

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

MEMORANDUM

RECEIVED

April 30, 1998

APR 30 1998

11:25
FPSC - Records/Reporting

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

FROM: DIVISION OF WATER & WASTEWATER (GILCHRIST)
DIVISION OF LEGAL SERVICES (JAEGER)

RE: DOCKET NO. 970275-WS - DISPOSITION OF GROSS-UP FUNDS
COLLECTED BY HYDRATECH UTILITIES, INC.
COUNTY: MARTIN

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

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\MAW\WP\970275B.RCM
DOCKET NOS. 961076-WS AND 970275-WS,
SHOULD BE SCHEDULED CONSECUTIVELY IN
NUMERICAL ORDER.

CASE BACKGROUND

Hydratech Utilities, Inc. (Hydratech or utility) is a Class A water and wastewater utility providing service to approximately 5,301 water and 4,499 wastewater customers in Martin County. According to its 1996 annual report, the utility reported gross operating revenues of \$1,330,262 and \$1,058,728 for water and wastewater, respectively, and net operating income of \$182,542 for water and net operating income of \$793 for wastewater.

By Order No. PSC-97-0816-FOF-WS, issued on July 7, 1997, the Commission required Hydratech to refund a total of \$66,091 Contributions-in-aid-of-construction (CIAC) gross-up for the fiscal year ended December 31, 1995. On January 12, 1998, Hydratech implemented the refund and, to date, \$28,310.90 of the refunds remain unclaimed. By correspondence dated March 20, 1998, Hydratech 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.

DOCUMENT NUMBER-DATE

04863 APR 30 8

FPSC-RECORDS/REPORTING

DOCKET NO. 970275-SU
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DISCUSSION OF ISSUES

ISSUE 1: Should Hydratech 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 \$28,310.90, in unclaimed refunds. Of this amount, \$14,155.45 should be allocated to water and \$14,155.45 should be allocated to wastewater, based on the ratio of water service availability charges to wastewater service availability charges in the utility's approved tariff. Further, the refund period should be extended an additional 90 days to honor any additional refund claims. Each refund made within the 90-day time period shall be accompanied by an appropriate reduction to the CIAC account. (GILCHRIST)

STAFF ANALYSIS: In compliance with Commission Order No. PSC-97-0816-POF-WS, Hydratech implemented the refund and submitted copies of the canceled checks to the Commission. By correspondence dated March 20, 1998, Hydratech requested that it be allowed to treat the unclaimed refunds as cash CIAC. The total amount of unclaimed refunds for 1995 is \$28,310.90, which represents 40.64% of the refunds ordered. The unclaimed refunds includes three small checks in the amounts of \$33.65, \$33.60, and \$67.24, payable to Martin Memorial Physician Corporation, Robert Komara, and Aime Coutu, respectively, and two checks for \$2,144.16 and \$26,032.25, both payable to Mobile Land Development, Inc (MLDI).

As directed by staff, Hydratech provided a list of each individual check, payee and amount remaining unclaimed. Further, the utility provided an explanation of the efforts undertaken to complete the refund. Hydratech advised that it mailed the refund checks to the last known mailing address known for these contributors and that all means to locate them has been exhausted. As for MLDI, the utility explained that the two checks were sent by certified mail to the last known address and to date, the utility has not received or heard anything further from them. Based on the facts outlined herein, Hydratech requests that it be allowed to credit CIAC in the amount of \$28,310.90 in unclaimed refunds. Pursuant to Rule 25-30.360(8), Florida Administrative Code, any unclaimed refund is to be treated as CIAC.

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According to the utility's 1996 annual report, the utility is 74.40% contributed for the water system and 70.75% contributed for the wastewater system. Based on the foregoing, staff recommends that Hydratech be allowed to credit CIAC in the amount of \$28,310.90 in unclaimed refunds. Of this amount, \$14,155.45 should be allocated to water and \$14,155.45 should be allocated to wastewater, based on the ratio of water service availability charges to wastewater service availability charges in the utility's approved tariff. As previously stated, the total amount of unclaimed refunds represents 40.64% of the refunds ordered, which is unusually high. In addition, the two checks sent by certified mail to MLDI have not been cashed and to date the utility has not heard from MLDI or the current developer. Because a potential claim may be made for \$28,176.41 of the refund by the current developer, for this particular case, staff is recommending an additional 90-day period in which to honor any additional refund claims. Each refund made within the 90-day time frame shall be accompanied by an appropriate reduction to the CIAC account.

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ISSUE 2: Should the docket be closed?

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

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

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Request for Records and Materials

Date 7/1/11
 Number of Originals 7 Copies Per Original 1
 Requested By PKK

Item Presented
 Agenda For (Date) _____ Order No. 171211 In Docket No. 171211
 Notice of _____ For (Date) _____ In Docket No. _____
 Other _____

Special Handling Instructions

Distribution/Mailing

Number	Distributed/Mailed To	Number	Distribution/Mailed To
<u>16</u>	<u>Commission Offices</u>	<u>--</u>	_____
_____	<u>Docket Mailing List - Mailed</u>	_____	_____
<u>3</u>	<u>Docket Mailing List - Faxed</u>	_____	_____

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 Job Number 1 Verified By _____
 Date and Time Completed 7/1 Job Checked For Correctness and Quality (Initial) _____

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 Date Mailed _____ Verified By _____