

been unable to determine the nature or content of rebuttal testimony and therefore, those exhibits cannot be identified at this time.

5. Any and all exhibits which may be necessary for examination of adverse witnesses or cross-examination of other parties' witnesses.

6. Additional exhibits relevant to testimony of any direct or rebuttal witness which may hereinafter be obtained through the discovery process.

C) A statement of Mad Hatter's basic position in this proceeding:

Mad Hatter's basic position is that there is a need for water and wastewater service within the territories into which Mad Hatter proposes to extend and that Mad Hatter has the technical, managerial, and financial ability to provide such wastewater service and can do so more efficiently and at less cost than Pasco County. Thus, the granting of Mad Hatter's application is in the public interest. In addition, it is Mad Hatter's position that the County's current and past actions in plain contravention of the previous findings of the Public Service Commission have been in violation of the requirements of Florida Statutes concerning duplication of facilities and have been contrary to not only the Commission's findings and statutes, but contrary to the public interest as well.

D) A statement of each question of fact Mad Hatter considers at issue, its position on each such issue and which of its witnesses will address the issue is as follows:

1. Whether Mad Hatter has the technical ability to serve the water and wastewater needs of the entire existing territory as well as the additional territory requesting in its application for amendment.

Mad Hatter's Position: Mad Hatter has, in the past, and will continue in the future, to have the technical ability to provide service to its entire existing service territory and the additional territory requested in the amendment. This issue has initially been addressed in direct testimony by Larry DeLucenay and will also be addressed by Larry DeLucenay and such other witnesses as the Utility deems appropriate in rebuttal to the testimony recently received from Pasco County or from the Commission Staff (if any).

2. Whether Mad Hatter will have sufficient capacity when the need for service in the proposed territory arises.

Mad Hatter's Position: Mad Hatter does have the capacity in place to serve the immediate needs of the current and proposed territory. To the extent Mad Hatter does not currently have the capacity in place to provide a service to the new territory when needed, the Utility will have that capacity in place at the time of need for such service.

Mr. Larry DeLucenay provided direct testimony on this issue. However, additional testimony may be needed in rebuttal to that provided by the County or the Staff.

3. Is it in the public interest to grant Mad Hatter's application?

Mad Hatter's Position: Yes. It is in the public interest to grant Mad Hatter's application for extension of service territory and it is not in the public interest to allow the County to continue its brazen disregard for the public interest, Florida Statute, and the specific findings of regulatory bodies and courts and attempt to duplicate the facilities of Mad Hatter.

The Utility presented the direct testimony of Mr. Larry DeLucenay on this issue and will present such other rebuttal witnesses as are necessary and appropriate in response to the direct testimony of the County witnesses and any presented by the Commission Staff.

4. Whether there is a reasonable need for wastewater service to the proposed territory in the reasonable foreseeable future.

Mad Hatter's Position: Yes.

The Utility presented the direct testimony of Mr. Larry DeLucenay on this issue and will present such other rebuttal witnesses as are necessary and appropriate in response to the direct testimony of the County witnesses and any presented by the Commission Staff.

E) A statement of each question of law Mad Hatter considers at issue its position on each issue are as follows:

1. Has Mad Hatter demonstrated that it has the ability to provide water and wastewater service to the proposed territory, that there is a need for water and wastewater

service in the proposed territory and that it is the proper party to provide such service.

Mad Hatter's Position: Yes.

2. Is the County's action in attempting to extend services into and adjacent to the areas currently served by Mad Hatter a duplication of Mad Hatter's existing service, and contrary to law and public policy?

Mad Hatter's Position: Yes. The County's actions are duplicative and in violation of law and public policy.

F) A statement of each policy question that Mad Hatter considers at issue, Mad Hatter's position on each such issue, and which of Mad Hatter's witnesses will address the issue:

1. Whether the Commission should reward a non-regulated local government entity for its actions in plain contravention of previous determinations of the Commission about the appropriate provider of service in a given area by recognizing such extensions and duplications, and thereafter judging the non-regulated governmental utility's ability to serve based upon the extension of facilities previously determined by the Commission to be unnecessary and duplicative.

Mad Hatter's Position: Mad Hatter believes that the Commission should not reward such actions by unregulated local government entities or it will, in effect, vitiate any value to its findings as to those entities. In addition, failure to recognize such inappropriate actions by local government renders regulated utilities in the State of Florida unable to move forward with expansions in an orderly manner because of the unrestrained ability of local government to ignore findings by the regulatory agency as to the public interest. Any Commission actions which reward local government arrogance of this nature, even after Commission findings of: the need for service; and that the private utility is in the best position to provide such service, renders the private utility unable to plan and expand for the future in an efficient manner.

The Utility presented the direct testimony of Mr. Larry DeLucenay on this issue and will present such other rebuttal witnesses as are necessary and appropriate in response to the direct testimony of the County witnesses and any presented by the Commission Staff.

G) A statement of issues that have been stipulated to by the parties:

None at this time.

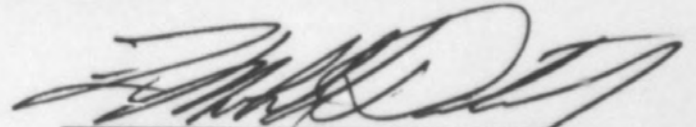
H) A statement of all pending motions or other matters Mad Hatter seeks action upon are as follows:

1. Mad Hatter's Objection to Pasco County's Request for Production of Documents filed on March 19, 1997.

I) A statement as to any requirements set forth in the Order Nos. PSC-96-1037-PCO-WS, PSC-96-1235-PCO-WS or PSC-97-0210-PCO-WS that cannot be complied with:

Mad Hatter is unaware of any such requirements that cannot be complied with at this time.

Respectfully submitted this
2/24 of March, 1997, by:



F. Marshall Deterding
ROSE, SUNDSTROM & BENTLEY
2548 Blairstone Pines Drive
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CERTIFICATE OF SERVICE

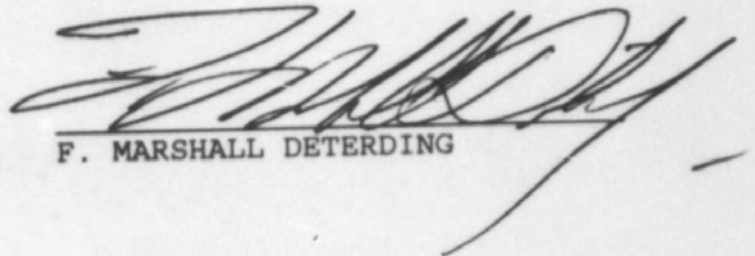
I HEREBY CERTIFY that a true and accurate copy of the foregoing has been provided in the manner indicated below to the following on this 22nd day of March, 1997.

Marion Hale, Esq.
Johnson, Blakely, Pope, et al.
P.O. Box 1368
Clearwater, FL 34617

VIA U.S. MAIL

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F. MARSHALL DETERDING

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