



Public Service Commission

ORIGINAL FILE COPY

-M-E-M-O-R-A-N-D-U-M-

DATE: April 23, 1997
TO: Chairman Julia L. Johnson
FROM: Commissioner J. Terry Deason, Prehearing Officer JTD
RE: Docket No. 961076-WS - Disposition of gross-up funds collected by Hydratech Utilities, Inc. in Martin County

Docket No. 961077-SU - Disposition of gross-up funds collected by Eagle Ridge Utilities, Inc. in Lee County

Docket No. 961237-SU - Disposition of contributions-in-aid-of-construction gross-up funds collected by Forest Utilities, Inc.

Docket No. 961152-SU - Application for 1996 disposition of contributions-in-aid-of-construction by Hudson Utilities, Inc. d/b/a Hudson Bay Company

On December 9, 1996, Hydratech Utilities, Inc. protested Proposed Agency Action (PAA) Order No. PSC-96-1352-POF-WS in Docket No. 961076-WS. Subsequently, Eagle Ridge Utilities, Inc., protested PAA Order No. PSC-96-1394-FOF-SU in Docket No. 961077-SU; Forest Utilities, Inc. protested PAA Order No. PSC-97-0007-POF-SU in Docket No. 961237-SU; and Hudson Utilities, Inc. protested PAA Order No. PSC-97-0197-POF-SU in Docket No. 961152-SU. All four dockets concerned the disposition of gross-up funds collected by the respective utilities. Since all four protests concerned similar issues the four dockets were consolidated for purposes of hearing by Orders Nos. PSC-97-0114-POF-WS and PSC-97-0363-PCO-SU.

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However, on April 23, 1997, all four utilities submitted a settlement proposal to avoid the time and expense of further litigation in these dockets. Staff will prepare a recommendation on this settlement proposal for review by the Commission at the May 19, 1997 Agenda Conference. Therefore, in an effort to avoid the unnecessary expense of going forward with testimony filing dates and a hearing, please:

- 1) Cancel the Prehearing Conference scheduled for June 23, 1997; and
2) Cancel the Hearing scheduled for July 10-11, 1997.

If the settlement agreement is not ultimately approved by the Commission panel, other hearing dates will be requested. Thank you.

cc: Division of Legal Services (Jaeger)
Division of Water and Wastewater (McCaskill, Gilchrist, Johnson, Iwenjiora)
Division of Records and Reporting
Nanette Fisher

04231 APR 25 6
FPSC-RECORDS/REPORTING

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Original
FILE COPY

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April 23, 1997

VIA HAND DELIVERY

Ralph Jaeger, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Gross-up Refund Protest
Hydratech Utilities, Inc.; Dkt.#961076-WS; File No. 25021.07
Eagle Ridge Utilities, Inc.; Dkt.#961077-SU; File No. 20082.03
Forest Utilities, Inc.; Dkt.#961237-SU; File No. 25052.03
Hudson Utilities, Inc. dba Hudson Bay Company; Dkt.#961152-SU

Dear Ralph:

As a follow-up to our discussion by phone today, I am writing this letter to propose settlement in accordance with the terms of the attached schedule. Acceptance of the "staff proposed" refunds in the attached schedule will fully settle the dispute concerning the PAA orders in each of the above referenced cases. I have the authorization from each of my clients and from Kenneth Hoffman, Esquire, counsel to Hudson Utilities, to make this offer in full settlement of those protests.

ACK _____ If you have any further questions in this regard or need
AFA _____ anything further from me in order to move forward with the
APP _____ settlement proposal, please let me know.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP

F. Marshall Deterding
For The Firm

FMD/lts
Enclosure

cc: Ms. Blanca Bayo
Connie McCaskill, CPA
Mr. Greg Shafer
Robert C. Nixon, CPA
Kenneth Hoffman, Esquire

DOCUMENT NUMBER-DATE
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#228 P02

APR-22-'97 TUE 09:45 ID:PLB SUC COMP LEG SUC TEL NO: 984-488-1121

STAFF PROPOSED REFUNDS

EAGLE RIDGE UTILITIES
STAFF PROPOSED

	1990	1991	1992	1993	1994	1995	TOTAL	DIFFERENCE
ORDER OR RECAL REFUND				14,588	5,855		20,244	
LEGAL & ACCTG. OFFSET				(3,891)	(2,517)		(6,368)	
PROPOSED REFUND				<u>10,738</u>	<u>3,138</u>		<u>13,876</u>	

UTILITY PROPOSED

0

ORDER OR RECAL REFUND				14,588	5,855		20,244	
LEGAL & ACCTG. OFFSET				(3,891)	(2,517)		(6,368)	
PROPOSED REFUND				<u>10,738</u>	<u>3,138</u>		<u>13,876</u>	

FOREST UTILITIES, INC.
STAFF PROPOSED

ORDERED REFUND	3,372	2,183	848	18,948	3,287	0	28,337	
LEGAL & ACCTG. OFFSET	(1,124)	(1,289)	(549)	(2,288)	(1,348)	0	(6,334)	
PROPOSED REFUND	<u>2,248</u>	<u>894</u>	<u>299</u>	<u>16,660</u>	<u>1,939</u>	<u>0</u>	<u>19,833</u>	

UTILITY PROPOSED

1,770

ORDERED REFUND	3,372	2,183	848	18,948	3,287	0	28,337	
LEGAL & ACCTG. OFFSET	(1,124)	(1,289)	(1,838)	(2,288)	(1,348)	(1,284)	(8,304)	
PROPOSED REFUND	<u>2,248</u>	<u>894</u>	<u>(490)</u>	<u>16,660</u>	<u>1,939</u>	<u>(1,284)</u>	<u>18,833</u>	

HUDSON UTILITIES, INC.
STAFF PROPOSED

ORDERED REFUND				1,817	47,062		48,889	
LEGAL & ACCTG. OFFSET				(1,817)	(2,132)		(3,949)	
PROPOSED REFUND				<u>0</u>	<u>44,930</u>		<u>44,930</u>	

UTILITY PROPOSED

1,369

ORDERED REFUND				1,817	47,062		48,889	
LEGAL & ACCTG. OFFSET				(3,188)	(2,132)		(5,318)	
PROPOSED REFUND				<u>(1,371)</u>	<u>44,930</u>		<u>43,559</u>	

HYDRATECH UTILITIES, INC.
STAFF PROPOSED

ORDERED REFUND				340	21,500		21,840	
LEGAL & ACCTG. OFFSET				(340)	(4,888)		(5,308)	
PROPOSED REFUND				<u>0</u>	<u>16,612</u>		<u>16,612</u>	

UTILITY PROPOSED

3,283

ORDERED REFUND				340	21,500		21,840	
LEGAL & ACCTG. OFFSET				(3,803)	(4,888)		(8,589)	
PROPOSED REFUND				<u>(3,463)</u>	<u>16,612</u>		<u>13,149</u>	

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Preparation for Photocopying and Mailing

Date 3/25/97

Number of Originals 3

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Item Presented

Agenda For (Date) _____

Order No. 17095

In Docket No. 7-11-71

Notice of _____

For (Date) _____

In Docket No. _____

Other _____

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