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June 29, 2001

**By 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

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RECORDS AND REPORTING

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 Third 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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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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 29, 2001

**HUDSON UTILITIES, INC.'S  
MOTION FOR THIRD 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 for an order granting a third extension of time to file proof of the transfer of the Signal Cove territory from Pasco County to Hudson pursuant to Order No. PSC-99-1916-PAA-SU, and as grounds therefore states:

1. Order No. PSC-99-1916-PAA-SU, issued September 27, 1999, 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 ("Signal Cove" or "the subdivision"). The Order directed Hudson to "... file proof of the transfer of [the Signal Cove] territory from Pasco County to Hudson Utilities, Inc. within three months from the issuance date of this Order."

2. Hudson is a Class B utility serving approximately 2,100 residential and 113 commercial customers in Pasco County. Hudson provides wastewater collection service and contracts with Pasco County for wastewater treatment service. Signal Cove is adjacent to the southern boundary of Hudson's wastewater collection system. The subdivision includes 382 existing buildings, 131 of which are connected to wastewater collection facilities currently owned and

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operated by Pasco County. The remaining buildings in the subdivision are on septic tanks.

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 an additional collection system and force main to serve the remaining 252 buildings in Signal Cove.

6. Hudson has been granted two previous extensions of time to file proof of the transfer of the Signal Cove territory. Order No. PSC-00-0212-FOF-SU, issued February 2, 2000, extended the time to June 27, 2000; and Order No. PSC-00-1512-PCO-SU, issued August 21, 2000, extended


the time for filing proof of the transfer to June 30, 2000. The first extension was granted based on Hudson's estimate of the time required to build the additional facilities to connect with the County's existing Signal Cove system. The second extension was granted based on Hudson's request for additional time to negotiate acceptable commercial financing for the construction of the additional facilities, in view of a series of increases in interest rates since February 2000. Hudson's second motion for an extension also noted that it may be necessary to explore other possible avenues for financing the construction.

7. Notwithstanding the recent series of reductions in interest rates, Hudson and its commercial lender have concluded that Hudson's current service availability charge of \$1,000 is insufficient to enable it to recover its current costs of construction, and therefore is insufficient to enable it to obtain acceptable commercial financing for new construction of facilities including the additional facilities planned for Signal Cove. Hudson's analysis is based on the costs of construction of the facilities completed in its most recent expansion of its system, beginning in May 1997. Accordingly, Hudson intends to file a petition within approximately 60 days seeking an increase in its service availability charge.

9. Hudson therefore needs additional time to continue with its plans to construct the necessary facilities to accept the transfer of Pasco County's existing Signal Cove territory, and to file proof of the transfer pursuant to Order No. PSC-99-1916-PAA-SU. Hudson requests that the Commission extend the time in which proof of the transfer may be filed, to June 30, 2002, to permit Hudson a reasonable period of time to complete the necessary construction of the facilities, seek and secure an increase in its service availability charge as outlined above, and to conclude its efforts to secure acceptable commercial financing.

WHEREFORE, Hudson requests that the Commission issue an order granting Hudson a third extension of time, from June 30, 2001 to June 30, 2002, in which to file proof of the transfer of the Signal Cove territory from Pasco County to Hudson.

Respectfully submitted,



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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, 1540 Shumard Oak Boulevard, Room 370, Tallahassee, Florida 32399, this 29th day of June 2001.



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John R. Ellis