

M E M O R A N D U M

May 27, 1998

RECEIVED

MAY 27 1998
3:45
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (JAEGER) *JS*
RE: DOCKET NO. 970275-WS - DISPOSITION OF GROSS-UP FUNDS
COLLECTED BY HYDRATECH UTILITIES, INC. IN MARTIN COUNTY.

98-0734-FOF

Attached is an ORDER GRANTING UTILITY'S REQUEST TO CREDIT UNCLAIMED REFUNDS TO CIAC AND CLOSING DOCKET, to be issued in the above-referenced docket.

(Number of pages in order - 4)

see 1

RRJ/LAJ/dr

Attachment

cc: Division of Water and Wastewater (Gilchrist)

I:970275-o.rrj

*2 boxes
D made 2
5/28/98
✓ to mailroom
5/28/98
all copies made*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Disposition of gross-up
funds collected by Hydratech
Utilities, Inc. in Martin
County.

DOCKET NO. 970275-WS
ORDER NO. PSC-98-0734-FOF-WS
ISSUED: May 28, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
JOE GARCIA

ORDER GRANTING UTILITY'S REQUEST TO CREDIT UNCLAIMED REFUNDS TO
CIAC AND CLOSING DOCKET

BY THE COMMISSION:

BACKGROUND

Hydratech Utilities, Inc. (Hydratech or utility) is a Class A
water and wastewater utility providing service to approximately
5,301 water and 4,499 wastewater customers in Martin County.
According to its 1996 annual report, the utility reported gross
operating revenues of \$1,330,262 and \$1,058,728 for water and
wastewater, respectively, and net operating income of \$182,542 for
water and net operating income of \$793 for wastewater.

By Order No. PSC-97-0816-FOF-WS, issued on July 7, 1997, we
required Hydratech to refund a total of \$66,091 contributions-in-
aid-of-construction (CIAC) gross-up for the fiscal year ended
December 31, 1995. On January 12, 1998, Hydratech implemented the
refund and, to date, \$28,310.90 of the refunds remain unclaimed.
By correspondence dated March 20, 1998, Hydratech requested that it
be allowed to treat the unclaimed refunds as cash CIAC. The
utility's request to dispose of the unclaimed rerunds is the
subject of this Order.

UNCLAIMED REFUNDS

In compliance with Order No. PSC-97-0816-FOF-WS, Hydratech
implemented the refund and submitted copies of the canceled checks.
By correspondence dated March 20, 1998, Hydratech requested that it
be allowed to treat the unclaimed refunds as cash CIAC. The total

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amount of unclaimed refunds for 1995 is \$28,310.90, which represents 40.64 percent of the refunds ordered. The unclaimed refunds includes three small checks in the amounts of \$33.65, \$33.60, and \$67.24, payable to Martin Memorial Physician Corporation, Robert Komara, and Aime Coutu, respectively, and two checks for \$2,144.16 and \$26,032.25, both payable to Mobile Land Development, Inc (MLDI).

Hydratech has provided us with a list of each individual check, payee and amount remaining unclaimed. Further, the utility provided an explanation of the efforts undertaken to complete the refund. Hydratech has stated that it mailed the refund checks to the last known mailing address known for these contributors and that all means to locate them has been exhausted. As for MLDI, the utility explained that the two checks were sent by certified mail to the last known address and to date, the utility has not received or heard anything further from them. Based on the facts outlined herein, Hydratech requests that it be allowed to credit its CIAC account in the amount of \$28,310.90 in unclaimed refunds. Pursuant to Rule 25-30.360(8), Florida Administrative Code, any unclaimed refund is to be treated as CIAC.

According to the utility's 1996 annual report, the utility is 74.40 percent contributed for the water system and 70.75 percent contributed for the wastewater system. Based on the foregoing, Hydratech shall be allowed to credit its CIAC account in the amount of \$28,310.90 in unclaimed refunds. Of this amount, \$14,155.45 shall be allocated to water and \$14,155.45 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. As previously stated, the total amount of unclaimed refunds represents 40.64 percent of the refunds ordered, which is unusually high. In addition, the two checks sent by certified mail to MLDI have not been cashed and to date the utility has not heard from MLDI or the current developer. Because a potential claim may be made for \$28,176.41 of the refund by the current developer, for this particular case, we believe an additional 90-day period in which to honor any additional refund claims is warranted. Each refund made within the 90-day time frame shall be accompanied by an appropriate reduction to the CIAC account.

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CLOSING OF DOCKET

There is no further action to be taken in this docket, and the docket shall be closed.

Based on the foregoing, it is

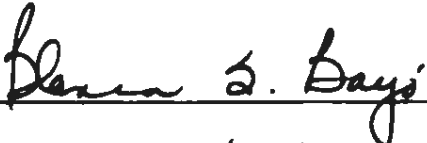
ORDERED by the Florida Public Service Commission that the request of Hydratech Utilities, Inc., to credit its contributions-in-aid-of-construction accounts in the amount of \$28,310.90 for unclaimed refunds shall be granted. It is further

ORDERED that \$14,155.45 of this amount shall be allocated to water and \$14,155.45 to wastewater. It is further

ORDERED that the refund period shall be extended an additional 90 days to honor any additional refund claims, and any refund made within the 90-day time period shall be accompanied by an appropriate reduction to the contributions-in-aid-of-construction account. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 28th day of May, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

RRJ

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.