

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
ORDER NO. PSC-01-1993-PCO-SU
ISSUED: October 8, 2001

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI

ORDER GRANTING MOTION FOR THIRD EXTENSION OF TIME TO
FILE PROOF OF TRANSFER OF TERRITORY

BY THE COMMISSION:

BACKGROUND

Hudson Utilities, Inc. (Hudson or utility) is a Class B utility serving approximately 1,468 residential and 87 commercial customers. The utility provides wastewater collection service to its customers and contracts with Pasco County (County) for wastewater treatment service pursuant to a Bulk Wastewater Treatment Agreement (Agreement).

On August 26, 1998, Hudson filed an application for amendment of Certificate No. 104-S to extend its service area. The application included a request to serve a portion of territory, known as Signal Cove, that was being served by the County.

Signal Cove is adjacent to the southern boundary of a portion of territory served by Hudson. The community includes 382 existing buildings, 131 of which are currently receiving wastewater service from the County. The remaining buildings in the community use septic tanks. Signal Cove is located in an area which has been federally designated as a flood plain area unsuitable for the

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efficient use of septic tanks and drain fields. The comprehensive land use plan adopted by the County calls for coastal areas, including Signal Cove, to be provided with sanitary sewer collection and treatment systems. However, the County generally does not construct gravity sewer collection systems. Thus, pursuant to an Addendum to the Agreement included in the application, the County and Hudson agreed that the Signal Cove territory would be transferred from the County to Hudson.

To serve Signal Cove, Hudson must construct an additional collection system and force main. Pursuant to the Agreement, the transfer of the Signal Cove territory will close when Hudson connects its force main to the County's wastewater collection system currently serving the 131 Signal Cove customers.

By Order No. PSC-99-1916-PAA-SU, issued September 27, 1999, in this docket, which was made final and effective by Order No. PSC-99-2082-CO-SU, issued on October 21, 1999, we approved Hudson's application to amend its certificate, including the transfer of the Signal Cove territory from the County to Hudson. Pursuant to Order No. PSC-99-1916-PAA-SU, Hudson was required to file proof of the transfer of the Signal Cove territory from the County to Hudson within three months from the issuance date of the order.

On December 9, 1999, Hudson filed a Motion for Extension of Time to File Proof of Transfer of Territory. By Order No. PSC-00-0212-FOF-SU, issued February 2, 2000, we granted the utility's motion and allowed the utility an additional six months, until June 27, 2000, to file proof of the transfer of the Signal Cove territory from the County to Hudson.

On June 27, 2000, Hudson filed a Motion for Second Extension of Time to File Proof of Transfer of Territory. In support of its motion, the utility stated that it needed additional time to file the proof of the territory transfer because it was having problems obtaining acceptable financing for the construction work needed to extend its service to Signal Cove. By Order No. PSC-00-1512-PCO-SU, issued August 21, 2000, we granted the motion and allowed the utility until June 30, 2001, to file proof of the transfer.

On June 29, 2001, Hudson filed its Motion for Third Extension of Time to File Proof of Transfer of Territory. We have

jurisdiction pursuant to Sections 367.071 and 367.045, Florida Statutes.

MOTION FOR THIRD EXTENSION OF TIME

In support of its motion, Hudson states that the utility and its commercial lender have determined that Hudson's current service availability charge of \$1,000 is insufficient to enable it to recover its current costs of construction and to obtain acceptable commercial financing for new construction of facilities, including the additional facilities for Signal Cove. Hudson states that its analysis is based on the costs of construction of the facilities completed in its most recent expansion of its system in May 1997. Hudson states that for this reason, the utility intends to file a petition for an increase in its service availability charge.

Hudson states that, in light of the foregoing, it needs additional time to continue with its plans to construct the necessary facilities to file the proof of the transfer of the facilities from the County. Hudson requests that we extend the date by which the utility must file the proof of the transfer to June 30, 2002, to allow it time to seek an increase in its service availability charge, to secure acceptable financing, and to complete the necessary construction of the facilities.

We contacted the County and the County Department of Health to determine if they have any concerns in regard to Hudson's request for extension of time. The County stated that it does not oppose Hudson requesting and being granted an extension; however, it would not be in favor of any additional extensions. The County Department of Health stated that it would like the connection of the buildings currently using septic tanks to the utility's wastewater system to take place at the earliest possible date.

We also contacted Hudson to determine exactly when it would be filing its application for a change in its service availability charge. Hudson stated that it would file its application by September 30, 2001.

Hudson's motion is hereby granted. We note that there are no customers in the territory at issue who are without wastewater service, as the County is currently providing service or service is

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obtained by way of septic tanks. As requested in its motion, the utility shall be allowed until June 30, 2002, to file proof of the transfer of the Signal Cove territory from the County to Hudson.

This docket shall remain open to allow our staff to verify that Hudson has filed proof of the transfer of the Signal Cove territory from the County to the utility. Once our staff has verified this information, this docket shall be closed administratively.

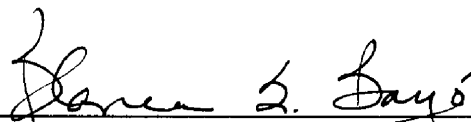
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Hudson Utilities, Inc.'s Motion for Third Extension of Time to File Proof of Transfer of Territory is hereby granted. It is further

ORDERED that Hudson Utilities, Inc., shall be allowed until June 30, 2002, to file proof of the transfer of the Signal Cove territory from Pasco County to the utility. It is further

ORDERED that this docket shall remain open to allow Commission staff to verify that Hudson Utilities, Inc., has filed proof of the transfer of the Signal Cove territory from Pasco County to the utility. Once Commission staff has verified this information, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 8th day of October, 2001.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

SMC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.