**FLORIDA PUBLIC SERVICE COMMISSION**

 **Fletcher Building**

 **101 East Gaines Street**

 **Tallahassee, Florida 32399-0850**

 **M E M O R A N D U M**

 **OCTOBER 8, 1992**

**TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING**

**FROM : DIVISION OF WATER AND WASTEWATER (McCASKILL,IWENJIORA)**

 **DIVISION OF LEGAL SERVICES (BEDELL)**

**RE : UTILITY: SAN PABLO UTILLITIES CORPORATION**

**DOCKET NO.: 901019-WS - REQUEST FOR CONTINUATION OF GROSS-UP OF**

 **CONTRIBUTION-IN-AID-OF-CONSTRUCTION**

**COUNTY: DUVAL**

**AGENDA : OCTOBER 20, 1992 - PROPOSED AGENCY ACTION - PARTIES MAY
 PARTICIPATE**

**CRITICAL DATES: NONE**

**PANEL : FULL COMMISSION**

**AGENDA RECOMMENDATION FILENAME: W901019B.REC**

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 **CASE BACKGROUND**

 On December 28, 1990, San Pablo Utilities Corporation (San Pablo or the utility) filed a request for authority to continue grossing-up contributions-in-aid of-construction (CIAC). Prior to our ruling on this petition, San Pablo submitted an application for the transfer of its facilities to Jacksonville Suburban Utilities Corporation (Jacksonville Suburban) which was approved in Docket No. 911095-WS, by Order No. PSC-92-0370-FOF-WS, issued May 14, 1992. On December 12, 1991, the utility filed a Motion for Voluntary Withdrawal stating that both San Pablo and the acquiring utility, Jacksonville Suburban, wished to have the request for continued gross-up authority withdrawn.

 By Order No. PSC-92-0117-FOF-WS, issued March 30, 1992, this Commission required the refund of CIAC gross-up monies and interest to contributors on a pro rata basis for the years ended 1987, 1988, 1989, 1990 and 1991. The utility was also granted leave to withdraw the request to continue gross-up of contributions-in aid-of-construction. The docket was to remain open for six months for verification of the refund.

 On September 30, 1990, Jacksonville Suburban requested additional time to complete the distribution of the refunds. We acknowledge this request and believe that Jacksonville Suburban should be granted additional time to make the refunds.

  **DISCUSSION OF ISSUES**

**ISSUE 1:** Should Jacksonville Suburban be granted additional time until October 31,1992 to complete the refund of CIAC gross-up monies with interest for San Pablo Utilities Corporation which was required by Order No. PSC-92-0117-FOF-WS, issued March 30, 1992?

**RECOMMENDATION**: Yes. The Commission should grant Jacksonville Suburban additional time to complete the distribution of the refunds required of San Pablo by Order No. PSC-92-0117-FOF-WS. The utility should submit copies of cancelled checks, credits applied to monthly bills, or other evidence which verifies that the refunds have been made within thirty (30) days after the completion of the refund. Further, the utility should submit information regarding the amount of any unclaimed refunds and evidence of its attempts to locate recipients of the unclaimed refunds. Also, any unclaimed refunds shall be treated as cash contributions-in-aid-of-construction by the utility. (McCASKILL, IWENJIORA)

**STAFF ANALYSIS**: On December 28, 1990, San Pablo Utilities Corporation filed its request for continued authority to gross-up contributions-in-aid-of-construction for the related tax impact. On October 28, 1991, San Pablo submitted an application for the transfer of its facilities to Jacksonville Suburban Utilities Corporation, which was granted in Docket No. 911095-WS, by Order No. PSC-92-0370-FOF-WS, issued May 14, 1992.

 On September 30, 1992, Jacksonville Suburban informed us that, currently, six refund checks have been delivered and another six potential recipients had contacted Jacksonville Suburban regarding the required documentation for receiving a refund. The notices that were sent by certified mail to the remaining eight potential recipients have been returned undelivered. The unclaimed refunds relating to the eight potential recipients is approximately $22,180. Jacksonville Suburban is attempting to ascertain the current addresses of these recipients.

 Order No. PSC-92-0117-FOF-WS required that the refund should be completed within six months from the date of the order, and the utility should submit copies of cancelled checks, credits applied to monthly bills, or other evidence which verifies that the refunds had been made. The order required that the refunding be completed by September 30, 1992. Jacksonville Suburban would like to continue its efforts to make refunds until October 31, 1992. Staff recommends that the Commission grant the utility's request for additional time to complete the refund of CIAC gross-up monies with interest to the contributors. Also, the utility should submit copies of cancelled checks, credits applied to monthly bills, or other evidence which verifies that the refunds have been made within thirty days from the completion of the refund. Further, the utility should submit information regarding the amount of any unclaimed refunds and evidence of its attempts to locate recipients of the unclaimed refunds. Also, after staff has verified the completion of the refund and determined that the necessary effort for any unclaimed refunds have been made, any unclaimed refunds shall be treated as cash contributions-in-aid-of-construction by the utility.

**ISSUE 2**: Should the docket be closed?

**RECOMMENDATION**: No, the docket should remain open to monitor the refund and upon verification of the refund the docket will be closed administratively. (MCCASKILL, IWENJIORA, BEDELL)

**STAFF ANALYSIS**: This docket should remain open for verification of the completion of the refund. The docket will be closed administratively after the refund has been verified.

(W(901019-WS)(A).REC