

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for continuation )  
of gross-up of contributions-in- )  
aid-of-construction (CIAC) in )  
Flagler County by PALM COAST )  
UTILITY CORPORATION )  
\_\_\_\_\_ )

DOCKET NO. 900876-WS  
ORDER NO. 25141  
ISSUED: 9/30/91

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.

CASE 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 29, 1990, Palm Coast Utility Corporation (Palm Coast) timely filed a petition requesting approval to continue to collect the gross-up on its CIAC.

APPROVAL TO GROSS-UP

In accordance with Order No. 23541, Palm Coast has provided the Commission with a cash flow statement, a statement of interest coverage indicating a times interest earned (TIE) ratio of no more

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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, Palm Coast states that it has demonstrated that an actual above-the-line tax liability is projected to exist in each of the years 1991 through 1995 without the gross-up. Palm Coast also indicated that it selected the net present value (NPV) gross-up method because only the carrying costs associated with the taxes on CIAC are collected from the contributor. Finally, Palm Coast submitted tariffs for the gross-up. Based on the information filed, we find that Palm Coast 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 Palm Coast will be effective upon the expiration of the protest period set forth in the Notice of Further Proceedings attached to this Order.

All CIAC gross-up collections are to be made in accordance with the accounting and regulatory treatments and record keeping prescribed in Orders Nos. 16971 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 Palm Coast Utility Corporation to continue collecting the gross-up on CIAC. It is further

ORDERED that all gross-up CIAC collections shall 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 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 the proposed tariffs filed by Palm Coast Utility Corporation shall be effective upon the expiration 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 in the event no timely protest is received, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this  
30th day of SEPTEMBER, 1991.

  
\_\_\_\_\_  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

NRF

**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

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Reporting at his office at 101 East Gaines Street, Tallahassee,  
Florida 32399-0870, by the close of business on  
10/21/91.

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 30, 1991

TO : DIVISION OF RECORDS AND REPORTING  
FROM : DIVISION OF LEGAL SERVICES (FRAZIER) *Handwritten initials*  
RE : DOCKET NO. 900876-WS - PETITION FOR CONTINUATION OF  
GROSS-UP OF CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)  
IN FLAGLER COUNTY BY PALM COAST UTILITY CORPORATION

*25141*

Attached is an Order Approving Continued Gross-Up of Contributions-In-Aid-Of-Construction in the above-referenced docket, consisting of -4- pages, which is ready to be issued.

*Handwritten scribbles*  
*Protests*  
*due 10/21/91*

NRF/lp  
cc: Division of Water and Wastewater (McCaskill)

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