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June 27, 2000

HAND DELIVERY

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

Re: Docket No. 981079-SU

Dear Ms. Bayo:

Enclosed herewith for filing on behalf of Hudson Utilities, Inc. ("Hudson"), are the original and fifteen copies of Hudson's Motion for Second Extension of Time to File Proof of Transfer of Territory.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me.

Sincerely,

John R. Ellis

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Enclosures

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Application for amendment)
of Certificate No. 104-S to extend)
service territory in Pasco County by)
Hudson Utilities, Inc., and request for)
limited proceeding.)
_____)

Docket No. 981079-SU

Filed: June 27, 2000

**HUDSON UTILITIES, INC.'S
MOTION FOR SECOND EXTENSION OF TIME
TO FILE PROOF OF TRANSFER OF TERRITORY**

Hudson Utilities, Inc. ("Hudson"), by and through its undersigned attorneys and pursuant to Rule 28-106.303, Florida Administrative Code, moves the Commission for an order granting a second extension of time in which Hudson may file proof of transfer of the Signal Cove territory from Pasco County to Hudson, as required by Order No. PSC-99-1916-PAA-SU, and as grounds therefor states:

1. Hudson is a Class B utility which provides wastewater collection service to approximately 2,100 residential and 113 commercial customers in Pasco County, and which contracts with Pasco County for wastewater treatment service. Order No. PSC-99-1916-PAA-SU, issued September 27, 1999 in this docket ("Order"), granted Hudson's application for amendment of Certificate No. 104-S to add territory in Pasco County, including an area known as the Signal Cove subdivision (hereinafter "Signal Cove" or "the subdivision").

2. Signal Cove is adjacent to the southern boundary of Hudson's wastewater collection system. Growth in the subdivision is planned to be limited to approximately 400 single family

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homes, mobile homes, and commercial properties. The subdivision includes 382 existing buildings. 131 of these buildings are connected to wastewater collection facilities currently owned and operated by Pasco County. No wastewater collection facilities have yet been constructed to serve the remaining buildings in the subdivision.

3. Signal Cove is located in an area of Pasco County which has been federally designated as a flood plain area unsuitable for the efficient use of septic tanks and drain fields. The comprehensive land use plan adopted by Pasco County pursuant to Chapter 380, Florida Statutes, calls for coastal areas including Signal Cove to be provided with sanitary sewer collection and treatment systems. However, Pasco County generally does not provide such wastewater collection facilities.

4. In 1996 and 1997 the Signal Cove Homeowners Association, including residents of the 131 buildings currently receiving wastewater collection service as customers of Pasco County, unanimously voted for and signed a petition expressing their support of a proposal to request Pasco County to approve the transfer of the Signal Cove territory to Hudson. The transfer was formally approved by the County Commission in 1997.

5. By an "Addendum to Bulk Wastewater Treatment Agreement with Hudson Utilities" entered into on April 28, 1998 between Hudson and Pasco County, it was agreed that the Signal Cove territory would be transferred to Hudson "... at such time as [Hudson] connects its force main to the wastewater collection system presently serving the existing County customers." Thus, under the Agreement the timing of the transfer is dependent upon completion of construction by Hudson of wastewater collection facilities to serve the customers in the remaining 252 buildings in Signal Cove.


6. In approving the transfer of the Signal Cove territory from Pasco County to Hudson, the Order directed Hudson to "... file proof of the transfer of territory from Pasco County to Hudson Utilities, Inc. within three months from the issuance date of this Order." On December 9, 1999, Hudson filed its first motion for an extension of time to file the proof of transfer, requesting an extension of six months based on estimates that ongoing negotiations to obtain acceptable commercial financing for the construction of the facilities for the unserved Signal Cove residents could be brought to conclusion in two months, and that construction could be completed thereafter in four months. Order No. PSC-00-0212-FOF-SU, issued February 2, 2000, granted Hudson's first motion and extended the time in which Hudson could file the proof of transfer to June 27, 2000.

7. A series of increases in interest rates since February, 2000 have prevented Hudson from being able to conclude negotiations for acceptable commercial financing for the construction work needed to extend service to the unserved areas of Signal Cove. Hudson intends to continue with its plans to construct the necessary facilities and to accept the transfer of the existing Signal Cove customers of Pasco County upon completion of that construction. Neither Pasco County nor the Signal Cove Homeowners Association has expressed any objection to Hudson's plans to continue to seek acceptable commercial financing for the construction, and no other utility has offered or has requested authorization to provide service to the Signal Cove subdivision. Hudson will continue its efforts to obtain acceptable commercial financing for the construction of the Signal Cove facilities but presently does not expect that acceptable financing can be secured in less than six months. Hudson therefore requests that the Commission extend the time in which the proof of transfer may be filed, to June 30, 2001, to permit Hudson to continue its efforts to secure acceptable commercial financing for the necessary construction work or to explore other possible avenues for

financing the construction.

WHEREFORE, Hudson requests that the Commission issue an order granting Hudson a second extension of time, from June 27, 2000 to June 30, 2001, in which to file proof of the transfer of the Signal Cove territory from Pasco County to Hudson.

Respectfully submitted,



Kenneth A Hoffman

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Attorneys for Hudson Utilities, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by hand delivery to Samantha Cibula, Esq., Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Room 370, Tallahassee, Florida 32399, this 27th day of June, 2000.



John R. Ellis

Hudson.motion