

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of BEAUCLERC	)	DOCKET NO. 890351-WS
UTILITIES COMPANY to remove gross-up	)	ORDER NO. 21098
provisions in Duval County.	)	ISSUED: 4-24-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, CHAIRMAN  
 THOMAS M. BEARD  
 BETTY EASLEY  
 GERALD L. GUNTER  
 JOHN T. HERNDON

ORDER APPROVING DISCONTINUATION OF  
 GROSS-UP ON CIAC AND CLOSING DOCKET

BY THE COMMISSION:

Beauclerc Utilities Company provides water and wastewater service to approximately 1300 customers in Duval County. The utility is currently in a rate case proceeding before this Commission in Docket No. 880446-WU.

By our Order No. 16971, issued in Docket No. 860184-PU on December 16, 1986, we authorized a formula by which utilities could gross-up certain cash and property contributions (contributions-in-aid-of-construction or CIAC). That Order was a direct result of the amendment of Section 118(b) of the Internal Revenue Code making certain types of contributions subject to taxation. Subsequently, by Order No. 17396 in Docket No. 860184-PU, issued April 14, 1987, we clarified that the gross-up provisions were not available to sole proprietorships, partnerships, or Subchapter S corporations. In Order No. 18266 in Docket No. 870274-WS, issued on October 8, 1987, we reiterated that the gross-up was not available to sole proprietorships, partnerships, or Subchapter S corporations.

On March 13, 1987, Beauclerc Utilities Company filed revised tariff sheets requesting authority to gross-up its CIAC pursuant to the formula we set out in Order No. 16971. We approved tariff sheets submitted by the utility to incorporate the provisions of Order No. 16971.

On December 28, 1988, the utility filed a letter notifying us that it had elected Subchapter S income tax treatment, effective January 1, 1989, and requesting our approval of revised tariff sheets removing the gross-up provisions. We find that the utility's request to discontinue its gross-up of CIAC is appropriate in light of Orders Nos. 17396 and 18266. The utility requested that the revised tariff sheets be effective January 1, 1989. We concur with this request. The utility should be aware that our approval of this request does not relieve it of the provisions of Order No. 16971, requiring the filing of tax returns and workpapers related to the collection of the gross-up for the years prior to its election of Subchapter S status (1987 and 1988). Since there is no further action to be taken in this docket, it may be closed.

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Based on the foregoing, it is therefore,

ORDERED by the Florida Public Service Commission that Beauclerc Utilities Company's request to discontinue its gross-up of CIAC is hereby approved as set forth in the body of this Order. It is further

ORDERED that this docket be closed.

By ORDER of the Florida Public Service Commission,  
this 24th day of APRIL, 1989.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

SFS

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 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 or sewer 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.