

STATE OF FLORIDA

Commissioners:
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CAPITAL CIRCLE OFFICE CENTER
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

Public Service Commission

March 24, 1999

STAFF'S FIRST
DATA REQUEST

John Ellis, Esquire
Rutledge, Ecenia, Purnell & Hoffman, P.A.
215 South Monroe St.
Suite 420
Tallahassee, Florida 32301

Re: Docket No. 981079-SU - Application for amendment of Certificate No. 104-S
to extend service territory in Pasco County by Hudson Utilities, Inc.

Dear Mr. Ellis:

By this letter, Commission staff requests that Hudson Utilities, Inc. (Hudson), provide responses to the following data requests:

1. The Addendum to the Bulk Wastewater Treatment Agreement (Addendum) between Hudson and Pasco County (County) states in paragraph two that Hudson agrees not to charge "the County's existing one dollar surcharge for capital recovery cost set forth in the Bulk Wastewater Treatment Agreement" to the "existing County customers being transferred" to Hudson from the County. However, paragraph four of the Addendum states that "in consideration of the value of the transferred assets" from the County to Hudson, Hudson shall pay to the County a "sum equal to one dollar per thousand gallons of flow from the wastewater treatment flows generated by the customers transferred from the County during the remaining term of the Bulk Wastewater Service Agreement." Please reconcile paragraphs two and four of the Addendum.
2. How does Hudson plan to interconnect the customers of Signal Cove to its other lines?
3. How will the type of connection used to interconnect the customers of Signal Cove to Hudson's other lines allow Hudson to fulfill the requirement of paragraph four of the Addendum, which specifies payment to the County based on the wastewater usage of customers?

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John Ellis, Esquire

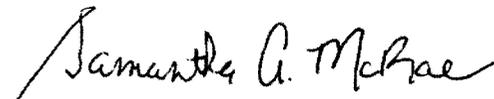
Page 2

March 24, 1999

4. What are the average wastewater flows from customers in the Signal Cove area for the last year? for the last three years? for the last five years?
5. Why does Hudson propose to serve the Signal Cove service area in lieu of the County?
6. Please provide a breakdown showing how the rates and charges Hudson intends to apply to the Signal Cove customers will compare with the rates and charges Hudson has for its other customers.
7. Please provide a breakdown showing how Hudson's rates and charges compare with the County's rates and charges.
8. What is the agreed upon purchase price for the Signal Cove service area? Please provide a copy of the contract reflecting the purchase price.
9. What is the condition of the lines being sold to Hudson? If repairs are needed, how are the repairs going to be paid for and what affect will the cost of making such repairs have on Hudson's customers?

Please file the original and five copies of the requested information by April 14, 1999, with Ms. Blanca Bayo, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. If you have any questions, please contact me at (850) 413-6202.

Sincerely,



Samantha McRae
Staff Attorney

SAM:lw

cc: Division of Water and Wastewater (Messer, Clapp, Munroe, Redemann)
Division of Records and Reporting