

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Disposition of) DOCKET NO. 921240-WS
contributions in aid of) ORDER NO. PSC-95-1201-FOF-WS
construction (CIAC) gross-up) ISSUED: September 27, 1995
funds received by FLORIDA CITIES)
WATER COMPANY in Brevard,)
Collier, and Lee Counties)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
JULIA L. JOHNSON

ORDER AUTHORIZING UNCLAIMED REFUNDS OF EXCESS GROSS-UP COLLECTED
ON CONTRIBUTIONS IN AID OF CONSTRUCTION TO BE CREDITED TO
CONTRIBUTIONS IN AID OF CONSTRUCTION

BY THE COMMISSION:

BACKGROUND

Florida Cities Water Company (FCWC or utility) is a Class A utility providing water and wastewater service to systems in the following counties: Brevard, Collier, and Lee. According to its 1994 annual report, the utility is serving approximately 23,751 water customers and 14,185 wastewater customers. On a total company basis, the utility reported water revenues of \$10,870,480 with net operating income of \$3,328,392, and wastewater revenues of \$7,212,077 with net operating income of \$1,430,028 in 1994.

By Order No. PSC-94-0213-FOF-WS, issued February 23, 1994, in this docket, we required the utility to refund a total of \$282,037, or \$30,478 for 1987, \$95,341 for 1988, \$86,097 for 1989, and \$70,121 for 1990, plus accrued interest through the date of refund, for gross-up collections in excess of the actual tax liability resulting from the collection of contributions in aid of construction (CIAC). On July 1, 1994, FCWC implemented the refund by mailing payment checks to contributors. Order No. 16971, issued December 18, 1986, and Order No. 23541, issued October 1, 1990, require that refunds be made on a pro rata basis to those persons who contributed the taxes. As of July 31, 1995, \$41,735 (which includes accrued interest) of the refunds remained unclaimed.

DOCUMENT NUMBER-DATE

09516 SEP 27 95

FPCO-REGULATORY REPORTING

DISPOSITION OF UNRECLAIMED REFUNDS

We ordered the utility to complete the refunds within six months of the issuance date of Order No. PSC-94-0213-FOF-WS, February 23, 1994. We further ordered the utility to submit copies of canceled checks, credits applied to monthly bills or other evidence verifying that the refunds had been made, within 30 days from the date of refund. On July 20, 1994, the utility filed its refund report, which consisted of the check register and refund worksheets. However, the check register and the refund worksheets only indicated that the refund checks had been drawn, but were not evidence that the checks had been issued and processed. We then granted the utility additional time to allow the checks drawn on July 1, 1994, to clear the bank, whereupon the utility would submit a ten per cent sample of copies of cancelled checks and make the effort necessary to locate any recipients of unclaimed refunds.

On August 4, 1995, the utility submitted its final refund report. In its efforts to complete the refund to all contributors, the utility investigated all deposit records and prepared a mailing list of all contributors of CIAC for the years 1987, 1988, 1989, and 1990; investigated undeliverable returned mail to search for current addresses; and made inquiry to the Florida Division of Corporations on May 26, 1995, to furnish current addresses of 23 corporate contributors. As noted earlier, as of July 31, 1995, refunds totalling \$41,735, or 11% of the refunds ordered, remained unclaimed.

The utility's final report conforms with the requirements of Order No. PSC-94-0213-FOF-WS. Accordingly, we find it appropriate that FCWC be allowed to credit its CIAC accounts in the amount of the unclaimed refunds of \$41,735. Of this amount, \$6,686 shall be applied to the accounts of the Golden Gate division in Collier County, \$5,350 to water and \$1,336 to wastewater. Further, \$35,049 shall be applied to the accounts of the Fort Myers division in Lee County, \$667 to North Fort Myers Water, \$459 to North Fort Myers Wastewater, \$23,917 to South Fort Myers Water and \$10,006 to South Fort Myers Wastewater. According to the utility's 1994 annual report, the utility was 55.1% contributed for the water system and 41.5% contributed for the wastewater system. The credits authorized herein to its CIAC accounts will not cause the utility to exceed the maximum contribution level defined in Rule 25-30.580, Florida Administrative Code.

Nonetheless, FCWC shall be required to honor any remaining refund claims submitted to the utility within twelve months following the date of issuance of this order. Each refund made within that twelve month period, which we view as a reasonable

ORDER NO. PSC-95-1201-FOF-WS
DOCKET NO. 921240-WS
PAGE 3

length of time to permit further claims, shall be accompanied by an appropriate reduction to the CIAC account.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Florida Cities Water Company is permitted to treat \$41,735 of unclaimed refunds of excess gross-up on contributions in aid of construction collected in the years 1987, 1988, 1989, and 1990 as contributions in aid of construction. It is further

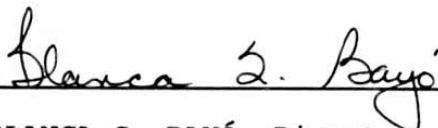
ORDERED that Florida Cities Water Company shall allocate the \$41,735 of unclaimed refunds of excess gross-up on contributions in aid of construction collected in the years 1987, 1988, 1989, and 1990 to the contributions in aid of construction accounts of its various divisions as set forth in the body of this Order. It is further

ORDERED that Florida Cities Water Company shall honor any further refund claims submitted to the utility within twelve months following the date of issuance of this Order. It is further

ORDERED that Florida Cities Water Company shall make a corresponding reduction to the appropriate contributions in aid of construction account for each further claim honored in the twelve months following the issuance of this Order. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 27th day of September, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

LAJ

ORDER NO. PSC-95-1201-FOF-WS
DOCKET NO. 921240-WS
PAGE 4

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 the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.