

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Disposition of contributions-
in-aid-of-construction (CIAC) gross-up
funds collected during the years 12/31/92
through 12/31/96 by JJ's Mobile Homes,
Inc., in Lake County.

DOCKET NO. 980954-WS
ORDER NO. PSC-00-1066-SC-WS
ISSUED: June 5, 2000

RESPONSE TO ORDER TO SHOW CAUSE

The utility, JJ's Mobile Homes, Inc., a dissolved Florida corporation, responds to the Order To Show Cause issued herein on June 5, 2000, and states:

1. On July 3, 1996, the utility sold all of its water and wastewater assets to the City of Mount Dora, Florida, and effectively ceased operations as of that date.
2. JJ's Mobile Homes, Inc. was dissolved on or about September 28, 1998, more than two (2) years after the sale of its assets to the City of Mount Dora, Florida, and its cessation of utility operations. The utility wound up all business and closed all its accounts as of that date.
3. Prior to the corporate dissolution of JJ's Mobile Homes, Inc., the utility had timely filed with the Public Service Commission all required reports and returns reflecting the collection and disbursement of gross-up and, as of the date of the corporate dissolution of JJ's Mobile Homes, Inc., there was no pending order requiring the utility to refund any amount of gross-up previously collected from utility customers during period in question. Moreover, based on the advice and opinions of its counsel and accountants and its understanding of past

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precedents, the utility, in good faith, did not believe that the refund of any gross-up would be required by the Public Service Commission.

4. By the time of the Commission's order of December 6, 1999 (nearly 15 months

after the dissolution of JJ's Mobile Homes, Inc.), the utility did not have any assets to make the

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required refund, nor did it have readily available to it the records to determine all of the customers for the period in question to whom gross-up refunds might be owed.

5. In addition, at about this same time, Jordan W. Hypes, the former President and director of JJ's Mobile Homes, Inc., developed a critical medical condition that necessitated emergency surgery and an extended hospitalization and convalescence period. Although Jordan W. Hypes, individually, denies any personal responsibility for making any gross-up refunds, his illness limited the utility's ability to respond to the Commission's order.

6. Most of the gross-up paid to the utility during the period in question was paid by a single developer, to wit: George Wimpey of Florida, Inc., which has now merged with and become Morrison Homes of Florida, Inc. Upon information and belief, the utility estimates that approximately 88% of gross-up refunds reflected by the Commission's December 6, 1999 order should be refunded to Morrison Homes of Florida, Inc.

7. Based on that estimate, as of the date of this response, the utility has tendered an offer to counsel for Morrison Homes of Florida, Inc., proposing to refund to said developer 88% of the \$24,735 total refund required by the Commission's December 6, 1999 order, or \$21,767.00. This offer is conditioned upon the Commission's acceptance of this payment in satisfaction of the Commission's refund previous gross-up refund order, and its agreement not to seek or impose monetary fines against the utility or any of its principals. A copy of the utility's offer to Morrison Homes of Florida, Inc., is attached hereto as Exhibit "A".

WHEREFORE, the utility urges the Commission to accept this Response to Order to Show Cause; to accept the proposed disposition of refunds set forth herein to Morrison Homes of Florida, Inc. as full settlement of the requirements of the Commission's December 6, 1999 order; to withhold the imposition of fines pending the acceptance and payment of the proposed

payment to Morrison Homes of Florida, Inc. as set forth herein; and upon payment of the tendered amount to Morrison Homes of Florida, Inc. to close this docket without the imposition of additional fines or penalties against the utility.

I HEREBY CERTIFY that a copy of the foregoing has been furnished by UPS Overnight Delivery Service to Ralph Jaeger, Counsel for the Florida Public Service Commission, and to the Director, Division of Records and Reporting, Florida Public Service Commission, both at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0863, this 23rd day of June, 2000.



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June 23, 2000

Jesse E. Graham, Sr., Esquire
Post Office Drawer 1690
Winter Park, Florida 32790

Re: Morrison Homes of Florida, Inc. – Refund of Gross-Up Charges


Dear Jesse:

As you are aware, the Public Service Commission ordered JJ's Mobile Homes, Inc. to refund a total of \$24,735 to customers for unused gross-up and meter charges collected between 1992 and 1996. The utility estimates that approximately 88% of this refund, or \$21,767, should be paid to your client, Morrison Homes of Florida, Inc., relating to the Country Club of Mount Dora development.

Accordingly, the utility hereby offers to pay Morrison Homes of Florida, Inc., the total sum of \$21,767, in full payment of any and all claims for refund by the utility for unused gross-up or meter charges. This amount will be paid, by cashier's check or other certified funds, immediately upon your client's acceptance, and acceptance thereof by the Public Service Commission as settlement of its refund order, which we have requested this date.

Please get back with me after you have had a chance to review this with your client, and call if you have any questions.

Sincerely,



Robert Q. Williams

RQW/cap

cc: Jordan W. Hypes
Florida Public Service Commission

EXHIBIT A