

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DECEMBER 15, 1998

RE: DOCKET NO. 971179-SU - Disposition of CIAC gross-up funds collected by North Fort Myers Utility, Inc. in Lee County.

Issue 1: Should North Ft. Myers Utility's request for a variance from Order No. PSC-96-1180-FOF-SU be granted?

Recommendation: Yes. North Ft. Myers Utility, Inc.'s request for a variance from Order No. PSC-96-1180-FOF-WS should be granted. If the Commission approves staff's recommendation, NFMU's tariffs for gross-up authority should not be canceled. The utility should file revised tariffs to allow for the continued collection of gross-up taxes on CIAC that is paid in installments from customers that entered into installment contracts prior to June 12, 1996. Once the utility has collected the entire amount of taxes it is entitled to receive from the customers paying by installment, NFMU should submit canceled tariff sheets to the Commission.

DEFERRED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT ID: 14292 DATE

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Also, the provision allowing customers in Forest Park, Lake Arrowhead, Carriage Village, Lazy Days Village, and Tamiami Village the option of paying the system capacity charges in monthly installments over a seven-year period at 10% interest should be removed from the utility's tariff and a revised tariff sheet should be submitted accordingly.

Issue 2: Should North Ft. Myers Utility, Inc. be required to refund excess gross-up collections for fiscal year 1994(ended May 31, 1995), fiscal year 1995(ended May 31, 1996), and fiscal year 1996 (ended May 31, 1997)?

Recommendation: Based on past stipulations, staff recommends that the Commission accept NFMU's request that it be allowed to offset 50% of the legal and accounting fees incurred in processing the refund of CIAC gross-up over collections. If the Commission approves staff's recommendation, the over collection of \$322,070 should be reduced by the offset of \$8,048, for a refund of \$314,022 for fiscal year 1994 (ended May 31, 1995). For fiscal year 1995 (ended May 31, 1996) the over collection of \$229,958 should be reduced by the offset of \$9,101, for a refund of \$220,857. For those contributors who have paid the full amount of the gross-up, the utility should make a cash refund based on their pro rata share of the \$314,022 and \$220,857 overcharged amounts. The utility should also refund interest accrued from May 31, 1995, and May 31, 1996, to the date of the refund.

However, for those contributors who are paying by installment, but have not paid the full amount of gross-up that the utility is entitled to collect for fiscal years 1994 and 1995, the utility should reduce (credit) the principal amount due on their installment contracts by their pro rata share of the gross-up overcharge for 1994 and 1995, and collect the reduced amount of gross-up from the contributor. Further, for those contributors who are paying by installment, and have paid the full amount of the gross-up that the utility is entitled to collect for fiscal years 1994 and 1995, the utility should make a cash refund of any excess gross-up and associated interest payments, and discontinue gross-up collections from those contributors. In addition, the utility should also refund interest accrued on the excess gross-up and associated interest payments, at the escrow rate, from May 31, 1995, and May 31, 1996, to the date of refund.

The refunds should be completed within 6 months of the effective date of the order. Within 30 days from the date of the refund, the utility should submit copies of canceled checks, credits applied to the monthly bills or other evidence that verifies that the utility has made the refunds. Within

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30 days from the date of the refund, the utility should also provide a list of unclaimed refunds detailing contributor and amount, and an explanation of the efforts made to make the refunds. Further, on October 1, 1996, the utility refunded \$2,753.82 it collected for the period of June 1 through June 12, 1996, and no refund is recommended for the fiscal year 1996 (ended May 31, 1997).

Issue 3: Should the docket be closed?

Recommendation: No. Upon expiration of the protest period, the docket should remain open pending verification of the refunds. Staff should be given administrative authority to close the docket upon verification that the refunds have been completed.