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FLORIDA PUBLIC SERVICE COMMISSION  
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Tallahassee, Florida 32399-0850 FPSC - Records/Reporting

MEMORANDUM

APRIL 30, 1998

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

FROM: DIVISION OF WATER & WASTEWATER (JOHNSON) *of BSN*  
DIVISION OF AUDITING AND FINANCIAL ANALYSIS (CAUSSEUX) *of B*  
DIVISION OF LEGAL SERVICES (JABER) *JF*

RE: DOCKET NO. 961152-SU - DISPOSITION OF CONTRIBUTION IN AID  
OF CONSTRUCTION BY HUDSON UTILITIES, INC. D/B/A HUDSON  
BAY COMPANY  
COUNTY: PASCO

AGENDA: MAY 12, 1998 - REGULAR AGENDA -  
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\961152.RCM

CASE BACKGROUND

Hudson Utilities, Inc. is a Class B wastewater utility providing service to the public in Pasco County. As of December 31, 1997, the Utility served 1,339 wastewater customers. The Utility had gross operating revenues of \$793,845, and reported net operating income of \$70,848.

In Order No. 23541, the Commission required any water and wastewater utility already collecting the gross-up on CIAC and wishing to continue, to file a petition for approval with the Commission on or before October 29, 1990. On November 30, 1992, pursuant to Order No. 23541, Hudson Utilities, Inc. (Hudson or Utility) filed for initial authority to gross-up CIAC. The information as filed met the filing requirements of Order No. 23541. By order No. PSC-93-0206-POF-SU, issued February 9, 1993, the Commission allowed the utility's proposed tariff to become effective by operation of law on an interim basis for gross-up on CIAC. Order No. PSC-93-0962-POF-SU, issued June 28, 1993, granted Hudson Utilities authority to gross-up.

In compliance with Orders Nos. 16971 and 23541, Hudson filed its 1993 and 1994 annual CIAC reports regarding its collection of gross-up for each year. Order No. PSC-97-0656-AS-NS issued DATE

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FPSC RECORDS/REPORTING

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November 23, 1992, in Docket No. 961152-SU, required the utility to refund a total of \$44,920, plus accrued interest through the date of refund to contributors on a pro rata basis. The refund was for 1994. The utility had six months to complete the refund. The utility has completed the refunds and to date, \$1,599 of the refunds remain unclaimed. By letter dated February 16, 1998, Hudson requested that it be allowed to credit the unclaimed refunds as CIAC. The utility's request to dispose of the unclaimed refunds is the subject of this recommendation.

DISCUSSION OF ISSUES

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

RECOMMENDATION: Yes. Hudson Utilities, Inc., should credit \$1,599 to the contributions-in-aid-of-construction (CIAC) accounts. (JOHNSON)

STAFF ANALYSIS: In accordance with Commission Order No. PSC-97-0656-AS-WS, Hudson implemented the refund and submitted copies of its refund report to the Commission. By letters dated January 21, 1998 and February 16, 1998, Hudson provided copies of canceled refund checks and/or customer credits reflecting refund amounts. Hudson requested that the CIAC refunds which remain outstanding be treated as CIAC. Hudson reported that the unclaimed refund total is \$1,599, including interest (\$118 is interest). The unclaimed refunds represent 3.5% of the refunds ordered. Therefore, only fourteen customers could not be located to receive the \$1,599 in CIAC gross-up taxes.

As directed by staff, Hudson provided a list of each individual check, payee and amount remaining unclaimed. Staff requested and received from Hudson an explanation of the efforts undertaken to complete the refund. In response, Hudson advised that:

1. Many of the addresses were in the utilities files;
2. They contacted the local United State Postal office for forwarding addresses;
3. They obtained information from contributors' neighbors in the communities.

Hudson mailed the refund checks to the last known mailing address of each contributor. Further, Hudson advised that the remaining refunds are undeliverable and/or the individuals are no longer residents in the service territory. The Company has been unable to locate a forwarding address for these remaining customers.

According to the utility's 1996 annual report, the utility is 42.49% contributed for the wastewater systems. The Commission has allowed other utilities to credit CIAC accounts with the amount of unclaimed refunds of gross-up on CIAC. This procedure has been approved in Order No. PSC-94-1443-FOF-WS, issued November 23, 1994, in Docket No. 941096-WS and in Order No. PSC-92-1290-FOF-WS, issued

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November 10, 1992, in Docket No. 901019-WS. Based on the above, staff recommends that Hudson be allowed to credit CIAC in the amount of \$1,599 for unclaimed refunds.

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ISSUE 2: Should the docket be closed?

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

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

**RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN**  
PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW

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February 16, 1998

OF COUNSEL  
CHARLES F DUDLEY

GOVERNMENTAL CONSULTANTS

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FPSC - Records/Reporting

**HAND DELIVERY**

Ms. Cheryl Johnson  
Florida Public Service Commission  
Division of Water and Wastewater Services  
2540 Shumard Oak Boulevard  
Room 180D  
Tallahassee, FL 32399-0850

Re: Hudson Utilities, Inc.; 1994 Gross-Up Refunds  
Docket No. 961152-SU

Dear Ms. Johnson:

Following up on my letter to you dated January 21, 1998 and in accordance with Order No PSC-97-0656-AS-WS, Hudson Utilities, Inc. ("Hudson") provides herewith the following documentation supporting and substantiating the receipt of refunds of 1994 gross-up contributions by its customers:

1. Summary of verified gross-up refunds and undeliverable refunds (Schedule No 1),
2. Copies of endorsed and cancelled checks (Schedule No 2),
3. Copy of Account No 860 credit and explanation of bills credit (Schedule No 3), and
4. Copy of unknown former account addresses (Schedule No 5)

Hudson proposes that the \$1,598.54 of undeliverable or unclaimed refunds, based on undeliverable and unknown addresses, be transferred to CIAC, as documented in Schedule Nos 4 and 5 and pursuant to Rule 25-30 360(8), Florida Administrative Code

Ms. Cheryl Johnson  
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Should you have any questions, please contact me at your earliest convenience

Sincerely,



Kenneth A. Hoffman

KAH/rl

cc: Mr. Mathew Griffin  
Mr. Ronaldas Jurgutis

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

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\_\_\_\_ Agenda For (Date) \_\_\_\_\_ Order No. \_\_\_\_\_ In Docket No. \_\_\_\_\_

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Job Number 109 Verified By WSC

Date and Time Completed 6-12 Job Checked For Correctness and Quality (Initial) \_\_\_\_\_

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Date Mailed \_\_\_\_\_ Verified By \_\_\_\_\_