

VOTE SHEET

NOVEMBER 4, 1997

RE: DOCKET NO. 971179-SU - Disposition of CIAC gross-up funds collected by North Fort Myers Utility, Inc. in Lee County.

Issue 1: Should North Ft. Myers Utility's request for a variance from Order No. PSC-96-1180-FOF-SU be granted?

Recommendation: Yes, North Ft. Myers Utility's request for a variance from Order No. PSC-96-1180-FOF-WS should be granted. If the Commission approves staff's recommendation, NFMU's tariffs for gross-up authority should not be canceled. The utility should file revised tariffs to allow for the continued collection of gross-up taxes on CIAC that is paid in installments from customers that entered into installment contracts prior to June 12, 1996. Once the Utility has collected the entire amount of taxes it is entitled to receive from the customers paying by installment, NFMU should submit canceled tariff sheets to the Commission. Also, the provision allowing customers in Forest Park, Lake Arrowhead, Carriage Village, Lazy Days Village, and Tamiami Village the option of paying the system capacity charges in monthly installments over a seven-year period at 10% interest should be removed from the utility's tariff and a revised tariff sheet should be submitted accordingly.

DEFERRED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

Staff to advise

DOCUMENT NUMBER-DATE

11435 NOV-5 5

FPSC-RECORDS/REPORTING

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Issue 2: Should North Ft. Myers Utility, Inc. be required to refund excess gross-up collections for fiscal year 1994 (ends May 31, 1995) and fiscal year 1995 (ends May 31, 1996)?

Recommendation: The Commission should accept the settlement offer of North Ft. Myers Utility, Inc., to allow it to offset 50% of the legal and accounting fees incurred in any one year against the refund for that year. Therefore, for the fiscal year ending May 31, 1995, North Ft. Myers Utility, Inc., overcharged its contributors \$14,520 of gross-up. Some of the contributors paid the gross-up in full and some paid by installment. Therefore, the utility should make a cash refund to the contributors who have paid the full amount of the gross-up, based on their pro rata share of the \$14,520 overcharged amount. The utility should also refund interest accrued from May 31, 1995 to the date of the refund. However, for those contributors who are paying by installment, the utility should reduce (credit) the principal amount due on their installment payments by their pro rata share of the overcharge, plus accrued interest from May 31, 1995 to the date of the refund. To the extent that the principal amount owing under any installment contract is less than the contributor's pro rata share of the refund amount plus accrued interest, the utility should make a cash refund of the difference, and discontinue collections from the contributor. The refunds should be completed within 6 months of the effective date of the order. Within 30 days from the date of the refund, the utility should submit copies of canceled checks, credits applied to the monthly bills or other evidence that verifies that the utility has made the refunds. Within 30 days from the date of the refund, the utility should also provide a list of unclaimed refunds, detailing contributor and amount, and an explanation of the efforts made to make the refunds. No refund is required for excess gross-up collections for the fiscal year ended May 31, 1996.

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Issue 3: Should the docket be closed?

Recommendation: No. Upon expiration of the protest period, the docket should remain open pending verification of the refunds. Staff should be given administrative authority to close the docket upon verification that the refunds have been completed.