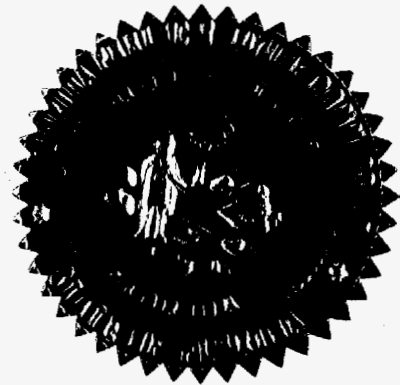


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 981079-SU

In the Matter of:

APPLICATION FOR AMENDMENT OF CERTIFICATE
NO. 104-S TO EXTEND SERVICE TERRITORY
IN PASCO COUNTY BY HUDSON UTILITIES, INC.,
AND REQUEST FOR LIMITED PROCEEDING.



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PROCEEDINGS: AGENDA CONFERENCE
 ITEM NO. 10

BEFORE: CHAIRMAN BRAULIO L. BAEZ
 COMMISSIONER J. TERRY DEASON
 COMMISSIONER RUDOLPH "RUDY" BRADLEY
 COMMISSIONER CHARLES M. DAVIDSON

DATE: Tuesday, September 21, 2004

PLACE: Betty Easley Conference Center
 Room 148
 4075 Esplanade Way
 Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR
 Official FPSC Reporter
 (850) 413-6734

1 PARTICIPATING:

2 STEPHEN C. REILLY, ESQUIRE, representing the Office
3 of Public Counsel.

4 MARTIN P. McDONNELL, ESQUIRE, representing Hudson
5 Utilities, Inc.

6 REPRESENTATIVE HEATHER FIORENTINO, representing her
7 constituents.

8 ROSANNE GERVASI, ESQUIRE, representing the Florida
9 Public Service Commission Staff.

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P R O C E E D I N G S

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2 CHAIRMAN BAEZ: Commissioners, I think we're on Item
3 10.

4 MS. GERVASI: Commissioners, Item 10 is staff's
5 recommendation to grant OPC's motion to initiate a show cause
6 proceeding against Hudson Utilities, Inc., for failure to serve
7 the Sea Pines area within a reasonable time. However, the
8 parties have just this morning signed a settlement agreement
9 settling their dispute; therefore, there is no need to take any
10 action on this item today and the item can be deferred. Staff
11 will file another recommendation concerning the settlement
12 agreement for another agenda conference, an upcoming agenda
13 conference.

14 Nevertheless, Representative Fiorentino is present
15 and does wish to address the Commission concerning this item.

16 CHAIRMAN BAEZ: Thank you, Ms. Gervasi. And before
17 we -- Commissioners, I'm assuming there's no objection to
18 following staff's good counsel on this, but we do want to hear
19 from the Representative. Good morning, Representative. Thanks
20 for joining us.

21 REPRESENTATIVE FIORENTINO: Good morning. Thank you
22 for having me here. As you know, we've been dealing with
23 Hudson for ten years, and the last five years with over their
24 five extensions. This has been a major problem. And what the
25 settlement is doing is taking their territory away and giving

1 it to the county.

2 I met with the customers over the weekend and they
3 were in favor of this, though it will be more costly to them,
4 just so that they can be provided service. I hope that if any
5 other problems arise with Hudson, you'd take their entire
6 territory away because there's no excuse for the unprofessional
7 or irresponsible way that they've handled this utility for
8 those customers. Sea Pines is willing and the utility is
9 willing, and I hope that you all along with staff will be
10 willing.

11 I do want to say I was very disappointed in the
12 \$1,500 fine that was suggested. That is an insult to these
13 customers who have waited for five years. They have septic
14 systems that constantly overrun, that are flooding every time
15 there's a flood or a rainstorm, and with this hurricane season
16 this particular year it has been a major health problem in
17 Pasco County. And I hope that you will as quickly as
18 possible -- the county has said that they are very interested
19 and they will take this on because they realize the health
20 problems that this has caused in Pasco County. So I hope that
21 staff can move this very quickly and you all will accept this
22 agreement. And thank you for your help with this.

23 CHAIRMAN BAEZ: Thank you, Representative. And, and
24 for my part, we meant no offense by the fine, by the fine
25 recommendation. But since we're not going to discuss that

1 today, there's -- you know very well as part of the process
2 that can take any direction possible. So I hope, I hope there
3 are no hard feelings at the end of all this.

4 Mr. Reilly, did you have any comments?

5 MR. REILLY: Just that we would intend to pursue this
6 settlement as quickly as possible. And I think the company is
7 committed to file its application for deletion on a very
8 expedited basis.

9 CHAIRMAN BAEZ: And I think you can count on staff's
10 prompt cooperation with that as well, Mr. McDonnell.

11 I'm sorry. Commissioner Bradley, you have a question
12 or a comment?

13 COMMISSIONER BRADLEY: Yes. Something has piqued my
14 interest. The issue of septic tank flooding, is that a
15 systemwide problem or is that a problem just within the
16 territory that is, that's in dispute?

17 REPRESENTATIVE FIORENTINO: It's within that
18 territory.

19 COMMISSIONER BRADLEY: Thank you.

20 CHAIRMAN BAEZ: Mr. McDonnell, did you have a
21 comment? No? Thank you, sir.

22 Commissioners, if there's no objection or no further
23 questions, we can go ahead and defer this item pending how --
24 you'll keep us apprised of when it has to come back and so on.

25 MS. GERVASI: Yes, sir.

1 CHAIRMAN BAEZ: I wish you all good luck.

2 Representative?

3 REPRESENTATIVE FIORENTINO: Can we get a ballpark
4 figure? Because I know the customers will be asking that
5 question.

6 CHAIRMAN BAEZ: You know, I was tempted to ask for a
7 ballpark figure myself, but I'm, I'm also, staff and
8 Representative, with all due respect, staff, you can go ahead
9 and feel free -- if you don't have a ballpark -- as long as we
10 do have assurances, Representative, that we will work with all
11 due speed to see this to fruition. I'm, personally I'm
12 hesitant to, to nail a date down today, but --

13 COMMISSIONER DEASON: Could we inquire as to the
14 anticipated filing date of the petition to delete territory?

15 CHAIRMAN BAEZ: That would be a fair question.

16 MR. McDONNELL: Yes, sir. I think it all hinges on
17 that. I just found out this morning we had a settlement
18 agreement. I'm going to go back and start working on an
19 application for deletion right now, and I'll have it filed as
20 soon as possible; probably within a week, I would assume.

21 CHAIRMAN BAEZ: That's a good answer.
22 Representative?

23 REPRESENTATIVE FIORENTINO: Thank you.

24 CHAIRMAN BAEZ: Fair enough. Commissioner Bradley.

25 COMMISSIONER BRADLEY: Mr. Chairman, I think though

1 that the concern is that this is not going to drag out for
2 another five years.

3 CHAIRMAN BAEZ: And believe me, I, I share, I share
4 that concern. I think I can be fairly confident in saying that
5 I don't think staff has any interest in dragging this out any
6 longer. And as, as much as we can count on Mr. McDonnell's
7 good word that the deletion petition is going to get filed in
8 about a week or so, I think that'll open us up to be able to
9 move this thing as quickly as possible. Okay. Thank you,
10 Representative, for joining us. Have a good morning.

11 (Agenda Item 10 concluded.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER


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I, LINDA BOLES, RPR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 27th DAY OF SEPTEMBER, 2004.


LINDA BOLES, RPR
FPSC Official Commission Reporter
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