



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: December 7, 2000
TO: Division of Records and Reporting
FROM: Division of Legal Services (Van Leuven) *DTV*
RE: Docket No. 990988-WS - Investigation into the retention of the certificated area of Mad Hatter Utility, Inc. located on Lake Thomas and School Road in Pasco County.

Please file the attached letter dated December 8, 2000, in the docket file for the above-referenced docket.

DTV/dm

cc: Division of Regulatory Oversight (Clapp, Redemann)
Thomas E. Spencer, Esquire

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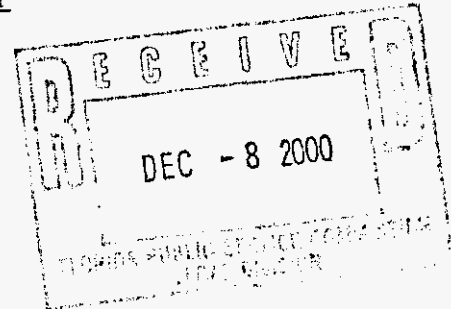
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December 8, 2000
VIA HAND DELIVERY

ROBERT M. C. ROSE
OF COUNSEL

Tyler Van Leuvan, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

Re: Mad Hatter Utility, Inc.
Our File No. 28023.01



Dear Tyler:

As a follow up to our meeting approximately two months ago in which we discussed the concern of the property owner of the Lake Talia property, we had promised to follow up with the Commission staff after our November meetings with the County government. Our hope was that those discussions on settlement of pending litigation matters would also include a discussion of the County providing bulk service to the Lake Talia property. Those discussions at first were delayed, and ultimately the County did not desire to address those service issues at the time of that settlement on other more pressing issues. These issues are still on the table and being considered by the County. However, the County representatives indicated an interest in delaying further action until after a new Commission, is seated in mid January. Therefore, bulk service from the County is not currently scheduled for further discussion at this time, though we do anticipate that at some point it will be discussed further.

If the developer is in need of moving forward with obtaining service, we are in a position and are willing to move forward with drafting a contract for service with that developer. However, you should note the following facts in our willingness to do so:

1. We have recently purchased a 100,000 GPD sewage treatment plant with an eye toward utilizing it to provide service to this property. This plant is of sufficient size to serve the entire needs of the property at build out.
2. We are prepared to negotiate an agreement for service with the developer. An appropriate deposit to cover the Utility's costs must be provided to the Utility in conformance with the provisions of Commission Rule 25-30.540(2), Florida Administrative Code. We have not yet developed the amount of that deposit, but we will calculate it to conform to the requirements of that rule, as soon as we receive an estimate of the cost of the on-site facilities from the developer.
3. As a result of our dealings with the prior owner of this same parcel in 1986 and 1987, we actually entered into a developer agreement for service to this property, obtained a consumptive use permit to drill a well to serve the property, and made an initial

Tyler Van Leuvan, Esquire
December 8, 2000
Page 2

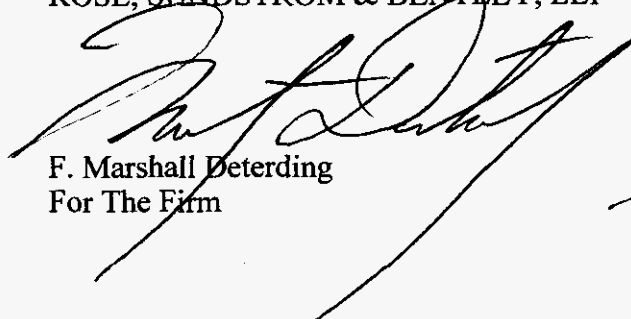
application for permits for construction of the wastewater treatment plant. In addition, the Utility purchased a regional sized 1.0 MGD sewage treatment plant and acquired land adjacent to the development to use in conjunction with the land set aside for that purpose within the development area. However, after the development fell through, the Utility was left to pay the substantial costs related to those initial plans, designs, and permitting, etc. As such, the Utility does not believe it is appropriate that all of its customers be held accountable for the costs related to the current owners proceeding forward.

We would be glad to immediately begin work with the developer in that regard, if that is the Commission staff's desire, or in the alternative, we can wait to see what action is taken by the County, though there is no set schedule for them to consider the issues of bulk service at this time.

If there is anything further I can provide you or if you have any further questions, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tmg
cc: Mr. Larry DeLucenay

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