

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by FLORIDA WATERWORKS)	DOCKET NO. 860184-PU
ASSOCIATION for investigation of)	
proposed repeal of Section 118(b),)	ORDER NO. 21059
Internal Revenue Code (Contributions-)	
in-aid-of-construction))	ISSUED: 4-17-89

ORDER GRANTING REQUEST TO REFUND GROSS-UP
OF CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION

BY THE COMMISSION:

By Order No. 16971, issued December 18, 1986, this Commission authorized corporate water and wastewater utilities to "gross-up" contributions-in-aid-of-construction (CIAC) in order to allow these utilities to collect, in addition to the CIAC, amounts equal to their potential tax liability resulting from the repeal of the exclusion of CIAC from gross income under the Tax Reform Act of 1986. By Order No. 17396, issued April 14, 1987, the Commission declared these grossed-up amounts to be subject to refund.

By letter dated February 2, 1989, Orange-Osceola Utilities, Inc. (OOU), requested permission to refund \$317,526, the total amount of tax collected on CIAC for the calendar year 1987, plus all interest earned on the gross-up amounts. It appears that OOU's request is in accordance with this Commission's decision in Order No. 17396. Its request is, therefore, granted.

Based upon the above, it is

ORDERED by the Florida Public Service Commission that the request by Orange-Osceola Utilities, Inc. to refund the taxes collected by it on CIAC for the calendar year 1987, plus interest, is hereby granted. It is further

ORDERED that Orange-Osceola Utilities, Inc. shall refund all taxes collected on CIAC for the calendar year 1987, plus all interest earned on these amounts until such time as the refund is completed.

By ORDER of the Florida Public Service Commission, this 17th day of APRIL, 1989.



STEVE TRIBBLE, Director,
Division of Records and Reporting

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