

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application to retain )  
gross-up of Contributions-in- )  
Aid-of-Construction (CIAC) in )  
Marion County by TRADEWINDS )  
UTILITIES, INC. )  
\_\_\_\_\_ )

DOCKET NO. 900840-WS

ORDER NO. 25068

ISSUED: 9/16/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY  
MICHAEL McK. WILSON

**NOTICE OF PROPOSED AGENCY ACTION**  
**ORDER APPROVING CONTINUED GROSS-UP OF**  
**CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION**

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.0290, Florida Administrative Code.

**BACKGROUND**

In Order No. 23541, issued October 1, 1990, we determined that any water and wastewater utility currently grossing-up contributions-in-aid-of-construction (CIAC) must file a petition for continued authority to gross-up. On October 22, 1990, Tradewinds Utilities, Inc. (Tradewinds or the utility) timely filed a petition requesting approval to continue to collect the gross-up on its CIAC. The information as filed did not meet the minimum filing requirements of Order No. 23541, and additional information was requested from the utility. The additional information was received from the utility on February 18, 1991.

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**APPROVAL TO CONTINUE GROSS-UP**

In accordance with Order No. 23541, Tradewinds has provided the Commission with a statement of interest coverage indicating a times interest earned (TIE) ratio of no more than 2x, and a statement that it does not have an alternative source of financing available at a reasonable rate. Further, as justification for the gross-up, Tradewinds states that based on the total gross operating revenues generated in 1990, it will not be able to generate enough revenues to cover its operating expenses and the \$59,225 of taxes associated with CIAC, and that its weak financial position would make it difficult to obtain alternative financing. Tradewinds also indicated that it selected the full gross-up method because of its small size and the complicated record keeping associated with the net present value method. Finally, Tradewinds submitted proposed tariffs for the gross-up. Based on the information filed, we find that the utility has demonstrated a continued need to collect the gross-up. Its request to continue collecting the gross-up is, therefore, approved. The proposed tariffs filed by the utility shall be effective upon the expiration of the protest period set forth in the Notice of Further Proceedings attached to this Order.

All gross-up CIAC collections are to be made in accordance with the accounting and regulatory treatments and record keeping prescribed in Orders Nos. 16971, issued December 18, 1986, and 23541, and all matters discussed in the body of those Orders are expressly incorporated herein by reference.

In consideration of the foregoing it is

ORDERED by the Florida Public Service Commission that approval is granted for Tradewinds Utilities, Inc. to continue collecting the gross-up on CIAC. It is further

ORDERED that all gross-up CIAC collections are to be made in accordance with the provisions of Orders Nos. 16971 and 23541, which are incorporated herein by reference. It is further

ORDERED that the tariff for CIAC gross-up shall be effective upon the expiration date of the protest period set forth in the Notice of Further Proceedings attached to this Order. It is further

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ORDERED that all provisions of this Order are issued as proposed agency action and shall become final, unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director of the Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that, if a substantially affected person does not file a timely protest, this docket may be closed.

By ORDER of the Florida Public Service Commission, this 16th day of SEPTEMBER, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

CB

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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on 10/07/91.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by 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 of the effective date 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.

MEMORANDUM

September 12, 1991

TO : DIVISION OF RECORDS AND REPORTING  
FROM : DIVISION OF LEGAL SERVICES (BEDELL) *CB*  
RE : DOCKET NO. 900840-WS - APPLICATION TO RETAIN  
GROSS-UP OF CONTRIBUTIONS-IN-AID-OF-  
CONSTRUCTION (CIAC) IN MARION COUNTY BY  
TRADEWINDS UTILITIES, INC.

*25068*

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Attached is a Notice of Proposed Agency Action Order Approving Continued Gross-Up of Contributions-in-Aid-of-Construction to be issued in the above-referenced docket.

CB/slc  
cc: Division of Water and Sewer

*Protest due  
to 2-2-91  
10-7-91*

DOCUMENT NUMBER-DATE

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