

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation of Rates, Charges) DOCKET NO. 861112-SU
of Sanibel Sewer System Partners, Ltd.) ORDER NO. 21591
for sewer service in Lee County.) ISSUED: 7-21-89

The following Commissioners participated in the disposition of this matter:

MICHAEL MCK. WILSON, Chairman
BETTY EASLEY
GERALD L. GUNTER
JOHN T. HERNDON

ORDER VERIFYING REFUND AND CLOSING DOCKET

BY THE COMMISSION:

This matter was originally assigned to a panel of two Commissioners. Pursuant to Section 350.01(6), Florida Statutes, a majority of the Commissioners may determine that the full Commission shall sit in any proceeding. On the motion of one of the original panel members, this matter was reassigned to the full Commission at the July 11, 1989, Agenda Conference.

By Order No. 16621, issued on September 22, 1986, we initiated an investigation of the sewer rates and charges of Sanibel Sewer System Partners, Ltd. (utility). The basis of the investigation was a desk audit of the utility's 1985 Annual Report which suggested that the utility was achieving a 34.55% rate of return, far in excess of the 10.08% maximum overall rate of return calculated in accordance with Section 367.082, Florida Statutes. We also found preliminarily that a 58% reduction in existing service availability charges would allow a 75% level of contributions-in-aid-of-construction (CIAC) at design capacity.

Subsequently, the utility and Commission Staff entered into settlement negotiations. In November 1987, the utility filed a proposed Stipulation in Settlement. By Order No. 18529, issued December 11, 1987, the Commission approved the proposed stipulation in settlement as a fair and reasonable resolution to the investigation.

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As part of the Settlement, the utility agreed to refund all cash service availability charges collected in excess of \$300 per Equivalent Residential Connection (ERC) from July 1, 1984 through December 1, 1987, the approval date of the settlement. The refund was to be made within one year of December 1, 1987. The utility agreed to file a service availability case, which it did and which has been processed under Docket No. 880420-SU.

In Docket No. 880420-SU, the utility stated that it had been its "intent to ask that it not be required to refund the \$98,750 previously paid by the three (3) named customers related to the extension of the West Gulf Drive Line." The Commission denied the request in that docket and required the utility, pursuant to Order No. 20723, issued February 10, 1989, to proceed with the completion of the refunds within ten days of the date of the Commission's vote at the February 7, 1989 Agenda Conference. The refund was ordered with interest accruing up to the date of the refund. The utility made a refund within the required time. However, the refund was made to the property owners as of February 7, 1989, not the property owners as of December 1, 1987, as required in Order No. 20723. The utility has now made the refunds to the appropriate people, as verified by our Staff.

The total amount refunded was \$263,144. \$728 was not refunded for several reasons. The revenue refund portion, \$263, and the CIAC refund portion, \$143, are the result of rounding and the use of a slightly different factor for calculating the interest due. Since the amount due is insignificant, less than 1% of the total amount that should have been refunded, we do not believe the utility should be required to make an additional refund. The remaining \$322 is due to the utility's inability to locate two people who paid the CIAC charges and never connected to the system.

Rule 25.30.360(8), Florida Administrative Code, requires that with the last refund report, the company shall suggest a method for disposing of any unclaimed refunds. The Commission shall then order a method of disposing of the unclaimed refunds. We concur with the proposal for the utility to hold the unclaimed refunds and the differentials due to rounding and interest factor for one year, at which time the remaining balance should be credited to CIAC. This method is consistent with our policy regarding the disposition of unclaimed refunds.

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There being no further action to be taken in this matter, this docket may be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the refunds required by Orders Nos. 18519 and 20723 has been properly made and verified. It is further

ORDERED that the unclaimed refunds and differentials due to rounding and interest factors shall be disposed of as set forth in the body of this Order. It is further

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission, this 21st day of JULY, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

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