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March 31, 2003

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MAR 31 PM 3:27
COMMISSION
CLERK

Ms. Blanca S. Bayo, Director
Division Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

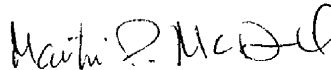
Re: Hudson Utilities, Inc.'s Application for Increase in Service Availability Charges
Docket No. 020254-SU

Dear Ms. Bayo:

Enclosed please find the original and fifteen copies of Hudson Utilities, Inc.'s ("Hudson")
Quarterly Progress Report.

Please acknowledge receipt of these documents by date-stamping the enclosed copy of this
letter and returning it to the undersigned.

Sincerely,



Martin P. McDonnell

MPM/rl
Enclosure

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CMP _____
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FPSC-BUREAU OF RECORDS

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Hudson Utilities,)
Inc. for increase in service availability)
charges for wastewater customers in)
Pasco County, Florida.)
_____)

Docket No. 020254-SU

Filed: March 31, 2003

QUARTERLY PROGRESS REPORT

Pursuant to Order No. PSC-02-1626-PAA-SU issued November 25, 2002 in Docket Nos. 981079-SU, 020253-SU and 020254-SU, Hudson Utilities, Inc. ("Hudson") hereby files its Quarterly Progress Report due on March 31, 2003.

1. In Order No. PSC-02-1626-PAA-SU, the Florida Public Service Commission ("Commission") granted Hudson' request for an increase in service availability charges. In the Order, the Commission ruled it important to monitor the progress of Hudson's construction project that necessitated the increase in service availability charges, particularly for Phase I of the project, the Signal Cove service area. In order to monitor the progress of Hudson's construction project, the Commission ordered Hudson to submit quarterly progress reports on December 31, 2002, March 31, 2003, and June 30, 2003. The reports are to list total expenses to date, anticipated remaining expenses, and an estimated date to complete construction of Phase I of the project.

2. On December 20, 2002, in Consummating Order No. PSC-02-1818-COU-SU, the Commission made Order No. PSC-02-1626-PAA-SU effective and final. Hudson has noticed all potential customers of the increase in service availability charges and, on December 20, 2002, filed proof of the Customer Notice with the Commission.

3. Hudson has continued to diligently pursue the funding necessary to complete the sanitary sewer construction project in its service area, including the Signal Cove service area.

DOCUMENT NUMBER 020254-SU

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FPSC-COMMISSION CLERK

Currently, two different lenders, SouthTrust Bank and Regents Bank, are processing loan applications on behalf of Hudson. Hudson has been working closely with these lenders and has timely provided all supporting documentation and information when requested. SouthTrust Bank has received local committee approval for the project and is awaiting final approval from their senior committee. Hudson has been advised that the decision on this loan is imminent. Regents Bank has also received local committee approval for Hudson's loan and is awaiting final approval from a senior loan committee. This decision is expected within the next few weeks.

4. Hudson is optimistic regarding both potential loans and both lenders are aware of the time constraints Hudson is facing and are aware of the desire and necessity for the services to be connected to the residents of Signal Cove as soon as possible. Hudson is doing everything within its power to hasten the decisions of the lenders in the prompt finalization of a construction loan, and will continue to do everything in its power to expedite completion of construction and service to its customers as quickly as possible.

5. In response to the Commission's specific requests in Order No. PSC-02-1626-PAA-SU, Hudson submits the following:

a. Total expenses to date.

Response: None, as Hudson is awaiting formal approval for commercial financing prior to commencing construction.

b. Anticipated remaining expenses.

Response: Please see Hudson's anticipated expenses in the attachments to Hudson's application for increase in service availability charges filed March 17, 2002.

c. Estimated date to complete construction of Phase I.

Response. June 30, 2003, or as soon as practicable after Hudson receives final approval from a lending institution regarding the monies necessary to fund the construction of the project.

Respectfully submitted,



KENNETH A. HOFFMAN, ESQ.

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MARSHA RULE, ESQ.

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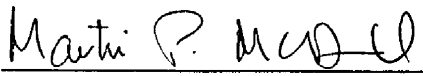
Attorneys for Hudson Utilities, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Quarterly Progress Report was furnished by United States Mail to the following, this 31st day of March, 2003:

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