

DOCKET NO. 990744.SU

REQUEST TO ESTABLISH DOCKET

Date 06/11/99

- 1. Division Name/Staff Name Water and Wastewater/Cheryl Johnson
- 2. OPR Cheryl Johnson
- 3. OCR _____
- 4. Suggested Docket Title Disposition of Gross-up on CIAC collections By Fountain Lakes Sewer Corporation
In Lee County

5. Suggested Docket Mailing List (attach separate sheet if necessary)

A. Parties (Provide names of regulated companies or use abbreviation from list below if Parties should include all regulated companies in one or more industries; provide names and addresses of nonregulated companies; provide names, addresses, and affiliation (i.e., attorney, company liaison officer, or customer of individuals.)

<u>Fountain Lakes Sewer Corp.</u>	<u>Mr. Robert Nixon</u>
<u>Mr. F. Marshall Deterding</u>	<u>2560 Gulf-To-Bay Boulevard Suite 200</u>
<u>Rose, Sundstrom & Bentley</u>	<u>Clearwater, Florida 34625-4419</u>
<u>2548 Blairstone Pines Drive</u>	_____
<u>Tallahassee, Florida 32301</u>	_____

B. Interested Persons/Companies (Provide names, complete mailing addresses, and affiliation. Use abbreviation from list below if Interested Persons should include all regulated companies in one or more industries.)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

REGULATED INDUSTRIES

Investor-Owned Electrics (EI)	Water Utilities (WU)
Electric Cooperatives (EC)	Local Exchange Telephone Cos. (TL)
Municipal Electrics (EM)	Interexchange Telephone Cos. (TI)
Gas Utilities (GU)	Coin-Operated Telephone Cos. (TC)
Wastewater Utilities (SU)	Shared Tenant Telephone Cos. (TS)
	Alternate Access Vendors (TA)

6. Check One:

- Documentation attached.
- Documentation will be provided with recommendation.

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA W. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 34625-4419
(813) 791-4020
TELECOPIER
(813) 797-3602

April 8, 1994

Officers and Directors
Fountain Lakes Sewer Corp.

As requested, we have prepared the accompanying Special Report of Fountain Lakes Sewer Corp., consisting of Schedules No. 1 through No. 11. This report is intended solely for use in fulfilling certain reporting requirements related to collections of tax impact charges on contributions in aid of construction (CIAC), for the three years ended December 31, 1992, to be filed with the Florida Public Service Commission. We have not audited or reviewed this Special Report and express no opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

Fountain Lakes Sewer Corp.
Schedule of Tax on CIAC and Proposed Gross-up Refund
Years Ended December 31, 1990, 1991, and 1992

	<u>1990</u>	<u>1991</u>	<u>1992</u>
Taxable CIAC	\$ 46,060	\$ 22,560	\$ 14,100
Less: Above the line loss before CIAC (Schedule No. 2)	(10,420)	(10,491)	(7,745)
First years depreciation on CIAC assets	<u>(921)</u>	<u>(172)</u>	<u>(529)</u>
 Net taxable CIAC	 34,719	 11,897	 5,826
Marginal tax rate	<u>37.63%</u>	<u>37.63%</u>	<u>37.63%</u>
Tax on CIAC	13,065	4,477	2,192
Expansion factor for gross-up taxes	<u>1.60333494</u>	<u>1.60333494</u>	<u>1.60333494</u>
 Gross-up required to pay tax effect	 20,948	 7,178	 3,515
Actual gross-up collected	<u>(27,636)</u>	<u>(13,536)</u>	<u>(8,460)</u>
	 <u>\$ (6,688)</u>	 <u>\$ (6,358)</u>	 <u>\$ (4,945)</u>

<u>Refund Summary</u>	
1990	\$ 6,688
1991	6,358
1992 (2)	<u>4,945</u>
 Total	 <u>\$ 17,991</u>

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA W. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 34625-4419
(813) 791-4020
TELECOPIER
(813) 797-3602

July 25, 1995

Officers and Directors
Fountain Lakes Sewer Corp.

As requested, we have prepared the accompanying Special Report of Fountain Lakes Sewer Corp., consisting of Schedules No. 1 through No. 8. This report is intended solely for use in fulfilling certain reporting requirements related to collection of tax impact charges on contributions in aid of construction, for the years ended December 31, 1993 and 1994, to be filed with the Florida Public Service Commission. We have not audited or reviewed this Special Report and express no opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

Mountain Lakes Sewer Corp.
Schedule of Tax on CIAC and Proposed Gross-up Refund
For the Years Ended December 31, 1993 and 1994
(Unaudited)

Line No.		<u>1993</u>	<u>1994</u>
1	Taxable CIAC	\$ 34,708	\$ 62,720
2	Less: Above the line loss before CIAC		
3	(Schedule No. 2)	(3,702)	-
4	First year's depreciation on CIAC assets	<u>-</u>	<u>(1,869)</u>
5	Net taxable CIAC	31,006	60,851
6	Marginal tax rate	<u>37.63%</u>	<u>37.63%</u>
7	Tax on CIAC	11,668	22,898
8	Expansion factor for gross-up taxes	<u>1.6033</u>	<u>1.6033</u>
9	Gross-up required to pay tax effect	18,707	36,712
10	Actual gross-up collected (2)	<u>(20,940)</u>	<u>(37,736)</u>
11	Excess gross-up collected (1)	<u>\$ 2,233</u>	<u>\$ 1,024</u>
12	Notes: (1) The Utility proposes to refund, on a prorata basis, the		
13	excess gross-up collections shown above, plus accrued interest to the		
14	date of refund.		
15	(2) Actual gross-up collected in 1994 was not included as		
16	income on the tax return. The Company will not include gross-up on		
17	its returns as income until the Commission has issued an order on		
18	disposition of gross-up for a particular year. This change was made		
19	to minimize income taxes, beginning in 1994, the first year the		
20	Utility is filing a tax return as a non-consolidated entity.		

LAW OFFICES

ROSE, SUNDSTROM & BENTLEY

A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

2548 BLAIRSTONE PINES DRIVE

TALLAHASSEE, FLORIDA 32301

(904) 877-8555

CHRIS H. BENTLEY, P.A.
JENNIFER S. BRUBAKER
F. MARSHALL DETERDING
BRIAN L. DOSTER
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
ROBERT M. C. ROSE
DAREN L. SHIPPY
WILLIAM E. SUNOSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (904) 856-4029

September 24, 1996

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Fountain Lakes Sewer Corporation
Proposed Disposition of Gross-up Funds
Our File No. 25093.02

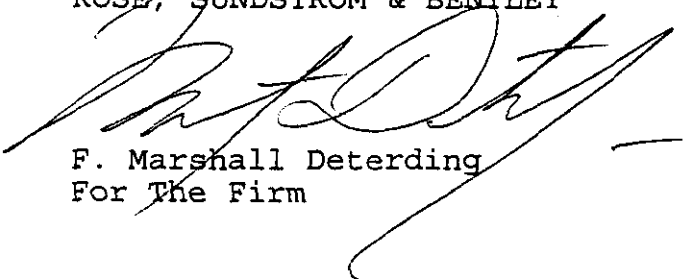
Dear Ms. Bayo:

Attached are copies of tax return information submitted on behalf of Fountain Lakes Sewer Corporation to justify its proposed disposition of gross-up funds collected during the tax year ended December 31, 1995. In accordance with correspondence received from Chuck Hill, these tax returns are confidential information pursuant to Order No. 16971 and are being submitted directly to you in conjunction with the filing of annual CIAC gross-up reports for refund calculation filed today with the Division of Water and Wastewater.

Should you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY


F. Marshall Deterding
For The Firm

FMD/lts

Enclosure

cc: Mr. Charles Hill
Mr. Jerry Sherman
Robert C. Nixon, CPA

Fountain Lakes Sewer Corp.
Schedule of Tax on CIAC and Proposed Gross-up Refund
 For the Year Ended December 31, 1995
 (Unaudited)

Line
No.

1	Taxable CIAC	\$ 78,400
2	Less: First year's depreciation	<u>(2,054)</u>
3	Net taxable CIAC	76,346
4	Marginal tax rate	<u>37.63%</u>
5	Tax on CIAC	28,729
6	Expansion factor for gross-up taxes	<u>1.6033</u>
7	Gross-up required to pay tax effect	46,061
8	Gross-up collected	<u>(47,264)</u>
9	Gross-up (over) under collected	<u>\$ (1,203)</u>
10	Note: The Utility proposes to refund, on a prorata basis, the tax	
11	excess gross-up collections of \$1,203, plus accrued interest to the	
12	date of the refund.	

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA W. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
TRACY A. RIZZO, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4419
(813) 791-4020
FACSIMILE
(813) 797-3602

October 22, 1997

Officers and Directors
Fountain Lakes Sewer Corp.

As requested, we have prepared the accompanying Special Report of Fountain Lakes Sewer Corp., consisting of Schedules No. 1 through No. 6.

This report is intended solely for use in fulfilling certain reporting requirements related to collection of tax impact charges on contributions in aid of construction for the year ended December 31, 1996, to be filed with the Florida Public Service Commission.

We have not audited or reviewed this Special Report and express no opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

Fountain Lakes Sewer Corp.
 Schedule of Tax on CIAC & Proposed Gross-up Refund
 For the Year Ended December 31, 1996
 (Unaudited)

<u>Line No.</u>		
1	Taxable CIAC	\$ 70,000
2	Less: First year depreciation	<u>(2,940)</u>
3	Net taxable CIAC	67,060
4	Marginal tax rate	<u>37.63 %</u>
5	Tax on CIAC	25,235
6	Expansion factor for gross-up taxes	<u>1.6033</u>
7	Gross-up required to pay tax effect	40,459
8	Gross-up collected	<u>41,356</u>
9	Gross-up over collected	897
10	50% of accounting & legal expense to file this report (Attachment I)	<u>3,050</u>
11	Net under collection of gross-up	<u>\$ (2,153)</u>
12	Note: Costs of preparing this report exceed gross-up available for refund; therefore,	
13	no refund is proposed.	

LAW OFFICES

ROSE, SUNDBSTROM & BENTLEY

A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

2548 BLAIRSTONE PINES DRIVE

TALLAHASSEE, FLORIDA 32301

(904) 877-6555

CHRIS H. BENTLEY, P.A.
JENNIFER S. BRUBAKER
F. MARSHALL DETERDING
BRIAN L. DOSTER
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
ROBERT M. C. ROSE
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (904) 656-4029

October 28, 1996

VIA HAND DELIVERY

RECEIVED

OCT 28 1996

Charles H. Hill, Director
Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Florida Public Service Commission
Division of Water and Wastewater

Re: Fountain Lakes Sewer Corporation; Docket No. 960965-WS
Refund of Post-June 12, 1996 Gross-up Funds
Our File No. 25093.02

Dear Mr. Hill:

Attached in accordance with the requirements of Order No. PSC-96-1180-FOF-WS issued in the above referenced docket is a summary of all of the collections of gross-up monies received and interest earned thereon from the date of payment after June 12, 1996, through the proposed date of refund on November 4, 1996. We have enclosed a schedule showing the payee name, amount of gross-up funds collected and refunded, and the interest calculated thereon.

With the filing of this report, we trust that Fountain Lakes Sewer Corporation has complied with the requirements of the above referenced order. Please cancel the tariff sheets authorizing the collection of gross-up funds immediately in order to conclude this process.

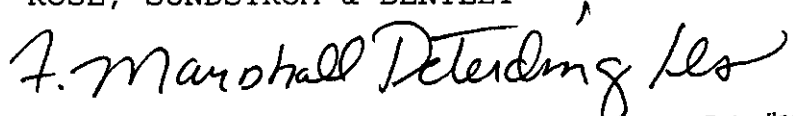
If you or any members of the Staff have any questions or concerns with the refunds proposed herein, please let us know in advance of the November 4th date so that we can make any needed corrections. Otherwise, the refunds will be issued on that date and we will forward copies of the checks after issuance.

Mr. Charles H. Hill
October 28, 1996
Page 2

Should you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY

A handwritten signature in cursive script that reads "F. Marshall Deterding" followed by a flourish.

F. Marshall Deterding
For the Firm

Dictated by Mr. Deterding
but signed in his absence
to avoid delay in mailing.

FMD/lts
Enclosure

cc: Ms. Blanca S. Bayo
Ms. Connie McCaskill
Ralph Jaeger, Esquire
Mr. Jerry Sherman
Robert C. Nixon, CPA

**FOUNTAIN LAKES SEWER CORP.
REFUND OF GROSS-UP FEES PAID AFTER JUNE 12, 1996**

	<u>Unit Number</u>	<u>Amount of Gross-Up Fee</u>	<u>Gross-Up Fee paid by:</u>	<u>Date Gross-Up Fee Paid (closing date)</u>	<u>Date of Refund</u>	<u>Interest Days Payable</u>	<u>Interest Rate (rate paid on escrow account)</u>	<u>Interest Payable</u>	<u>Total Refund (gross-up fee plus interest)</u>
1)	MN-100	\$844.00	Centex	6/14/96	11/4/96	143	2.81%	\$9.29	\$853.29
2)	MN-17	\$844.00	Centex	7/9/96	11/4/96	118	2.81%	\$7.67	\$851.67
3)	MN-95	\$844.00	Centex	7/17/96	11/4/96	110	2.81%	\$7.15	\$851.15
4)	MN-73	\$844.00	Centex	8/13/96	11/4/96	52	2.81%	\$3.38	\$847.38
5)	MN-121	\$844.00	Centex	8/27/96	11/4/96	38	2.81%	\$2.47	\$846.47
6)	MN-123	\$844.00	Centex	8/27/96	11/4/96	38	2.81%	\$2.47	\$846.47
	SUBTOTAL		Centex						\$5,096.42
7)	Q1004	\$844.00	Rottlund	6/20/96	11/4/96	137	2.81%	\$8.90	\$852.90
8)	Q602	\$844.00	Rottlund	6/26/96	11/4/96	131	2.81%	\$8.51	\$852.51
9)	Q601	\$844.00	Rottlund	8/31/96	11/4/96	65	2.81%	\$4.22	\$848.22
10)	Q604	\$844.00	Rottlund	9/8/96	11/4/96	59	2.81%	\$3.83	\$847.83
11)	Q603	\$844.00	Rottlund	9/24/96	11/4/96	41	2.81%	\$2.88	\$846.88
	SUBTOTAL		Rottlund						\$4,248.13
	TOTAL REFUNDS								\$9,344.56