



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: April 17, 2000
TO: Division of Records and Reporting
FROM: Division of Water and Wastewater (Fletcher) *ABF*
RE: Docket No. 991890-WS, Investigation into ratemaking considerations of gain on sale from sales of facilities of Utilities, Inc. of Florida to the City of Maitland in Orange County and the City Altamonte Springs in Seminole County.

Please include the attached memorandum in the docket file. Please feel free to call me at 413-7017 if you have any questions.

Attachment
xc: Division of Water and Wastewater (Merchant)

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC 1
- WAW _____
- OTH _____

DOCUMENT NO.
0463200
4/17/00

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.
LILA A. JABER



DIVISION OF WATER & WASTEWATER
DANIEL M. HOPPE, DIRECTOR
(850) 413-6900

Public Service Commission

MEMORANDUM

APRIL 13, 2000

TO: ALL STATE UTILITY COMMISSIONS

FROM: DANIEL M. HOPPE, DIRECTOR, DIVISION OF WATER AND WASTEWATER

RE: ALLOCATION OF A GAIN ON SALE - DOCKET NO. 991890-WS

A water and wastewater utility in Florida voluntarily sold some of its facilities and realized a gain. Utilities, Inc. of Florida (UIF or utility) sold an entire water system and a portion of another water system to a municipality. These systems were included in rate base and were under uniform rate structure. The utility also sold water and wastewater facilities to another municipality. Years earlier, this same municipality had contributed these facilities and UIF recorded them as contributions in aid of construction.

We would like to know what other state commissions have done in similar cases. We would appreciate your response to the attached questionnaire. Please send your response by May 13, 2000 to:

Florida Public Service Commission
Division of Water and Wastewater
c/o Bart Fletcher
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Thank you for your assistance in this matter. If you have any questions, please feel free to call Bart Fletcher at (850)413-7017.

Attachment

xc. Carl J. Wenz
Martin S. Friedman
Division of Legal Services (Gervasi, Brubaker)
Division of Records and Reporting
Division of Water and Wastewater (Lowe, Willis, Merchant, Kyle)

Florida Public Service Commission
Questionnaire for State Utility Commissions
Allocation of a Gain on Sale

1. What is the policy of your commission regarding the allocation of a gain on sale between ratepayers and stockholders, when a utility voluntarily sells a portion of its facilities that were included in rate base and under a uniform rate structure?
2. What is the policy of your commission regarding the allocation of a gain on sale between ratepayers and stockholders, when a utility voluntarily sells a portion of its facilities that were recorded as contributions in aid of construction?
3. Has your commission ever addressed an allocation of a gain on sale between ratepayers and stockholders? If so, what were the circumstances of the case or cases? What were the outcomes? Please provide pertinent commission orders/rulings and court rulings?
4. If your commission has allocated all or a portion of a gain on sale to the ratepayers, what specific factors did your commission consider in determining its allocation method?