

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Disposition of) DOCKET NO. 931129-WS
contributions in aid of) ORDER NO. PSC-95-1288-FOF-WS
construction (CIAC) gross-up) ISSUED: October 18, 1995
funds received by UTILITIES,)
INC. OF FLORIDA (Orange and)
Seminole Counties), MILES GRANT)
WATER & SEWER CO. (UTILITIES,)
INC. OF FLORIDA) (Martin)
County), and LAKE UTILITY)
SERVICES, INC. (Lake County).)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER AUTHORIZING UNCLAIMED REFUNDS OF EXCESS
GROSS-UP COLLECTED ON CONTRIBUTIONS IN AID OF CONSTRUCTION
TO BE CREDITED TO CONTRIBUTIONS IN AID OF CONSTRUCTION

BY THE COMMISSION:

Background

Utilities, Inc. of Florida (UIF or utility) is a Class A utility that owns and operates a number of water and wastewater utilities in various counties in Florida. Its Seminole County division is the only system addressed in this proceeding. For the Seminole County division, the 1994 annual report reflected water revenues of \$509,027 and wastewater revenues of \$353,924. This division reported a net operating income of \$52,335 for the water system and \$41,153 for the wastewater system.

Miles Grant Water and Sewer Co. (Miles Grant) is a Class B utility which provides water and wastewater service to customers in Martin County. According to the 1994 annual report, water revenues were reported at \$228,652 and wastewater revenues were reported at \$297,587. The utility reported a net operating income of \$42,604 for the water system and \$100,283 for the wastewater system.

Lake Utility Services, Inc. (Lake Utility) is a Class B utility which provides only water service to customers in Lake

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FPSC-RECORDS/REPORTING

County. According to the 1994 annual report, water revenues of \$176,308 and a net operating income of \$3,322 were reported.

By Order No. 23541, issued October 1, 1990, in Docket No. 860184-PU, the Commission determined that any water and wastewater utility already collecting the gross-up on CIAC and wishing to continue collecting the gross-up, must file a petition for approval with the Commission on or before October 29, 1990. Because UIF, Miles Grant, and Lake Utility did not request the continued authority to gross-up, their gross-up authority was cancelled. (Order No. 24790, issued July 10, 1991, in Docket No. 910575-WS; Order No. 24769, issued July 8, 1991, in Docket No. 910562-WS; Order No. 24771, issued July 8, 1991, in Docket No. 910559-WU).

By Order No. 24139, issued February 20, 1991, in Docket No. 900906-WU, the Commission acknowledged the corporate reorganization of UIF and Lake Utility. All territory, rates, charges, and fees applicable to UIF's Lake County systems were deleted from UIF's tariff and incorporated in Lake Utility's tariff. As a result, the unclaimed contributions in aid of construction (CIAC) gross-up refund relating to UIF's former Lake County division has been considered with Lake Utility's (which does not have any unclaimed refunds).

By Order No. PSC-94-0258-FOF-WS, issued March 8, 1994, in this docket, the Commission required UIF, Miles Grant, and Lake Utility to make refunds totalling \$11,896 plus accrued interest through the date of refund. Moreover, we determined that UIF is ultimately responsible for the total refund because it owns both the Miles Grant and the Lake Utility systems. UIF was required to refund a total of \$8,680 plus accrued interest for the fiscal years ended 1989 - 1991. Miles Grant was required to refund a total of \$3,096 plus accrued interest for the fiscal years 1989 and 1991. Lake Utility was required to refund a total of \$120 plus accrued interest for the fiscal year ended 1991. On May 23, 1994, UIF implemented the refunds by mailing payment checks. As of the September 26, 1995, Agenda Conference, \$477 of the ordered refunds remained unclaimed (including accrued interest).

DISPOSITION OF UNCLAIMED REFUNDS

We ordered UIF, Miles Grant, and Lake Utility to complete the required CIAC gross-up refunds within six months of the issuance date of Order No. PSC-94-0258-FOF-WS. We further ordered these utilities to submit copies of cancelled checks, credits applied to monthly bills, or other evidence verifying that the refunds have been made, within thirty days from the date of refund. UIF implemented the CIAC gross-up refund as ordered, by mailing payment

checks on May 23, 1994. On March 27, 1995, the utility filed its refund report. Our staff reminded the utility of the requirement that the refunds be completed within six months of the issuance date of the Order, and that the utility was to submit evidence to verify that the refunds have been made. Accordingly, the utility was allowed additional time to provide the cancelled checks and to make additional effort to locate recipients of the unclaimed refunds. On September 6, 1995, the utility filed its final refund report which indicates that Miles Grant and Lake Utility have completed their gross-up refunds, as ordered.

UIF further indicates that when the post office returned certain undelivered certified letters containing refund checks, the utility contacted directory assistance, searched its customer data base and contacted relatives of the customers to obtain updated information. Additionally, the utility obtained updated addresses from the Florida Department of State. To date, \$477 of the refunds remain unclaimed for UIF's Seminole County and its former Lake County divisions. Of this amount, \$317 relates to UIF's Seminole County division and \$160 relates to UIF's former Lake County division. This represents 4.15% of the ordered refunds.

We have reviewed the utility's final refund report and we believe that it conforms with the requirements of our Order. UIF shall credit its CIAC account in the amount of the unclaimed refunds of \$477. Of this amount, \$317 shall be applied to its Seminole County division. Of the \$317, \$138.69 shall be allocated to water and \$178.31 shall be allocated to wastewater, based on the ratio of water service availability charges to wastewater service availability charges in the utility's approved tariff. According to UIF's 1994 annual report, its Seminole County division was 24.34% contributed for the water system and 39.86% contributed for the wastewater system. According to Lake Utility's 1994 annual report, it was 41.14% contributed for the water system. Therefore, Lake Utility shall credit CIAC in the amount of \$160.00.

Further, we find that an additional twelve month period in which to honor any additional refund claims is a reasonable length of time to extend possible claims. Each refund made within the twelve month period shall be accompanied by an appropriate reduction to the CIAC account. Since no further action is required in this docket, the docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Utilities, Inc. of Florida is permitted to treat \$477 of unclaimed refunds of excess gross-up on contributions in aid of construction

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collected in the years 1989 through 1991 as contributions in aid of construction. It is further

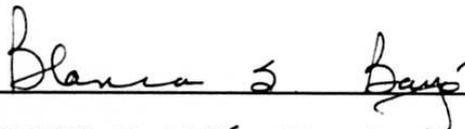
ORDERED that Utilities, Inc. of Florida shall allocate the \$477 of unclaimed refunds of excess gross-up on contributions in aid of construction collected in the years 1989 through 1991 to the contributions in aid of construction accounts of its various divisions as set forth in the body of this Order. It is further

ORDERED that Utilities, Inc. of Florida, Miles Grant Water and Sewer Co., and Lake Utility Services, Inc., shall honor any further refund claims submitted within twelve months following the date of issuance of this Order. It is further

ORDERED that Utilities, Inc. of Florida, Miles Grant Water and Sewer Co., and Lake Utility Services, Inc., shall make a corresponding reduction to the appropriate contributions in aid of construction account for each further claim honored in the twelve months following the issuance of this Order. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 18th day of October, 1995.



A handwritten signature in cursive script, reading "Blanca S. Bayó", is written over a horizontal line.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

RGC

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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 the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 and/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 after the issuance 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.