

ORIGINAL FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF MAD HATTER UTILITY, INC. FOR AMENDMENT OF WATER AND WASTEWATER CERTIFICATES IN PASCO COUNTY, FLORIDA

DOCKET NO. 960576-WS

PASCO COUNTY'S RESPONSE TO MAD HATTER'S MOTION TO STRIKE PRE-FILED TESTIMONY

Pasco County, through its undersigned counsel, hereby responds to the motion to strike the pre-filed direct testimony of John Gallagher and Michael Moses filed by Mad Hatter Utility, Inc., as follows:

1. 1. Mad Hatter mistakenly contends that the testimony of the County Administrator, John Gallagher, is a duplication of the testimony of the County's utility director, Douglas Bramlett. Mr. Gallagher testified in his pre-filed testimony that Mad Hatter has not requested the County increase the 350,000 gpd cap in the parties' 1992 agreement. Under the terms of the parties' agreement, that request would have to have been made to Mr. Gallagher as the County Administrator. Any such testimony from Mr. Bramlett

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would be merely hearsay. Accordingly, Mr. Gallagher's pre-filed testimony should not be stricken.

2. The PSC should also not strike the pre-filed testimony of Michael Moses because Mr. Moses has intimate knowledge of Mad Hatter Utility's financial affairs and ability to obtain financing to serve any proposed expanded territory.

3. Mr. Moses is also familiar with the financial problems that have plagued the utility and has provided testimony as to why those problems make it extremely unlikely Mad Hatter will be able to obtain any future financing.

4. Mr. Moses also opined that he has seen nothing in Mad Hatter's financial documents that would lead him to change his opinion that Mad Hatter has no value because the utility's debt exceeds the value at a rate basis analysis.

5. Mr. Moses is also familiar with banks and lending requirements and has opined that Mad Hatter will not be able to obtain financing.

6. Mad Hatter's finances and its financial ability to obtain a loan are critical issues in this application.

7. Mr. DeLucenay is not a Certified Public Accountant and his conclusory statement that he believes the bank would be receptive to an application for a loan is directly contradicted by Mr. Moses' testimony that given the financial condition of Mad Hatter, it is extremely unlikely Mad Hatter would obtain an additional loan.

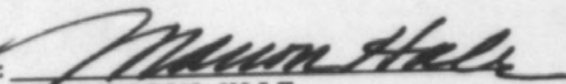
8. Mad Hatter Utility misreads Mr. Moses' direct testimony if it concludes that Mr. Moses could only provide testimony as to the value of the utility on August 31, 1991.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy hereof has been served upon Roseanne Capeless, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399, and F. Marshall Deterding, Rose Sundstrum & Bentley,

2548 Blairstone Pines Drive, Tallahassee, Florida 32301, by
regular U.S. mail this 25 day of April, 1997.

JOHNSON, BLAKELY, POPE,
BOKOR, RUPPEL & BURNS, P.A.

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