

DOCKET NO.

980076-SU

REQUEST TO ESTABLISH DOCKET

Date 01/09/98

- 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 Grow-up Funds Collected By Hudson Utilities, Inc. in Pasco County
(Old Hudson Bay Company)

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>Cronin, Jackson, Nixon & Wilson</u>	<u>Rutledge, Ecken, Underwood, Purnell & Hoffman</u>
<u>Mr. Robert Nixon</u>	<u>Mr. Kenneth A. Hoffman</u>
<u>2560 Gulf-To-Bay Blvd, Suite 200</u>	<u>P.O. BOX 551</u>
<u>Clearwater, Florida 33765-4419</u>	<u>Tallahassee, Florida 32302-0551</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.

Hudson Bay Company
 Schedule of Gross-up Refund
 For the Year Ended December 31, 1996
 (Unaudited)

Line
No.

1	Taxable CIAC (Schedule No. 2) (1)	\$ 54,000
2	Less: First year's depreciation of CIAC	(2,614)
3	Above the line tax loss	<u>(20,287)</u>
4	Net taxable CIAC	31,099
5	Effective federal and state tax rate	<u>.3763</u>
6	Net income tax on CIAC	11,703
7	Expansion factor for gross-up taxes	<u>1.6033</u>
8	Gross-up required to pay tax effect	18,763
9	Less: CIAC gross-up collected (Schedule No. 2) (1)	<u>(32,400)</u>
10	Excess gross-up collected	(13,637)
11	Less: 50% of actual and estimated legal and accounting	
12	fees to prepare and process this report (Attachment I)	<u>3,044</u>
13	Total proposed refund	<u>\$ (10,593)</u>
14	Notes: (1) Taxable CIAC and gross-up collected through June 12, 1996.	

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA W. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
TRACY A. RIZZO, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

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September 26, 1997

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Officers and Directors
Hudson Bay Company
DBA Hudson Utilities, Inc.

Florida Public Service Commission
Division of Water and Wastewater

As requested, we have prepared the accompanying Special Report of Hudson Bay Company, consisting of Schedules No. 1 through No. 5. This report is intended solely for use in fulfilling certain reporting requirements related to collection of tax impact charges on contributions in aid of construction, for the year ended December 31, 1996, to be filed with the Florida Public Service Commission. We have not audited or reviewed this Special Report and express no opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson
CRONIN, JACKSON, NIXON & WILSON