

DOCKET NO. 980061-LL

REQUEST TO ESTABLISH DOCKET

Date 01/09/98

- 1. Division Name/Staff Name Water and Wastewater/Cheryl Johnson
- 2. DPR Cheryl Johnson
- 3. OCR _____
- 4. Suggested Docket Title Disposition of Contribution-Aid-Of-Construction Gross-up Funds Collected By South Seas Utility in Lee County

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.)

<u>The Mariner Group</u>	<u>South Seas Utility Co.</u>
<u>Ms. Melody Arneri</u>	<u>Ms. Carol Weaver</u>
<u>12800 University Drive, Suite 350</u>	<u>12800 University Drive, Suite 260</u>
<u>Fort Myers, Florida 33907-5343</u>	<u>Fort Myers, Florida 33907</u>

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

6. Check One:

- Documentation attached.
- Documentation will be provided with recommendation.

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REG. DIV. OF PUBLIC UTILITIES



MARINER

December 15, 1994

Ms. Jennifer Iwenjiora
Public Service Commission
Fletcher Building
101 East Gaines Street
Tallahassee, FL 32399-0850

Re: South Seas Utility Co. - Disposition of CIAC Gross-Up

Dear Ms. Iwenjiora,

Thank you for your assistance last Friday concerning the proper handling of CIAC gross-up charges. Your correspondence (copy attached) addresses calendar years 1989 through 1991, and indicates that our authority to collect the gross-up tax was revoked in 1991. No gross-up taxes were collected in 1989. However, we have reviewed our records and discovered that a total of \$19,820 of gross up tax has been collected during the five year period from 1990 through 1994. Unfortunately, gross-up taxes were collected in error during 1992, 1993 and 1994. We understand that this should not have occurred; the individuals responsible are no longer with the company. We have instructed our accounting department to discontinue the gross-up tax for new accounts.

Since, the utility did not pay income tax during 1989 through 1991, and did not have authority to collect gross-up tax after 1991, we have determined that the entire amount of gross-up tax collected should be refunded. As requested, attached are copies of our tax returns for 1989 through 1991, a detailed schedule showing the CIAC and gross-up collected each year through 1994, and the proposed refunds including interest calculated at the average annual rate earned on the funds held.

We apologize for this error and thank you for your assistance in correcting this problem. Upon receipt of your confirmation that this action is appropriate, we will issue prompt refunds in the amounts indicated.

Sincerely,

Carol S. Weaver
Controller

THE MARINER GROUP

SOUTH SEAS UTILITY COMPANY
CIAC COLLECTED

DATE	CONTRIBUTOR NAME/ADDRESS	UNITS	CIAC COLLECTED	GROSS-UP TAX COLLECTED	INTEREST	PROPOSED REFUND
OPENING BALANCE 1/1/90			373,355.00	0.00		
7/27/90	Cyrica K. Pullapilly 53310 Peggy Lane South Bend, IN 46635 (957 South Seas Plantation Road)	1	1,500.00	944.00	196.90	1,140.90
9/18/90	Plantation Development Ltd. 12800 University Drive Fort Myers, FL 33907 (Plantation Bay Villas)	4	6,000.00	3,776.00	741.06	4,517.06
1/28/91	Colt Somers P. O. Box 189 Captiva, FL 33924 (953 South Seas Plantation Road)	1	1,500.00	944.00	156.97	1,100.97
10/91	Wolter Group 16731-113 McGregor Blvd Fort Myers, FL 33908 (949 South Seas Plantation Road/Moodle)	1	1,500.00	944.00	113.82	1,057.82
1/7/92	Bert Jenks, General Partner Plantation View Shopping Center 1630 Periwinkle Drive Captiva, FL 33924	4	6,000.00	3,776.00	401.80	4,177.80
2/4/92	Wolter Group 16731-113 McGregor Blvd Fort Myers, FL 33908 (928 South Seas Plantation Road/MOSA Inc.)	1	1,500.00	944.00	98.07	1,042.07
5/93	Mariner Properties, Inc. 12800 University Drive Fort Myers, FL 33907 (Seabreeze)	8	12,000.00	7,552.00	459.29	8,011.29
3/22/94	Gail Reynolds, Inc. P.O. Box 857 Sanibel, FL 33957 (941 South Seas Plantation Road/McGlynn)	1	1,500.00	940.00	27.27	967.27
CIAC BALANCE 12/31/94			<u>\$404,855.00</u>	<u>\$19,820.00</u>	<u>\$2,195.18</u>	<u>\$22,015.18</u>

Gross up taxes were not collected on CIAC until 1990.

The amounts indicated above represent the entire amount of gross-up tax collected by South Seas Utility Company.


Joe K. Blacketer
President

**SOUTH SEAS UTILITY COMPANY
INTEREST EARNED ON GROSS UP**

<u>DATE</u>	<u>CONTRIBUTOR</u>	<u>BALANCE</u>	<u>AVG ANNUAL RATE</u>	<u>DAYS</u>	<u>INTEREST</u>	<u>ACCUM TOTAL</u>
27-Jul-90	Pullapilly	942.00				
31-Dec-90		972.42	7.51%	157.00	30.42	30.42
31-Dec-91		1,028.78	5.80%	365.00	56.36	86.78
31-Dec-92		1,060.35	3.06%	366.00	31.57	118.35
31-Dec-93		1,098.13	3.56%	365.00	37.78	156.13
31-Dec-94		1,138.90	3.71%	365.00	40.77	196.90
18-Sep-90	Plantation Development, Ltd.	3,776.00				
31-Dec-90		3,856.78	7.51%	104.00	80.78	80.78
31-Dec-91		4,080.31	5.80%	365.00	223.53	304.31
31-Dec-92		4,205.51	3.06%	366.00	125.20	429.51
31-Dec-93		4,355.37	3.56%	365.00	149.86	579.37
31-Dec-94		4,517.06	3.71%	365.00	161.69	741.06
28-Jan-91	Colt Somers	944.00				
31-Dec-91		994.52	5.80%	337.00	50.52	50.52
31-Dec-92		1,025.03	3.06%	366.00	30.52	81.03
31-Dec-93		1,061.56	3.56%	365.00	36.53	117.56
31-Dec-94		1,100.97	3.71%	365.00	39.41	156.97
15-Oct-91	Wolter Group	944.00				
31-Dec-91		955.54	5.80%	77.00	11.54	11.54
31-Dec-92		984.86	3.06%	366.00	29.32	40.86
31-Dec-93		1,019.96	3.56%	365.00	35.09	75.96
31-Dec-94		1,057.82	3.71%	365.00	37.87	113.82
07-Jan-92	Bert Jenks	3,776.00				
31-Dec-92		3,889.65	3.06%	359.00	113.65	113.65
31-Dec-93		4,028.25	3.56%	365.00	138.60	252.25
31-Dec-94		4,177.80	3.71%	365.00	149.55	401.80
04-Feb-92	Wolter Group	944.00				
31-Dec-92		970.20	3.06%	331.00	26.20	26.20
31-Dec-93		1,004.77	3.56%	365.00	34.57	60.77
31-Dec-94		1,042.07	3.71%	365.00	37.30	98.07
11-May-93	Mariner Properties, Inc.	7,552.00				
31-Dec-93		7,724.52	3.56%	234.00	172.52	172.52
31-Dec-94		8,011.29	3.71%	365.00	286.77	459.29
22-Mar-94	Gail Reynolds, Inc.	944.00				
31-Dec-94		971.27	3.71%	284.00	27.27	27.27
TOTAL INTEREST						2,195.18