

DOCKET NO. 961277-WA

REQUEST TO ESTABLISH DOCKET

Date 10/10/96

1. Division Name/Staff Name Water and Wastewater/Cheryl Johnson
2. OPR Cheryl Johnson
3. OCR _____
4. Suggested Docket Title Disposition of Contribution-Aid-Of-Construction Gross-up Funds Collected By Palm Coast Utility Corporation

5. Suggested Docket Mailing List (attach separate sheet if necessary)

A. Parties (Provide names of regulated companies or use abbreviation from list below if Parties should include all regulated companies in one or more industries; provide names and addresses of nonregulated companies; provide names, addresses, and affiliation (i.e., attorney, company liaison officer, or customer of individuals.)

Mr. James A Perry
Palm Coast Utility Corporation
2 Utility Drive
Palm Coast, Florida 32137

Palm Coast Utility Corporation
Mr. Brian Bilinski
2 Utility Drive
Palm Coast, Florida 32137

Mr. Wayne Schiefelbein
Gatlin, Wood & Carlson
1709-D Mahan Drive
Tallahassee, Florida 32308

B. Interested Persons/Companies (Provide names, complete mailing addresses, and affiliation. Use abbreviation from list below if Interested Persons should include all regulated companies in one or more industries.)

REGULATED INDUSTRIES

Investor-Owned Electric	(EI)	Water Utilities	
Electric Cooperatives	(EC)	Local Exchange Telephone Cos.	(WJ)
Municipal Electric	(EM)	Interexchange Telephone Cos.	(TL)
Gas Utilities	(GU)	Coin-Operated Telephone Cos.	(TI)
Wastewater Utilities	(SU)	Shared Tenant Telephone Cos.	(TC)
		Alternate Access Vendors	(TS)
			(TA)

6. Check One:

Documentation attached.

Documentation will be provided with recommendation.

PSC/RAR 10 (Revised 09/93)

DOCUMENT NUMBER-DATE

11338 OCT 24 96

FPSC-RECORDS/REPORTING

February 15, 1995

Ms. Connie L. McCaskill
Supervisor/Limited Filings
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-8073

Re: 1993 CIAC Gross-up Report

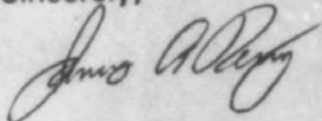
Dear Ms. McCaskill

Attached to this letter is Palm Coast Utility Corporations 1993 CIAC Gross-up Report in compliance with Order No. 24129. Also attached is the following supporting information described in Order No. 16971:

- Schedules showing the treatment of CIAC in Palm Coast Utility's 1993 tax workpapers are enclosed.
- Tariff pages, regarding the gross-up are enclosed.
- It is not practical to furnish signed copies of the Consolidated Federal and State income tax returns of ITT Corporation, Palm Coast Utility's parent company. Palm Coast Utility's tax workpapers are available for review at the above address.

Please call if I can provide any further information.

Sincerely,



James A. Perry
Vice President of Finance

JAP/bmg

cc: W. Schiefelbein
B. Bilinski

McCaskill.LTR

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FEB 20 1995

Florida Public Service Commission
Division of Water and Wastewater

Palm Coast Utility Corporation

CIA C O R P O R A T I O N
 FOR TAX RETURN YEAR ENDED December 31, 19 93

COMPANY: Palm Coast Utility Corporation

	<u>TOTAL</u> <u>COMPANY</u>	<u>NON</u> <u>JURISDICTIONAL</u>	<u>JURISDICTIONAL</u>
1. Total CIAC	\$ 2,426,062	\$	\$ 2,426,062
2. Total Connection Fees	()	()	()
3. Total Installation Fees	(72,760)	()	(72,760)
4. Total Prepaid Connection Fees (not in (2))	()	()	()
5. Total Tap-in Fees	(95,795)	()	(95,795)
6. Total Jack & Bore Fees	()	()	()
7. CIAC Taxable Because of Amendment to Section 118	\$ 2,257,507	\$	\$ 2,257,507
8. Depreciation on (7)	(69,461)	()	(69,461)
9. Taxable Income Effect of (7)	<u>\$ 2,188,046</u>	<u>\$</u>	<u>\$ 2,188,046</u>
10. Form 1120, Line 11	\$ 12,381,196	\$ 32,500	\$ 12,348,696
11. LESS: Form 1120, Line 27	(9,791,430)	(11,113)	(9,780,317)
12. Form 1120, Line 28	\$ 2,589,766	\$ 21,387	\$ 2,568,379
13. LESS: Form 1120, Line 29a	()	()	()
14. LESS: Form 1120, Line 29b	()	()	()
15. Form 1120, Line 30	\$ 2,589,766	\$ 21,387	\$ 2,568,379
16. LESS: Net CIAC Taxable Because of TRA '86 (from Line (9))	(2,188,046)	()	(2,188,046)
17. PLUS(LESS): Other CIAC Effects of TRA '86 (attached)	(366,825)	()	(366,825)
18. Adjusted Form 1120, Line 30	<u>\$ 34,895</u>	<u>\$ 21,387</u>	<u>\$ 13,508</u>
Current Combined Federal & State Tax Rate <u>38.58%</u>			
19. CIAC Gross-up Collections	\$ 360,955	\$	\$ 360,955
20. CIAC Gross-up Refunds	()	()	()
21. Interest on gross-up collections, interest	5,870	()	5,870
22. Net CIAC Gross-up To Be Applied To Line (9)	<u>\$ 366,825</u>	<u>\$</u>	<u>\$ 366,825</u>

CIAC Gross-up Rate Used 32.22%

February 8, 1994

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ADMINISTRATION
MAIL ROOM

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FEB 14 1994

Florida Public Service Commission
Division of Water and Wastewater

Ms. Connie L. McCaskill
Supervisor/Limited Filings
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-8073

Re: 1992 CIAC Gross-up Report

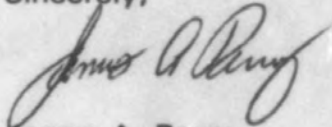
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Sincerely,



James A. Perry
Vice President of Finance

JAP/bmg

cc: W. Schiefelbein
B. Bilinski

McCaskill.LTR

Palm Coast Utility Corporation

CIAC REPORT

FOR TAX RETURN YEAR ENDED December 31, 1992

COMPANY: PalmCoast Utility Corporation

	<u>TOTAL COMPANY</u>	<u>NON JURISDICTIONAL</u>	<u>JURISDICTIONAL</u>
1. Total CIAC	\$ 2,525,509		\$ 2,525,509
2. Total Connection Fees			
3. Total Installation Fees	(61,710)		(61,710)
4. Total Prepaid Connection Fees (not in (2))			
5. Total Tap-in Fees	(80,028)		(80,028)
6. Total Jack & Bore Fees			
7. CIAC Taxable Because of Amendment to Section 118	2,383,771		2,383,771
8. Depreciation on (7)	(71,513)		(71,513)
9. Taxable Income Effect of (7)	<u>2,312,258</u>		<u>2,312,258</u>
10. Form 1120, Line 11	10,674,460		10,674,460
11. LESS: Form 1120, Line 27	(8,257,429)		(8,257,429)
12. Form 1120, Line 28	2,417,031		2,417,031
13. LESS: Form 1120, Line 29a			
14. LESS: Form 1120, Line 29b			
15. Form 1120, Line 30	2,417,031		2,417,031
16. LESS: Net CIAC Taxable Because of TRA '86 (from Line (9))	(2,312,258)		(2,312,258)
17. PLUS(LESS): Other CIAC Effects of TRA '86 (attached)*	621,668		621,668
18. Adjusted Form 1120, Line 30	<u>726,441</u>		<u>726,441</u>
Percent Combined Federal & State Tax Rate <u>37.63%</u>			
19. CIAC Gross-up Collections	313,180		313,180
20. CIAC Gross-up Refunds	(927,512)		(927,512)
21. Accrued interest on potential refunds	(28,642)		(28,642)
22. Interest on gross-up collections, interest	21,306		21,306
23. Net CIAC Gross-up To Be Applied To Line (9)	<u>\$ (612,668)</u>		<u>\$ (612,668)</u>
Gross-up Rate Used <u>32.22%</u>			

* Per discussion 5/14/90 with Ms. Jane Brand, this caption includes CIAC gross-up collections as adjusted for pretax interest income and interest expense shown on line 22.