

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by FLORIDA WATERWORKS)	DOCKET NO. 860184-PU
ASSOCIATION for investigation of)	ORDER NO. 23977
proposed repeal of Section 118(b),)	ISSUED: 1-10-91
Internal Revenue Code (Contributions-in-)	
aid-of-construction))	
)	

ORDER GRANTING EXTENSIONS OF TIME TO
FILE REQUESTS 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 revenues. 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.

On November 6, 1990, Fountain Lakes Sewer Corporation filed a motion for a sixty-day extension of time to file its petition for authority to collect the gross-up. On November 7, 1990, Forest Utilities, Inc. filed a motion for a sixty-day extension of time to file its petition.

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In their motions, movants argue that the deadline for filing petitions, as set forth in Order No. 23541, is the result of certain language in Staff's recommendation to this Commission, which language was buried in a related issue. According to petitioners, they did not realize that such a strict time schedule was being contemplated until we issued Order No. 23541. Movants also argue that there are no time limitations imposed by statute or rule and that no one would be prejudiced if they were granted an additional 60 days to file their requests.

No responses were filed to these motions and the time for filing such has expired.

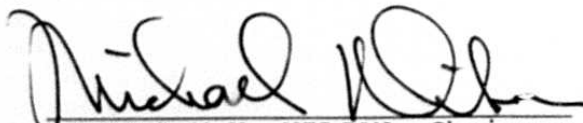
Since there are no time limitations imposed by statute or rule, and since it does not appear that anyone would be prejudiced by granting movants' motions, they are hereby granted.

It is, therefore,

ORDERED by Chairman Michael McK. Wilson, as Prehearing Officer, that the motions for extension of time filed by Fountain Lakes Sewer Corporation and Forest Utilities, Inc. are hereby granted. It is further

ORDERED that Fountain Lakes Sewer Corporation and Forest Utilities, Inc. shall file their requests for continued authority to gross-up CIAC no later than by the close of business on January 2, 1991.

By ORDER of Chairman Michael McK. Wilson, as Prehearing Officer, this 10th day of JANUARY, 1991.


MICHAEL MCK. WILSON, Chairman
and Prehearing Officer

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RJP

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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.