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September 3, 1997

VIA HAND DELIVERY

Rosanne Capeless, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Mad Hatter Utilities, Inc.; Docket No. 960576-WS
Application for Amendment of Water and Wastewater Certificates
Our File No. 28023.07

Dear Rosanne:

I am writing to respond to your letter of August 23rd in the above referenced certificate case concerning the property on which the Linda Lakes Grove water plant is located. I offer you the following information.

The water treatment plant is basically a well and is located on a road right-of-way within the Linda Lakes subdivision. It is a very small area and is located in the center of that road right-of-way, as I understand it, in a median strip. The Utility has now been through the original transfer proceeding and one extension case which this information was presented to the Commission as well as a rate case in which the issue arose. The Commission seemed to be satisfied in each of those cases with the ownership of that property. There is no deed or 99 year lease on that property and of course, given those facts, the Utility could not get title insurance nor a quit-claim deed.

To the extent that the Commission believes that more is now necessary, unlike what was required in previous cases, it would likely require the Utility to do extensive title research and then condemn the property. The road right-of-way was never dedicated to the County as had been originally planned and this fact too was presented to the Commission in the previous cases as outlined above. It is now apparently still in private ownership, though it is unclear by whom this real estate is owned, since the developer of this property has long since gone out of business and left the area. This has been the ownership right of Mad Hatter since the creation of this water plant in 1974. To the extent the Commission

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FPSC-RECORDS/REPORTING

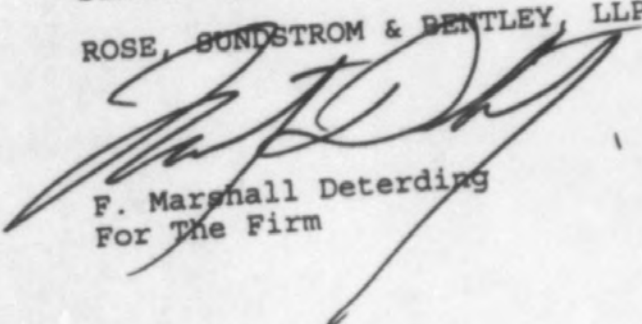
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believes that Mad Hatter needs to acquire more ownership rights in this property, the Utility will have to institute condemnation proceedings at substantial cost which would not seem prudent at this point in time. Instead, we would recommend that the Utility continue to operate in the way which it has for approximately 23 years and to the extent any claim or right is ever raised about the ownership or appropriate ownership of this water plant, Mad Hatter will then incur the costs and seek any needed legal title through condemnation.

If you have any other questions in this regard, please let me know. Otherwise, I am sorry we could not help you more, but this is the state of ownership of that property and there is nothing more that the Utility can provide in this regard.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/lts

cc: Ms. Blanca Bayo
Ms. Pat Brady
Marion Hale, Esquire
Janice and Larry DeLucenay