

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a rate ) DOCKET NO. 910637-WS  
increase in Pasco County by MAD ) ORDER NO. PSC-95-0462-FOF-WS  
HATTER UTILITY, INC. ) ISSUED: April 10, 1995  
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The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman  
J. TERRY DEASON

ORDER DISPOSING OF UNCLAIMED REFUNDS

BY THE COMMISSION:

Background

Mad Hatter Utility, Inc., (Mad Hatter or utility) is a class B utility located in Lutz, Florida. Mad Hatter owns and operates water and wastewater systems in three separate communities: Linda Lakes, Foxwood and Turtle Lakes. According to Mad Hatter's 1990 annual report, Mad Hatter serves 1,234 water customers and 1,231 wastewater customers.

On October 18, 1991, Mad Hatter completed the minimum filing requirements for a general rate increase and that date was established as the official date of filing for this proceeding. The approved test year for determining interim and final rates is the twelve-month period ended December 31, 1990. By Order No. 25589, issued January 9, 1992, this Commission suspended Mad Hatter's proposed rates and approved interim rates.

By Order No. 25589, we also denied Mad Hatter's request to recover in interim rates its costs of interconnecting the Foxwood and Turtle Lakes wastewater systems with Pasco County. We interpreted Section 367.082, Florida Statutes, as requiring that interim rates be calculated based on historical data only, and the interconnection occurred outside the interim test year. On December 16, 1992, Mad Hatter filed a petition requesting an emergency limited proceeding. By Order No. 25711, issued February 12, 1992, we allowed Mad Hatter to collect emergency temporary rates, subject to refund, which were designed to allow Mad Hatter to collect sufficient revenues to pay Pasco County for bulk wastewater treatment. We reserved judgment on Mad Hatter's final rates and the disposition of funds held in escrow.

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FPSC-RECORDS/REPORTING

By Proposed Agency Action (PAA) Order No. PSC-92-0123-FOF-WS, issued March 31, 1992, we allowed Mad Hatter increased rates, required it to refund excess interim and emergency rates, reduced its service availability charges, and found that it violated several Commission rules. On April 21, 1992, Mr. Timothy G. Hayes, a customer, filed a timely protest to the PAA Order. Pursuant to Mr. Hayes' protest, we held an administrative hearing on September 2 and 3, 1992, in Land O' Lakes, Florida, and on September 25, 1992, in Tallahassee, Florida. By Order No. PSC-93-0295-FOF-WS, issued February 24, 1993, we approved final rates and charges for Mad Hatter and required that it refund a portion of its interim and emergency rates.

On March 10, 1993, the Office of Public Counsel (OPC) filed a Motion for Reconsideration. On March 11, 1993, Mad Hatter filed a Motion for Reconsideration. On March 23, 1993, Mad Hatter filed its response to OPC's Motion. OPC did not respond to Mad Hatter's motion. By Order No. PSC-93-0894-FOF-WS, issued June 14, 1993, we denied Mad Hatter's and OPC's Motions for Reconsideration.

On June 22, 1993, Mad Hatter filed its proposed plan for refund of interim and emergency rates. The refund was calculated for the time period beginning with the application of the interim rates on February 24, 1992, through the termination of the interim and emergency rates, which was June 16, 1993. Our staff determined that several corrections were necessary to Mad Hatter's refund plan. On September 30, 1993, Mad Hatter made the necessary corrections and completed the refunds.

#### Disposition of Unclaimed Refunds

On December 6, 1994, pursuant to Rule 25-30.360(7), Florida Administrative Code, Mad Hatter filed its final refund report and requested approval to credit the unclaimed refunds to CIAC. Rule 25-30.360, Florida Administrative Code, was revised subsequent to the filing of this rate case. Therefore, the prior rule was still applicable to Mad Hatter and Section 8 of that rule stated that with the last report, the company shall suggest a method for disposing of any unclaimed amounts, and the Commission shall then order a method disposing of the unclaimed refunds. Accordingly, pursuant to the prior rule, Mad Hatter filed its final refund report and requested approval to credit the unclaimed refunds to CIAC. Mad Hatter's report indicates that of the \$188,397.34 in interim rate revenues to be refunded, as of December 6, 1994, the total unclaimed refund amount was \$654.69. Further, Section 8 of the previous rule was revised to state that any unclaimed refunds shall be treated as cash contributions-in-aid-of-construction.

As stated earlier, on September 30, 1993, Mad Hatter completed its refunds. We allowed Mad Hatter to process its refund by crediting its customers bills. Of the total \$188,397.34 refund amount, \$179,138.39 has been refunded as a credit to the customers' accounts, \$8,756.09 has been refunded by check, and \$509.74 has not been not refunded, due to bad debts or refunds totaling less than \$1.00.

Mad Hatter has provided a breakdown of the refund amount for each of the three systems, Foxwood, Turtle Lakes, and Linda Lakes. Mad Hatter has refunded 99.38% of the total amount. Bad debts and refunds under \$1.00 represent .27% of the total amount. The unclaimed portion represents .35% of the total amount. According to Mad Hatter's refund report, all of the unclaimed refunds can be attributed to the Foxwood system. The total unclaimed refunds equal \$654.69 and comprise two outstanding checks totaling \$60.26 and 11 unclaimed checks totaling \$594.43.

We have reviewed Mad Hatter's final report and find that it conforms with our rules in effect when Mad Hatter filed its rate application, as well as the revised rules. We have allowed other utilities to credit CIAC accounts with unclaimed refunds. Accordingly, we find it appropriate to allow Mad Hatter to credit the unclaimed refunds to CIAC. Mad Hatter shall credit \$654.69 to CIAC for the Foxwood system. However, in the future, if any of the 13 affected customers submits a claim for refunds, each subsequent refund shall be accompanied by an appropriate reduction to the CIAC account. Since no further action is required, this docket shall be closed.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Mad Hatter Utility, Inc., shall dispose of its unclaimed refunds by crediting its contributions-in-aid-of-construction accounts with the amount of unclaimed refunds. It is further

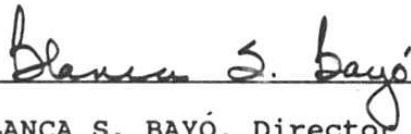
ORDERED that, in the future, if any of the thirteen affected customers submits a claim for refunds, each subsequent refund shall be accompanied by an appropriate reduction to the contributions-in-aid-of-construction account. It is further

ORDERED that Mad Hatter Utility, Inc., shall credit \$654.69 to the contribution-in-aid-of-construction account for the Foxwood system. It is further

ORDERED that this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 10th  
day of April, 1995.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

ELS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.