

VOTE SHEET

DATE: September 10, 1991

RE: DOCKET NO. 910531-WS - Petition for declaratory statement related to appropriate treatment of taxes related to contributions-in-aid-of-construction (CIAC), by KINGSLEY SERVICE COMPANY in Clay County.

Issue 1: Recommendation that the Commission grant Kingsley Service Company's Petition for Declaratory Statement. The petition contains one issue which meets the threshold requirements for a declaratory statement found in Section 120.565, F.S., and Rule 25-22.021, F.A.C.

**APPROVED**

Issue 2: Recommendation that the Commission not declare that Kingsley Service Company should pursue a contest of any proposed taxation of the CIAC received as notes during December 1986.

**APPROVED**

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*Susan Clark*  
*Bob Casley*  
*[Signature]*  
*[Signature]*  
*Jerry Pearson*

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REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

09007 SEP 11 1991

FPSC-RECORDS/REPORTING

Issue 3: Recommendation that the Commission should not declare that costs of contesting taxation of CIAC received as notes during December 1986 should be capitalized as intangible plant by Kingsley Service Company.

**APPROVED**

Issue 4: Recommendation that the Commission should not declare that, to the extent the IRS ultimately prevails on its position that the CIAC received as notes during December 1986 is taxable to Kingsley Service Company, the utility should pursue collection of such tax from the appropriate developers in accordance with its rights under the notes executed with the developers, to the extent utility management determines that such pursuit has a reasonable likelihood of success, based upon the likelihood of collection, the amount to be collected, and the cost of collection.

**APPROVED**

Issue 5: Recommendation that the Commission declare that the gross-up percentage to be utilized in determining the amount of monies owed to Kingsley Service Company by developers, in the event the IRS ultimately prevails with regard to its proposed taxation of the CIAC notes, should be based upon the gross-up percentage in effect at the time the IRS determines that such CIAC was received.

**DENIED**

Issue 6: Recommendation that the Commission should not declare that, in the event the conclusion is reached by the utility's legal counsel and management that taxes cannot reasonably and economically be recovered from developers, the utility should be allowed rate base treatment with regard to such amounts of income tax for which the utility is liable as a result of the IRS action.

**APPROVED**

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Issue 7: Recommendation that this docket be closed.

**APPROVED**