

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for continuation of)	DOCKET NO. 901018-WS
gross-up of contributions-in-aid-of-))	ORDER NO. 25505
construction in Clay County by)	
KINGSLEY SERVICE COMPANY)	ISSUED: 12/18/91
_____)	

The following Commissioners participated in the disposition of this matter:

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

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

In Order No. 23541, issued October 1, 1990, we determined that any water and wastewater utility currently collecting the gross-up on contributions-in-aid-of-construction (CIAC) must file a petition for continued authority to gross-up and for approval of certain refunds to contributors. In Order No. 23689, issued October 29, 1990, we extended the time to file petitions to continue gross-up to January 2, 1991. On December 28, 1990, Kingsley Service Company (utility) timely filed a petition requesting approval to continue to collect gross-up on its CIAC.

In accordance with Order No. 23541, the utility has provided the Commission with a statement reflecting an above-the-line tax liability, a cash flow statement, a statement of interest coverage indicating a times interest earned (TIE) ratio of less 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, the utility states that it will not be able to generate enough revenues through its current rates and

DOCUMENT NUMBER-DATE

12501 DEC 18 1991

FPSC-RECORDS/REPORTING

ORDER NO. 25505
DOCKET NO. 901018-WS
PAGE 2

customer base to cover its operating expenses, the full amount of taxes associated with the collection of CIAC, and service debt.

The utility also indicated that it selected the partial gross-up percentage of 25.17 because of its cost effectiveness and equitable allocation of the tax burden between the utility and developers. Although a partial gross-up method was not specifically provided for in Order No. 23541, we find this method to be reasonable and appropriate for this utility.

Based on the information filed, we find that the utility has demonstrated a continued need to continue to collect the gross-up. Its request to continue collecting a partial gross-up is, therefore, approved. The proposed tariffs submitted by the utility shall be effective upon expiration of the protest period, if no protests are filed.

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 Kingsley Service Company to continue collecting the gross-up on CIAC. It is further

ORDERED that the tariffs filed by Kingsley Service Company shall be effective upon expiration of the protest period, if no timely protests are filed. It is further

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 25-22.0298, 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 in the event no timely protest is received, this docket shall be closed.

ORDER NO. 25505
DOCKET NO. 901018-WS
PAGE 3

By ORDER of the Florida Public Service Commission, this 18th
day of DECEMBER, 1991.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

CB

by Kay Jeyan
Chief, Bureau of Records

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 1/8/92.

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.

ORDER NO. 25505
DOCKET NO. 901018-WS
PAGE 4

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 wastewater 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.