

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Disposition of  
contributions-in-aid-of-  
construction (CIAC) gross-up  
funds received by Poinciana  
Utilities Inc. in Osceola and  
Polk Counties.

DOCKET NO. 931228-WS  
ORDER NO. PSC-98-1373-FOF-WS  
ISSUED: October 12, 1998

The following Commissioners participated in the disposition of  
this matter:

JULIA L. JOHNSON, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK  
E. LEON JACOBS  
JOE GARCIA

ORDER AUTHORIZING CREDIT TO CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION  
ACCOUNT FOR UNCLAIMED REFUNDS AND CLOSING DOCKET

BY THE COMMISSION:

BACKGROUND

Poinciana Utilities Inc. (Poinciana or utility) is a Class A utility providing service to approximately 5,582 water customers and 5,269 wastewater customers in Osceola and Polk Counties. According to its 1996 annual report, operating revenue of \$1,077,631 for water and \$2,289,922 for wastewater was reported. The utility reported net operating income of \$132,952 for water and \$474,539 for wastewater.

By Order No. 23541, we required any water and wastewater utility already collecting the gross-up on contributions-in-aid-of-construction (CIAC) and wishing to continue, to file a petition for approval with us on or before October 29, 1990. Poinciana filed for authority to continue to gross-up on December 18, 1990. By Order No. 25174, issued October 8, 1991, Poinciana was granted authority to continue to gross-up using the full gross-up formula.

By Order No. PSC-98-0031-FOF-WS, issued January 5, 1998, we required the utility to refund, for the years 1987 through 1996, a total of \$428,599, plus accrued interest (\$126,305) through the

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date of refund to contributors on a pro rata basis. The refund was \$228,934 for 1987; \$95,945 for 1988; \$62,324 for 1989; \$30,129 for 1990; \$8,224 for 1995 and \$3,043 for 1996 for gross-up collected in excess of the tax liability resulting from the collection of CIAC. The utility collected less than the required gross-up to pay taxes for 1991, 1992, 1993 and 1994; therefore, for those years, no refund was appropriate.

#### UNCLAIMED REFUNDS

The utility has completed the refunds and has a total of \$139,238 in unclaimed refunds. By letter dated August 17, 1998, the utility requested that it be allowed to credit the unclaimed refunds as CIAC.

According to Poinciana, the unclaimed refund total of \$139,238 including interest, results in a total credit of \$43,860 for the water division and \$95,378 for the wastewater division. The unclaimed refunds represent 25 percent of the refunds ordered.

Poinciana has provided a list of each individual check, payee and amount remaining unclaimed. Also, Poinciana has explained its efforts to complete the refund. Poinciana states that it had some of the contributors addresses in the utility's files, and that they contacted the local United States Post Office for any necessary forwarding addresses. However, the United States Post Office does not keep forwarding addresses more than six months. Poinciana mailed the refund checks to the last known mailing address of each contributor on May 4, 1998. There has been sufficient time for all checks to clear and be returned to the Utility. Poinciana states that the remaining refunds are undeliverable. The utility appears to have exhausted all possible alternatives to locate forwarding addresses for the remaining customers.

According to the utility's 1997 annual report, the utility is only 24 percent contributed for the water and wastewater combined. Based on the foregoing, we find that Poinciana shall be allowed to credit CIAC in the amount of \$43,860 for the water division and \$95,378 for the wastewater division.

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CLOSING OF DOCKET

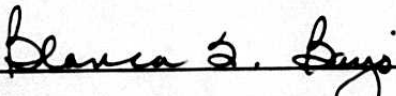
There is no further action required in this docket, and this docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the request of Poinciana Utilities Inc., to credit its contributions-in-aid-of-construction accounts in the amount of \$43,860 for its water division and \$95,378 for its wastewater division for unclaimed refunds shall be granted. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 12th  
day of October, 1998.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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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.