

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

ORIGINAL

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

(850) 877-6555
FAX (850) 656-4029
www.rsbattoorneys.com

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 WEST STATE ROAD 434
SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD
BRIAN J. STREET

January 17, 2007
VIA HAND DELIVERY

ROBERT M. C. ROSE, (1924-2006)

Jennifer Brubaker, Esquire
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED 11:50
07 JAN 17 PM 3:43
COMMISSION
CLERK

Re: Mad Hatter Utility, Inc.; PSC Docket Nos. 041342-WU and 021215-WS
Our File No. 28023.16

Dear Ms. Brubaker:

I am writing as a follow up to my letter of January 3, 2007. As noted therein, I have been working with Marion Hale, the attorney for Pasco County, to finalize a settlement which involves numerous issues, including all of the issues related to Docket Nos. 021215-WS and 041342-WU.

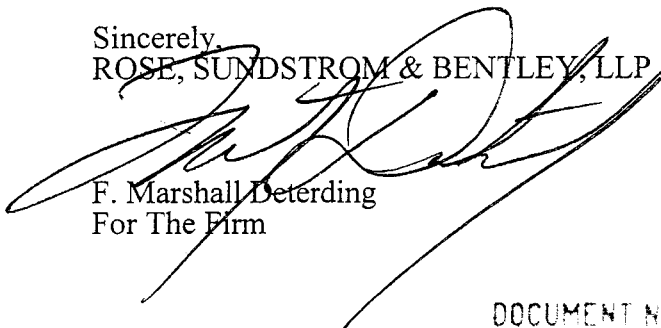
After forwarding to you the draft Settlement Agreement, one minor change was made to refer to one of the parcels applied for in Docket No. 041342-WU as "The Daycare Center." Otherwise, the Settlement Agreement is exactly as sent to you on January 3, 2007. I am attaching a copy of the final executed Settlement Agreement for your files.

- JMP
- JOM
- JTR
- JCR
- JCL
- JPC
- JCA
- JSC
- JSG
- JSEC
- JOTH

As noted in my letter of January 3, 2007, some of the properties noticed in the two referenced docket numbers are proposed for inclusion in Mad Hatter's service territory and some are agreed not to be included. I provided the specifics of that to you in the last letter, and they are also described in the attached maps, legal descriptions and proposed notice. Please review the letter of January 3, 2007 and let me know whether the draft notice that I have attached hereto is acceptable and how you believe we should proceed in order to finalize this settlement.

Again, as I indicated in my January 3, 2007 letter, time is of the essence as we must get this matter settled by March 8, 2007 or go to the Appellate Court for an additional extension of time. I appreciate your prompt attention to this matter. If you have any questions, please let me know.

Sincerely,
ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tms
cc: Blanca S. Bayo
Tom Walden
Marion Hale, Esq.
Larry DeLucenay

DOCUMENT NUMBER-DATE
00487 JAN 17 5

FPSC-COMMISSION CLERK

LAW OFFICES

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
E. MARSHALL DEERDING
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
CHASTY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMPER, P.A.
JOHN L. WHARTON

(850) 877-6555
FAX (850) 656-4029
www.rsblaw.com

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 WEST STATE ROAD 434
SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD
BRIAN J. STREET

ROBERT M. C. ROSE (1924-2006)

January 8, 2007

Marion Hale, Esquire
Johnson, Blakely, Pope, et al.
P O. Box 1368
Clearwater, FL 33757-1368

Re: Mad Hatter Utility, Inc.
Water and Sewer Service, PSC Extensions, Circuit and Appellate Actions
Our File No. 28023.16

Dear Marion:

I have outlined below the agreed upon settlement of the various cases pending between Pasco County and Mad Hatter Utility, Inc. at the PSC and in the Circuit and Appellate Courts.

Settlement Provisions

1. Circuit Court and Appellate Court Actions - Mad Hatter would agree to withdraw its current pending appeal and its action at the Circuit Court in Case Nos. 51-2005-CA-2416ES and 2D06-679, respectively. Mad Hatter will agree to pay the County's attorney's fees incurred in this litigation, which would be a total payment by Mad Hatter to the County of \$13,526. Such payment will be made immediately after final approval of the proposed settlement by the PSC and dismissal of all proceedings required to be dismissed hereunder.
2. PSC Proceedings
 - a) Oak Grove Commercial Area - PSC Docket No. 021215-WS

MHU would drop its request to add the uncertificated commercial areas along State Road 54 of the Oak Grove subdivision to its certificated service territory and would only add that portion that includes residential service, which is located on the south 2/5 of the territory as originally proposed for extension. A map showing the

Marion Hale, Esquire
January 8, 2007
Page 2

location of these properties that would be served by the County and the part that would be served by Mad Hatter is attached as Exhibit "A." This arrangement reflects the current state of affairs where the County is serving the commercial properties and Mad Hatter is serving the residential properties within this territory. The County agrees with this resolution and will support it at the PSC.

b) Livingston Road Extension Docket No. 041342-WU

The County would agree to withdraw its objection to the extension of Mad Hatter's service territory to include water and wastewater service to the daycare center east of Livingston Road. MHU agrees to withdraw its application with regard to the one single family residence requested for extension in this docket which is west of Livingston Road. While MHU will initially only provide water service to this one daycare parcel (which currently receive sewer service by septic tank), the parties would agree, to the extent sewer service is needed to this parcel in the future, that Mad Hatter would be the appropriate provider of such service and the County would, therefore, support Mad Hatter's request that this parcel be included in both its water and wastewater certificate. A map showing the location of this property is attached as Exhibit "B."

c) Additional Residents

The County would stipulate that three additional residences, at the following addresses, east of Livingston Road, would be included in Mad Hatter's water and wastewater service territory and would be served by Mad Hatter:

1410 Livingston Road - 1 single family residence with septic tank

1426 Livingston Road - 1 single family residence with septic tank

1524 Livingston Road - 1 single family residence with septic tank

A set of maps showing these three properties is attached as Exhibits "C-1" and "C-2. Exhibit C-1 is a map showing the location of the three additional Livingston Road properties and Exhibit C-2 is a map showing those three additional Livingston Road properties along with the daycare property requested in DK 041342-WU, which is referenced in 2.b. above.

d) Temporary Water Service

Mad Hatter is currently providing water service to one residence on the south side of Leonard Road located at 20434 Leonard Road. Because of a previous illegal connection there is also such water service potentially available to a second

Marion Hale, Esquire
January 8, 2007
Page 3

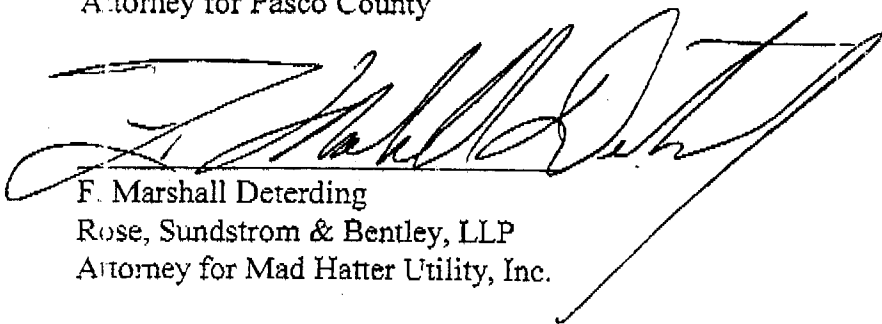
residence next door at 20450 Leonard Road. MHU may continue to provide temporary service to those residences until the County extends service to the properties located south of those residences. At that time, those two homes must disconnect from MHU and transfer to the County's system. MHU agrees that it will not extend any service beyond those two residences or beyond any of its certificated areas without Public Service Commission approval. MHU also agrees not to use the terms of this agreement to allege that it should serve these homes or any other area by virtue of the fact that the County has agreed not to object to MHU's service to these two homes under these limited conditions.

The agreements in Paragraph 1 are contingent upon the PSC approving the provisions in Paragraphs 2.a., 2.b., and 2.c, without change.

I believe this accurately reflects our agreement. If you agree, please sign your name in the space provided below, and I will submit this to the Public Service Commission for approval and processing as quickly as possible.

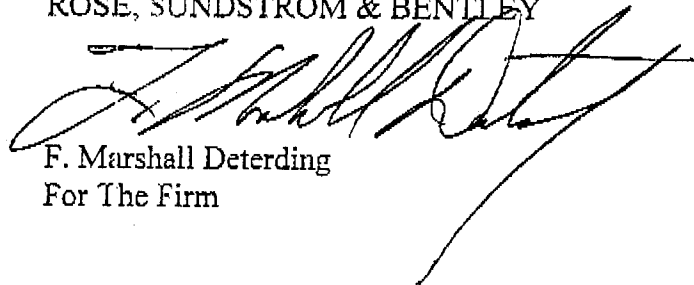


Marion Hale, Esquire
Johnson, Pope, Bokor, Ruppel, & Burns, LLP
Attorney for Pasco County



F. Marshall Deterding
Rose, Sundstrom & Bentley, LLP
Attorney for Mad Hatter Utility, Inc.

Sincerely,
ROSE, SUNDBSTROM & BENTLEY



F. Marshall Deterding
For The Firm

FMD/tms
cc Mr. Larry DeLucenay
ma120hale.ltr

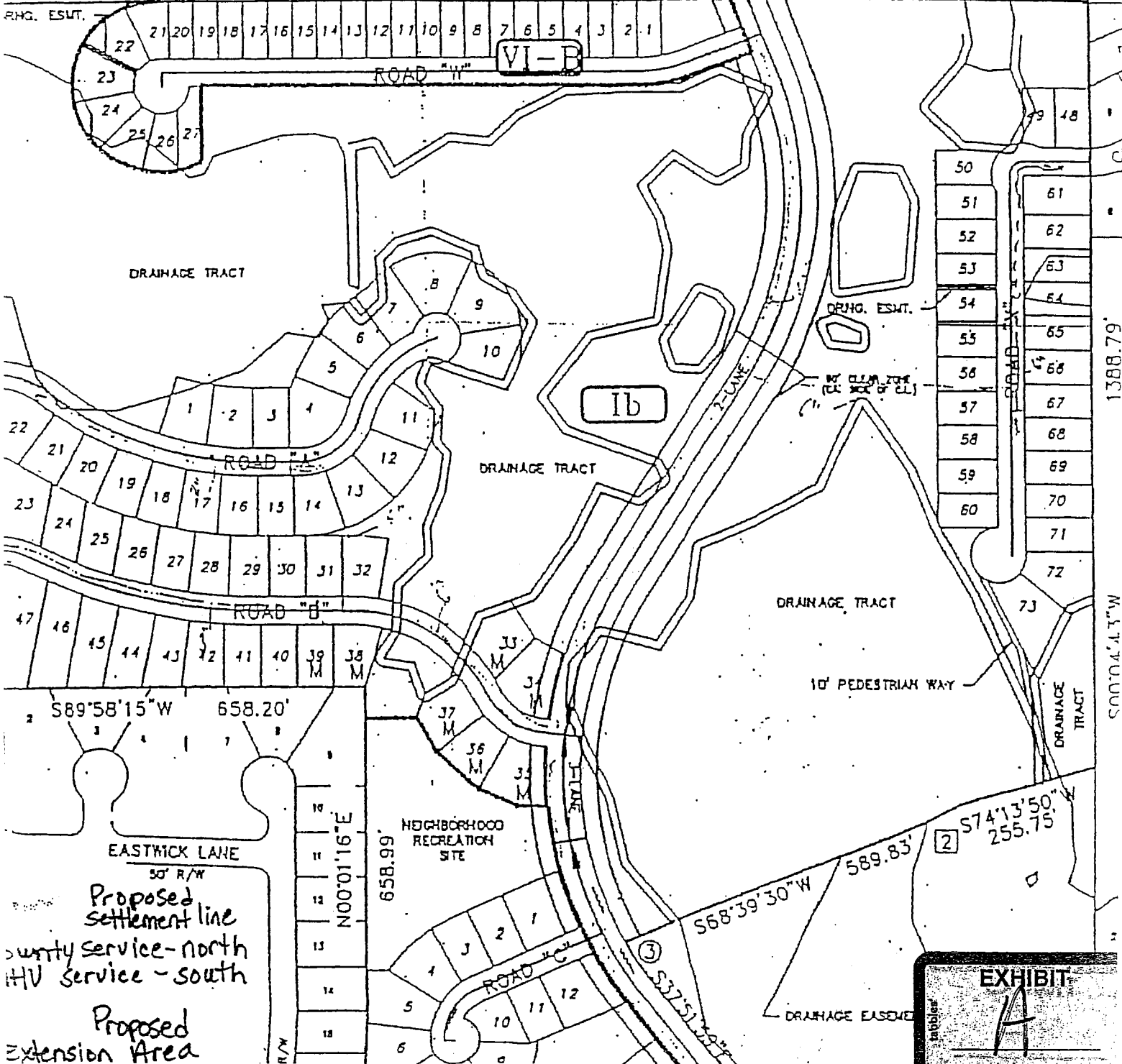
VACANT

VACANT

S89°59'49"E - 1332.62'

S89°59'49"E - 580.19'

ENCL. ESMT.

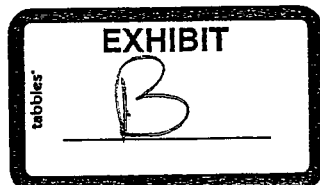


Proposed settlement line
 surty service - north
 HV service - south
 Proposed Extension Area

EXHIBIT
A

Pasco County, Florida
2.4 miles ESE of Land O Lakes
Prepared by the Office of Mike Wells, Pasco County Property Appraiser.

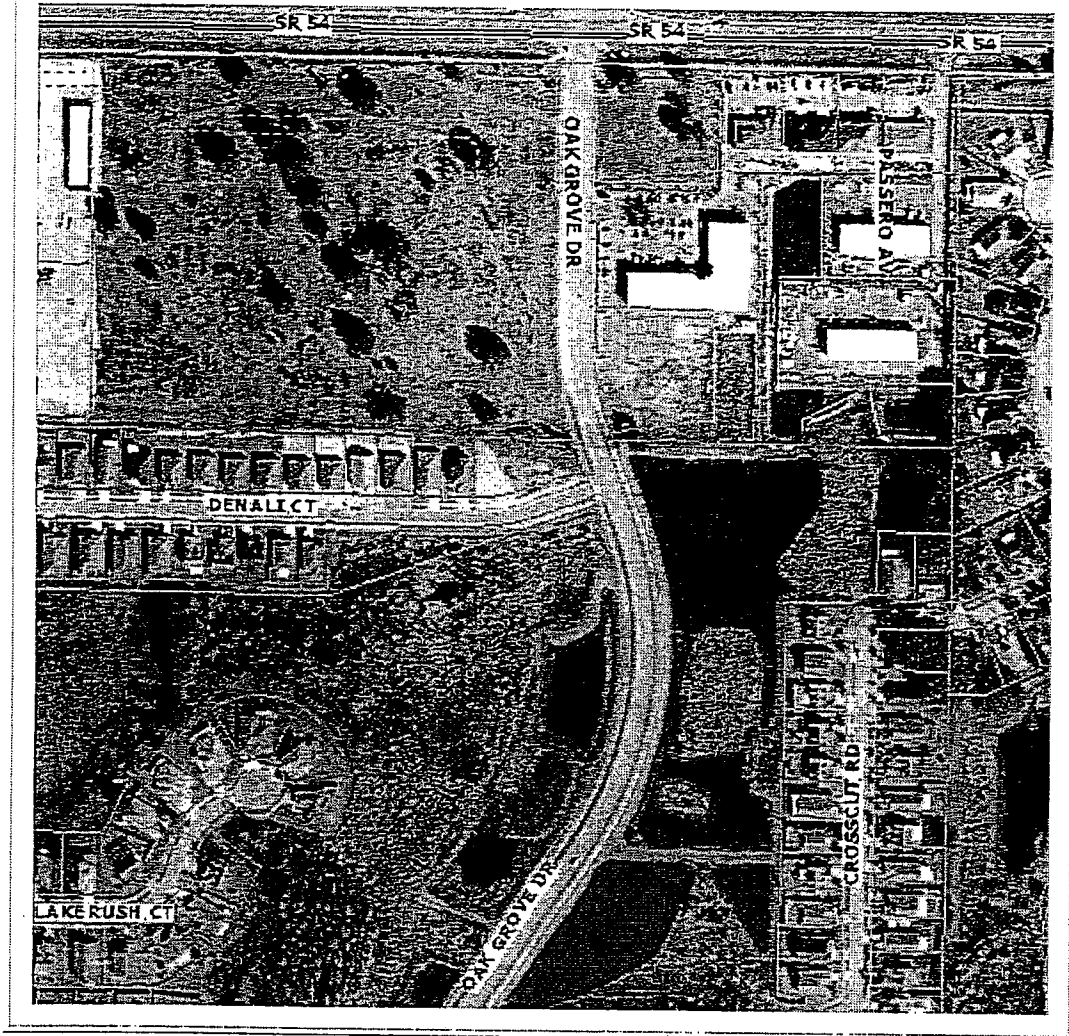
Map Created on 4/6/2006 at 11:25:46 AM.



Pasco County, Florida
3.2 miles E of Land O Lakes

Prepared by the Office of Mike Wells, Pasco County Property Appraiser.

Map Created on 8/30/2006 at 3:51:04 PM.



Pasco County, Florida
Section 32, Township 26, Range 19, 2.6 miles ESE of Land O Lakes
Prepared by the Office of Mike Wells, Pasco County Property Appraiser.

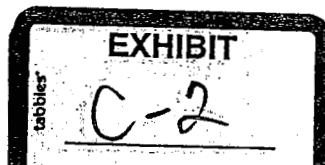
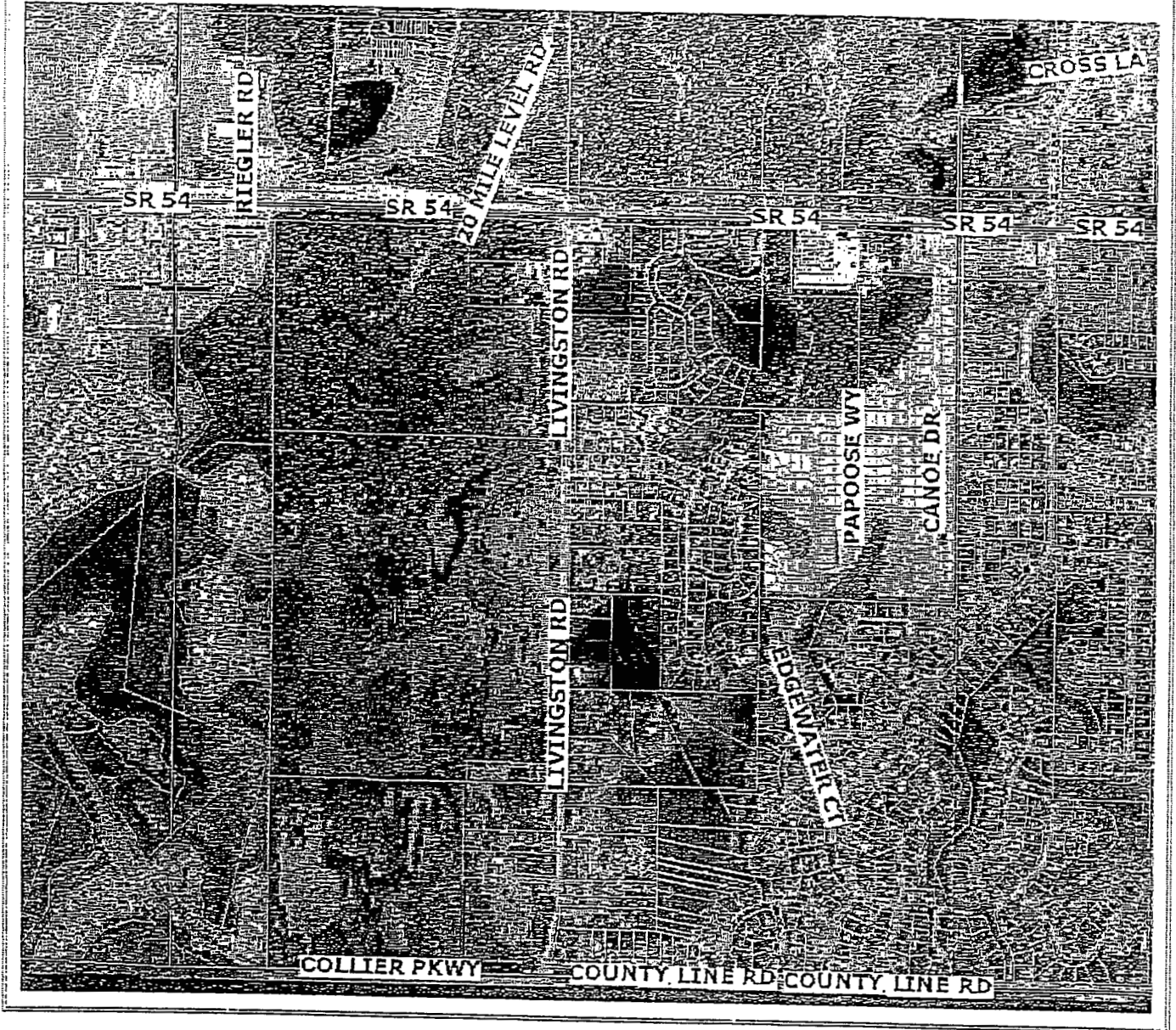
Map Created on 4/5/2006 at 2:26:06 PM.



tabbles®
EXHIBIT
C-1

Pasco County, Florida
2.5 miles ESE of Land O Lakes
Prepared by the Office of Mike Wells, Pasco County Property Appraiser.

Map Created on 4/5/2006 at 2:27:33 PM.



January ____, 2007

LEGAL NOTICE OF APPLICATION FOR AMENDMENT OF CERTIFICATES

Pursuant to the provisions of Section 367.045, Florida Statutes, and the provisions of Florida Public Service Commission Rule 25-30.036(2), Notice is hereby given this ____ day of January, 2007 by Mad Hatter Utility, Inc., 2348 Raden Drive, Land O'Lakes, Florida 34639, of its Application in Docket Nos. 041342-WU and 021215-WWS to extend its service area to provide water and wastewater service to the following described lands in Pasco County, Florida:

Parcel 1

A PORTION OF THE NORTH 696 FEET OF THE WEST 437.5 FEET OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 32, TOWNSHIP 26 SOUTH, RANGE 19 EAST, PASCO COUNTY FLORIDA, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHEAST CORNER OF SAID TRACT AND RUN SOUTH 396 FEET FOR A POINT OF BEGINNING; THENCE FROM SAID POINT THE FOLLOWING SIX (6) COURSES:
1) S 01°01'43"W, 300.00 FEET; 2) N 88°58'21"W, 437.29 FEET;
3) N 01°01'43"E, 272.31 FEET; 4) S 88°14'18"E, 242.50 FEET;
5) N 01°01'43"E, 27.96 FEET; 6) S 88°58'21"E, 194.81 FEET; | TO THE
AFOREMENTIONED POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING:

A PORTION OF THE NORTHEAST ONE QUARTER (NE 1/4) OF THE NORTHWEST ONE QUARTER (NW 1/4) AND A PORTION OF THE NORTHWEST ONE QUARTER (NW 1/4) OF THE NORTHEAST ONE QUARTER (NE 1/4) OF SECTION 32, TOWNSHIP 26 SOUTH, RANGE 19 EAST, PASCO COUNTY FLORIDA, DESCRIBED AS FOLLOWS:
COMMENCE AT THE NORTH ONE QUARTER CORNER (N 1/4) OF SECTION 32, TOWNSHIP 26 SOUTH, RANGE 19 EAST AND RUN S01°01'43"W, A DISTANCE OF 423.59 FEET ALONG THE WEST BOUNDARY OF THE NORTHWEST ONE QUARTER (NW 1/4) OF THE NORTHEAST ONE QUARTER (NE 1/4) OF SECTION 32 TO THE POINT OF BEGINNING. THENCE FROM SAID POINT OF BEGINNING THE FOLLOWING SEVEN (7) COURSES:
1) S 88°14'18"E, 16.33 FEET; 2) S 01°43'23"W, 272.11 FEET;
3) N 88°58'21"W, 17.78 FEET; 4) N 00°01'43"E, 228.90 FEET;
5) N 88°45'48"W, 8.23 FEET; 6) N 00°51'52"E, 43.49 FEET;
7) S 88°14'18"E, 8.36 FEET; THE AFOREMENTIONED POINT OF BEGINNING.

Parcel 2

Section 32, Township 26 South, Range 19
East
Pasco County, Florida

NORTH 1/2 OF THE SW1/4 OF THE NW1/4 OF NW1/4
OF SE1/4 OF SECTION 32 LESS WEST 30 FT
FOR ROAD RIGHT-OF-WAY FOR LIVINGSTON ROAD
OR 5819 PG 1993

Parcel 3

SOUTH 1/2 OF NW1/4 OF NW1/4 (O1) OF NW1/4 OF
SE1/4 OF SEC EXC WEST 30.00 FT FOR ROAD
R/W FOR LIVINGSTON RD OR 5706 PG 1981

Parcel 4

EAST 1/2 OF NW1/4 OF NW1/4 OF SE1/4 OR 1266
PG 1843 OR 3829 PG 969 OR 6346 PG 619

Any objection to the said application must be made in writing and filed with the Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within thirty (30) days from the date of this notice and should reference Docket Nos. 041342-WU and 021215-WWS. At the same time, a copy of said objection should be mailed to the applicant whose address is set forth below. The objection must state the grounds for the objection with particularity.

F. Marshall Deterding, Esquire
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, Florida 32301