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11:00
FPSC - Records/Reporting

MEMORANDUM

JANUARY 22, 1998

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (GILCHRIST)
DIVISION OF LEGAL SERVICES (JAEGER) *[Handwritten signatures]*

RE: DOCKET NO. 970121-SU - DISPOSITION OF UNCLAIMED REFUNDS
OF GROSS-UP ON COLLECTED CONTRIBUTIONS-IN-AID-OF
CONSTRUCTION (CIAC) BY EAGLE RIDGE UTILITIES, INC.
COUNTY: LEE

AGENDA: FEBRUARY 3, 1998 - REGULAR AGENDA - INTERESTED PERSONS
MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\WAW\WP\970121A.RCM

CASE BACKGROUND

Eagle Ridge is a Class B wastewater utility providing service to 606 customers in Lee County. According to its 1996 annual report, the utility reported operating revenues of \$374,953 and net operating income of \$15,630.

By Order No. PSC-97-0329-FOF-SU, issued on March 25, 1997, the Commission required Eagle Ridge Utilities, Inc. (Eagle Ridge) to refund a total of \$1,131 in Contributions-in-aid-of-construction (CIAC) gross-up for the fiscal year ended December 31, 1995. On November 17, 1997, Eagle Ridge implemented the refund and, to date, \$23.70 of the refunds remain unclaimed. By correspondence dated January 7, 1998, Eagle Ridge requested that it be allowed to treat the unclaimed refunds as cash CIAC. The utility's request to dispose of the unclaimed refunds is the subject of this recommendation.

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DISCUSSION OF ISSUES

ISSUE 1: Should Eagle Ridge Utilities, Inc., be allowed to credit its CIAC account with the amount of unclaimed refunds?

RECOMMENDATION: Yes, the utility should be allowed to credit CIAC in the amount of \$23.70, in unclaimed refunds. (GILCHRIST)

STAFF ANALYSIS: In Compliance with Commission Order No. PSC-97-0329-FOF-SU, Eagle Ridge implemented the refund and submitted copies of the canceled checks to the Commission. By correspondence dated January 7, 1998, Eagle Ridge requested that it be allowed to treat the unclaimed refunds as cash CIAC. The total amount of unclaimed refunds for 1995 is \$23.70, which represents 2.1% of the refunds ordered.

As directed by staff, Eagle Ridge provided a list of each individual check, payee and amount remaining unclaimed. Staff requested and received from Eagle Ridge an explanation of the efforts undertaken to complete the refund. In response, Eagle Ridge advised that it mailed the refund checks to the last known mailing address of each contributor. Further, Eagle Ridge advised staff that both checks, in the amount of \$11.85, were undeliverable because both businesses have closed, one due to death.

According to the utility's 1996 annual report, the utility is 92.97% contributed, which is in excess of the 75% maximum amount of the contribution level established by Rule 25-30.580 (1) (a), Florida Administrative Code. After the recommended credit to CIAC of \$23.70, the utility's contribution level will remain at 92.97%. While the utility appears to be over contributed, the \$23.70 increase in CIAC is not material. Based on the foregoing, staff recommends that Eagle Ridge be allowed to credit CIAC in the amount of \$23.70 in unclaimed refunds.

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ISSUE 2: Should the docket be closed?

RECOMMENDATION: Yes, the docket should be closed. (JAEGER)

STAFF ANALYSIS: There is no further action required in this docket, therefore, the docket should be closed.