of)	ORDER NO. 24027
proposed repeal of Section 118(b),)	ISSUED: 124-91
Internal Revenue Code (Contributions-in-)	
aid-of-construction))	
)	

ORDER GRANTING REQUESTS FOR EXTENSION
OF TIME TO FILE PETITIONS FOR GROSS-UP

Pursuant to the Tax Reform Act of 1986, on January 1, 1987, contributions-in-aid-of-construction (CIAC) became includible in gross income for federal income tax purposes. Accordingly, by Order No. 16971, issued December 18, 1986, this Commission authorized corporate utilities to elect to "gross-up" CIAC in order to meet the resulting tax effect.

By Order No. 21266, issued May 22, 1989, the Commission proposed to establish certain guidelines to control the collection of the gross-up. On June 12, 1989, the Florida Waterworks Association and fourteen individual water and/or wastewater utilities protested Order No. 21266.

By Order No. 21436, issued June 26, 1989, we proposed to require several utilities to refund certain amounts of the gross-up collected or to make one-time adjustments to their depreciation reserves. On July 17, 1989, six individual water and/or wastewater utilities protested Order No. 21436. Based upon the protests of Orders Nos. 21266 and 21436, we held a hearing on these matters on April 27 and 30, 1990.

By Order No. 23541, issued October 1, 1990, we authorized the continued use of the gross-up, prescribed regulatory and accounting treatments for the gross-up, and required refunds of certain gross-up amounts collected. Although we endorsed the gross-up, we determined that it should only be allowed upon our approval and required all utilities that wish to collect the gross-up, whether or not they are already doing so, to file a formal request for the gross-up with this Commission. As for those utilities that are currently collecting the gross-up, we allowed them to continue to do so pending their filing such a request on or before October 29, 1990.

By letter dated December 18, 1990, Sunray Utilities, Inc. ("Sunray") requested an extension of time to file its petition for authority to collect the gross-up. According to Sunray, it has

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been involved in a corporate reorganization, and the persons responsible for preparing the petition have not been available. Sunray also argues that there are still several matters pending in this docket that could affect its application. Sunray further argues that there is no possibility of harm resulting from an extension since it is still subject to the refund requirements under this Commission's orders.

By letter dated December 21, 1990, Utilities Inc. of Florida, Miles Grant Water and Sewer Company, Inc., and Lake Utility Services, Inc. (collectively referred to as "utilities") requested an extension of time to file their petitions for authority to collect the gross-up. Although the utilities made no arguments regarding the appropriateness of such an extension, presumably the arguments regarding pending matters and the refund requirement would apply here, too.

By letter dated December 26, 1990, Gulf Utility Company (Gulf) requested an extension of time to file its petition for authority to gross-up. Again, although Gulf made no argument regarding the appropriateness of such an extension, the same arguments would presumably apply in its case.

Since there are no time limitations imposed by statute or rule, and since it does not appear that anyone would be prejudiced by granting the above requests for extensions of time to file petitions for continued authority to collect the gross-up, the requests are granted.


It is, therefore,

ORDERED by Commissioner Michael McK. Wilson, as Prehearing Officer, that the requests for extension of time filed by Sunray Utilities, Inc., Utilities Inc. of Florida, Miles Grant Water and Sewer Company, Inc., Lake Utility Services, Inc., and Gulf Utility Company are hereby granted. It is further

ORDERED that Sunray Utilities, Inc., Utilities Inc. of Florida, Miles Grant Water and Sewer Company, Inc., Lake Utility Services, Inc., and Gulf Utility Company shall file their petitions for continued authority to gross-up CIAC no later than by the close of business on February 1, 1991.

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By ORDER of Commissioner Michael McK. Wilson, as Prehearing
Officer, this 24th day of JANUARY, 1991.



MICHAEL MCK. WILSON, Chairman
and Prehearing Officer

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or sewer utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.