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March 19, 2002

Ms. Blanca Bayo, Director
Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

020254 - SU

RECEIVED PASC
02 APR 19 PM 4:21
COMMISSION
CLERK

Re: In re: Application of Hudson Utilities, Inc. for increase in service availability charges for wastewater customers in Pasco County, Florida

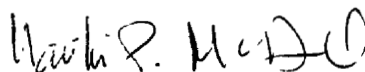
Dear Ms. Bayo:

Enclosed for filing on behalf of Hudson Utilities, Inc. ("Hudson") are the following documents:

1. Original and twelve copies of Hudson's Application for Increase in Water Service Availability Charges; 03180-02
2. Original and three copies of the tariffs; and 03181-02
3. A check in the amount of \$1,750.00 for the filing fee.

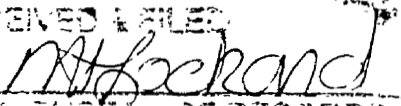
Please acknowledge receipt of these documents by date-stamping the enclosed copy of this letter and returning it to the undersigned.

Sincerely,



Martin P. McDonnell

MPM/rl
Enclosures

RECEIVED & FILED

BUREAU OF RECORDS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Hudson Utilities,)
Inc. for increase in service availability)
charges for wastewater customers in)
Pasco County, Florida.)
_____)

Docket No. 020254-SU

Filed: March 19, 2002

**APPLICATION FOR INCREASE IN WATER
SERVICE AVAILABILITY CHARGES**

Hudson Utilities, Inc. ("Hudson"), pursuant to Section 367.101, Florida Statutes and Rule 25-30.565, Florida Administrative Code, by and through the undersigned, hereby files this Application for increase in water service availability charges for its wastewater service customers in Pasco County, Florida, and as grounds therefor states:

1. The name and address of the Applicant is:

Hudson Utilities, Inc.
14334 Old Dixie Highway
Hudson, Florida 34667
(727) 863-0205

2. Hudson is a Class B utility serving approximately 2,300 residential and 115 commercial customers in Pasco County. Hudson provides wastewater collection service and contracts with Pasco County for wastewater treatment service. The Signal Cove subdivision ("Signal Cove" or the "subdivision") is adjacent to the southern boundary of Hudson's wastewater collection system. The subdivision includes existing buildings that are connected to wastewater collection facilities currently owned and operated by Pasco County, and the remaining buildings in the subdivision are on septic tanks.

DOCUMENT NUMBER-DATE

03180 MAR 19 02

FPSC-COMMISSION CLERK

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 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 buildings in Signal Cove that are currently on septic tanks.

6. On September 27, 1999, in Order No. PSC-99-1916-PAA-SU, the Florida Public Service Commission ("Commission") granted Hudson's application for amendment of Certificate No. 104-S to add territory in Pasco County, including Signal Cove 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."

7. Hudson and its commercial lender have concluded that Hudson's current service availability charge of \$1,000.00 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 cost of construction of the facilities completed in its most recent expansion of its system, beginning in May 1997, as well as the recent accounting and engineering analyses attached hereto as Exhibit "D."

8. Attached as Exhibit "A" hereto is a Notice which has been provided this day in accordance with the provisions of Rule 25-30.4345, Florida Administrative Code. This notice, along with the Application, is on file at the official headquarters of Hudson, which is located within the service area to which the proposed increase applies. Such copies are available for public inspection during Hudson's regular business hours.

9. A copy of the notice contained in Exhibit "A" is being published in a newspaper of general circulation in the service area. The notice includes the date of issuance; a statement that Hudson has filed a Petition for revised service availability charges with the Commission; a statement that the requested service availability charges are to pay for growth in Hudson's wastewater system; the requested charges are to be paid for by new, not existing, customers; a statement of the location where copies of the application are available for public inspection; and the times during which inspection may be made; a comparison of the present and proposed policy and charges; the utility's address, telephone number and business address; and a statement that any comments concerning the policy or changes should be addressed to the Director of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870. A copy of the proof of publication of the notice will

be provided as late-filed Exhibit "B."

10. A copy of the notice attached hereto as Exhibit "A" will be mailed to all persons in the service area included in the Application who have filed a written request for service, or who have been provided a written estimate for service within the twelve calendar months prior to the month of filing this Application. An affidavit of mailing will be included as late-filed Exhibit "C."

11. The charges for service availability for Hudson's wastewater system were last considered in Commission Order 23810 issued on November 27, 1990 in Docket No. 900293-SU. The service availability charges for Hudson's wastewater system has not been reconsidered since that time.

12. The basis for the requested changes are addressed in paragraphs 2 through 7 above. The documentation supporting those changes and charges are contained in Schedules 1 through 12 attached hereto as part of Exhibit "D."

13. The schedules showing the original cost of the existing water transmission and distribution system, and sewage collection system by uniform system of accounting account numbers, as required by Rule 25-30.115, Florida Administrative Code and the related capacity of each system as of ninety days prior to the Application is contained in Schedule 3 of Exhibit "D." A detailed statement of the accumulated depreciation of the plant as of ninety days prior to the Application is contained in Schedules 3 and 6 of Exhibit "D."

14. A schedule showing the number of active customers on line ninety days prior to the time of this Application by meter size, by customer class, and the related equivalent residential connections (ERC) as defined in Rule 25-30.515(8), Florida Administrative Code including a description of the method by which an ERC is defined is attached hereto as Schedule 9 of Exhibit

“D.”

15. A detailed statement defining the capacity of the treatment facilities, distribution or collection system in terms of ERCs as used in developing the proposed service availability charges is included as Schedule 11 of Exhibit “D.”

16. A schedule showing the total collections of contributions-in-aid-of-construction (CIAC) as of ninety days prior to the date of Application is included in Schedules 4 and 8 of Exhibit “D.”

17. A detailed statement of accumulated amortization of CIAC as of ninety days prior to the Application is listed in Schedule 4 of Exhibit “D.”

18. A detailed statement by a registered professional engineer showing the cost, by Uniform System of Accounting account numbers, and capacity of proposed expansion, and a timetable showing projected construction time is included as Schedule 11 and Exhibit 2 of Exhibit “D.”

19. A detailed statement by a registered professional engineer showing how the proposed construction will affect the capacity of the existing system, is included as Schedule 11 and Exhibit 2 of Exhibit “D.”

20. A schedule showing the projected growth rate for utilization of the existing plant and line capacity and future plant and line capacity is included as Schedule 11 of Exhibit “D.”

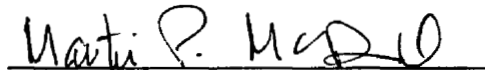
21. A summary schedule showing how the proposed service availability charge was calculated is included as parts of Schedules 1 and 2 of Exhibit “D.”

22. A statement of the existing and proposed on-site and off-site main installation charges or policy is included herein as Schedule 12 of Exhibit “D.”

23. The company's present capital structure, including the cost of debt in the present application is included as Schedule 10 of Exhibit "D."

24. An original and three copies of the proposed tariff sheets are included herein as Exhibit "E."

Respectfully submitted,



KENNETH A. HOFFMAN, ESQ.
MARTIN P. MCDONNELL, ESQ.
MARSHA RULE, ESQ.
Rutledge, Ecenia, Purnell & Hoffman, P.A.
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Tallahassee, Florida 32302
(850) 681-6788 (Telephone)
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Attorneys for Hudson Utilities, Inc.

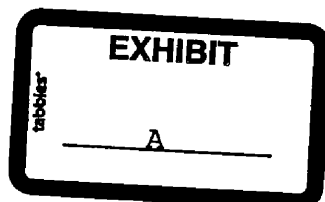
**NOTICE OF APPLICATION FOR INCREASE IN
SERVICE AVAILABILITY CHARGES**

Pursuant to the provisions of Section 367.101, Florida Statutes, and the provisions of Florida Public Service Commission Rules 25-30.4345 and 25-30.565, Notice is hereby given this ___ day of March , 2002, by Hudson Utilities, Inc., 14334 Old Dixie Highway, Hudson, Florida 34667 of its Application to Increase its service availability charges to the new wastewater customers in the Signal Cove Subdivision of Pasco County, Florida. The utility is in the process of filing an Application for an Increase in Service Availability Charges with the Florida Public Service Commission. The requested service availability charge is to pay for growth in the utility's system, and the requested charges are to be paid for by new, not existing customers. Copies of the Application are available for public inspection during normal utility office hours, which are 8:30 a.m. to 4:00 p.m., Monday through Friday. Outlined below are the prior approved service availability charges for Hudson Utilities, and the charge proposed to be made permanent in the Application:

<u>SERVICE CAPACITY CHARGE</u>	<u>PRIOR CHARGE</u>	<u>PROPOSED CHARGE</u>
	\$1,000	\$2,400

Any comments concerning the charges should be addressed to the Florida Public Service Commission, Director of the Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, with a copy to Martin P. McDonnell, Rutledge, Ecenia, Purnell & Hoffman, P.A., P. O. Box 551, Tallahassee, Florida 32302.

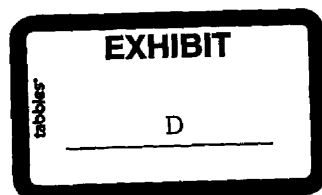
Hudson\nnotice



LATE-FILED EXHIBIT B

LATE-FILED EXHIBIT C

HUDSON UTILITIES, INC.
SPECIAL REPORT
SERVICE AVAILABILITY CHARGES
February 15, 2002



Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
CHRISTINE R. CHRISTIAN, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
JEANETTE SUNG, C.P.A.
HOLLY M. TOWNER, C.P.A.
REBECCA G. VOITLEIN, C.P.A.
JAMES L. WILSON, C.P.A.

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SUITE 200
CLEARWATER, FLORIDA 33765-4419
(727) 791-4020
FACSIMILE
(727) 797-3602
e-Mail
cpas@cjnw.net

February 19, 2002

Officers and Directors
Hudson Utilities, Inc.

In accordance with your request, we have prepared the accompanying Special Report of Hudson Utilities, Inc. consisting of the Schedules listed in the preceding index. This report is intended solely for use as part of an increase in service availability charges as of December 31, 2001, to be filed with the Florida Public Service Commission.

Because this Special Report was not audited by us, we do not express an opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

Hudson Utilities, Inc.
Special Report
Service Availability Charges

Index

Schedule No.	Page(s)	Description
1	1	Existing and Projected CIAC Levels With Proposed Charge of \$2,400 per ERC.
2	2	Adjustments to Present CIAC Level Through Build-out in 2008.
3	3	Schedule of Utility Plant and Accumulated Depreciation at December 31, 2001 and 2008.
4	4	CIAC and Accumulated Amortization at December 31, 2001.
5	5	Summary of Plant Additions and Plant Balances by Year.
6	6	Summary of Depreciation and Accumulated Depreciation Additions by Year.
7	7	Summary of CIAC Additions by Year and Balances by Year at Proposed Charge of \$2,400.
8	8	Summary of CIAC Amortization by Year.
9	9	Schedule of Customers and ERC's by Meter Size at December 31, 2001
10	10	Capital Structure at December 31, 2001.
11	11	Detailed Statements Regarding Costs and Capacities by a Registered Professional Engineer.
12	12	Statement Regarding Existing and Proposed On-Site and Off-Site Main Extension Policy.

HUDSON UTILITIES, INC.
ANALYSIS OF EXISTING CIAC LEVEL AND PROJECTED LEVEL AT BUILDOUT
ASSUMING PROPOSED CHANGE IN SERVICE AVAILABILITY CHARGES
DECEMBER 31, 2001 THROUGH DECEMBER 31, 2008

<u>WASTEWATER</u>	<u>BALANCE</u>	<u>ADJUSTMENTS</u>	<u>ADJUSTED</u>	<u>SCHEDULE</u>
	<u>12/31/2000</u>		<u>BALANCE</u>	<u>REFERENCE</u>
			<u>12/31/08</u>	
Utility Plant in Service	\$ 6,697,159	\$ 2,621,003 (A)	\$ 9,318,162	3
Accumulated Depreciation	<u>(1,554,493)</u>	<u>(1,872,263) (B)</u>	<u>(3,426,756)</u>	3
Net Utility Plant	<u>5,142,666</u>	<u>748,740</u>	<u>5,891,406</u>	
Contributions in Aid of Construction	(2,625,584)	(3,600,000) (C)	(6,225,584)	4, 7
Accumulated Amortization of CIAC	<u>646,522</u>	<u>1,168,283 (D)</u>	<u>1,814,805</u>	4, 8
Net CIAC	<u>(1,979,062)</u>	<u>(2,431,717)</u>	<u>(4,410,779)</u>	
Net Utility Plant Investment	<u>\$ 3,163,604</u>	<u>(1,682,977)</u>	<u>\$ 1,480,627</u>	
Percent CIAC	<u>38.48%</u>		<u>74.87%</u>	
Percent Investment	<u>61.52%</u>		<u>25.13%</u>	

HUDSON UTILITIES, INC.
 ADJUSTMENTS TO PRESENT CIAC LEVEL THROUGH BUILDOUT
 DECEMBER 31, 2001 THROUGH DECEMBER 31, 2008

	<u>ADJUSTMENT SUMMARY</u>	<u>SCHEDULE REFERENCE</u>
(A) <u>WASTEWATER UTILITY PLANT</u>		
(1) Estimated cost of plant upgrades per engineering estimates to serve buildout population (2008)	\$ 2,621,003	5
(B) <u>ACCUMULATED DEPRECIATION</u>		
(1) Depreciation of Existing Plant	\$ 1,424,250	6
(2) Depreciation of additions	<u>448,013</u>	6
Total estimated additions to accumulated depreciation through buildout	<u>\$ 1,872,263</u>	
(C) <u>CIAC</u>		
(1) Future Service Availability Charges of \$2400 to result in a 75% level of net CIAC when service area is builtout (See (E))	<u>\$ 3,600,000</u>	7
(D) <u>ACCUMULATED AMORTIZATION OF CIAC</u>		
(1) Future amortization of existing CIAC to buildout (2008)	\$ 635,915	8
(2) Amortization of proposed cash Service Availability Charges through buildout (2008)	<u>532,368</u>	8
Total future amortization of CIAC through buildout (2008)	<u>\$ 1,168,283</u>	
(E) <u>CALCULATION OF PROPOSED SERVICE AVAILABILITY CHARGES</u>		
Number of future ERC's to reach buildout	1,500	
Proposed charge to result in 75% level of net CIAC at buildout (2008)	<u>\$ 2,400</u>	
Future cash service availability charges	<u>\$ 3,600,000</u>	

Hudson Utilities, Inc.
Wastewater Service Availability Case
Schedule Of Utility Plant In Service By Primary Account
December 31, 2001 and December 31, 2008

NARUC Account	Description	12/31/2001 Cost	12/31/2008 Cost	12/31/2001 Accumulated Depreciation	12/31/2008 Accumulated Depreciation
351	Organization	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246
353	Land and Land Rights	9,513	9,513		-
354	Structures and Improvements	2,195	2,195	1,150	1,717
360	Collection Sewers - Force	937,958	1,223,168	391,804	663,381
361	Collection Sewers - Gravity	3,581,328	5,058,647	512,509	1,346,260
363	Services to Customers	855,605	1,231,593	121,683	335,675
364	Flow Measuring Devices	141,354	141,354	106,811	141,354
370	Receiving Wells	535,705	734,941	157,242	352,196
371	Pumping Equipment	507,453	790,703	176,474	460,590
389	Other Plant & Miscellaneous Equipment	6,298	6,298	6,098	6,298
390	Office Furniture and Equipment	34,864	34,864	33,429	34,864
391	Transportation Equipment	64,997	64,997	32,192	64,997
393	Tools, Shop and Garage Equipment	10,829	10,829	7,164	10,829
397	Miscellaneous Equipment	2,814	2,814	1,691	2,349
	TOTAL	<u>\$ 6,697,159</u>	<u>\$ 9,318,162</u>	<u>\$ 1,554,493</u>	<u>\$ 3,426,756</u>
Schedule Reference		5	5	6	6

Hudson Utilities, Inc.
Wastewater Service Availability Case
Schedule Of CIAC And Accumulated Amortization
December 31, 2001

<u>NARUC Account</u>	<u>Description</u>	<u>CIAC Balance</u>	<u>Accumulated Amortization</u>
271.100	Plant Capacity Charges	<u>\$ 2,625,584</u>	<u>\$ 646,522</u>

Hudson Utilities, Inc.
 Summary of Plant Additions by Year
 December 31, 2001 through December 31, 2008

NARUC Account	Description	December 31, 2001	2002	2003	2004	2005	2006	2007	2008	Total
Total Additions By Year (1)										
360	Collection Sewers - Force	\$ 39,278	\$ 227,827	\$ 18,105						285,210
361	Collection Sewers - Gravity	408,384	816,096	252,839						1,477,319
363	Services to Customers	132,087	191,399	52,502						375,988
370	Receiving Wells	64,921	97,606	36,709						199,236
371	Pumping Equipment	28,325	226,600	28,325		-	-	-	-	283,250
		<u>\$ 672,995</u>	<u>\$ 1,559,528</u>	<u>\$ 388,480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,621,003</u>
Plant Balances By Year										
351	Organization	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246
353	Land and Land Rights	9,513	9,513	9,513	9,513	9,513	9,513	9,513	9,513	9,513
354	Structures and Improvements	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195
360	Collection Sewers - Force	937,958	977,236	1,205,063	1,223,168	1,223,168	1,223,168	1,223,168	1,223,168	1,223,168
361	Collection Sewers - Gravity	3,581,328	3,989,712	4,805,808	5,058,647	5,058,647	5,058,647	5,058,647	5,058,647	5,058,647
363	Services to Customers	855,605	987,692	1,179,091	1,231,593	1,231,593	1,231,593	1,231,593	1,231,593	1,231,593
364	Flow Measuring Devices	141,354	141,354	141,354	141,354	141,354	141,354	141,354	141,354	141,354
370	Receiving Wells	535,705	600,626	698,232	734,941	734,941	734,941	734,941	734,941	734,941
371	Pumping Equipment	507,453	535,778	762,378	790,703	790,703	790,703	790,703	790,703	790,703
389	Other Plant & Miscellaneous Equipment	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298
390	Office Furniture and Equipment	34,864	34,864	34,864	34,864	34,864	34,864	34,864	34,864	34,864
391	Transportation Equipment	64,997	64,997	64,997	64,997	64,997	64,997	64,997	64,997	64,997
393	Tools, Shop and Garage Equipment	10,829	10,829	10,829	10,829	10,829	10,829	10,829	10,829	10,829
397	Miscellaneous Equipment	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814
	Totals	<u>\$ 6,697,159</u>	<u>\$ 7,370,154</u>	<u>\$ 8,929,682</u>	<u>\$ 9,318,162</u>	<u>\$ 9,318,162</u>	<u>\$ 9,318,162</u>	<u>\$ 9,318,162</u>	<u>\$ 9,318,162</u>	<u>\$ 9,318,162</u>

(1) Note: The projected plant additions are based on the engineering estimates of Charles E. Griffin, Inc. See Exhibit 2.

Hudson Utilities, Inc.
Summary of Depreciation Additions by Year
December 31, 2001 through December 31, 2008

NARUC Account		December 31,	2001	2002	2003	2004	2005	2006	2007	2008	Total
Description		Rate									
Depreciation of Additions By Year											
360	Collection Sewers - Force	3.33%		\$ 654	\$ 5,101	\$ 9,196	\$ 9,497	\$ 9,497	\$ 9,497	\$ 9,497	\$ 52,939
361	Collection Sewers - Gravity	2.50%		5,105	20,411	33,772	36,933	36,933	36,933	36,933	207,020
363	Services to Customers	2.63%		1,737	5,991	9,198	9,888	9,888	9,888	9,888	56,478
370	Receiving Wells	4.00%		1,298	4,549	7,235	7,969	7,969	7,969	7,969	44,958
371	Pumping Equipment	5.56%		787	7,874	14,961	15,749	15,749	15,749	15,749	86,618
				<u>\$ 9,581</u>	<u>\$ 43,926</u>	<u>\$ 74,362</u>	<u>\$ 80,036</u>	<u>\$ 80,036</u>	<u>\$ 80,036</u>	<u>\$ 80,036</u>	<u>\$ 448,013</u>
Depreciation of Existing Plant By Year											
351	Organization	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
353	Land and Land Rights		-	-	-	-	-	-	-	-	-
354	Structures and Improvements	3.70%	81	81	81	81	81	81	81	81	567
360	Collection Sewers - Force	3.33%		31,234	31,234	31,234	31,234	31,234	31,234	31,234	218,638
361	Collection Sewers - Gravity	2.50%		89,533	89,533	89,533	89,533	89,533	89,533	89,533	626,731
363	Services to Customers	2.63%		22,502	22,502	22,502	22,502	22,502	22,502	22,502	157,514
364	Flow Measuring Devices	20.00%		28,271	6,272	-	-	-	-	-	34,543
370	Receiving Wells	4.00%		21,428	21,428	21,428	21,428	21,428	21,428	21,428	149,996
371	Pumping Equipment	5.56%		28,214	28,214	28,214	28,214	28,214	28,214	28,214	197,498
389	Other Plant & Miscellaneous Equipmen	6.67%		200	-	-	-	-	-	-	200
390	Office Furniture and Equipment	6.67%		1,435	-	-	-	-	-	-	1,435
391	Transportation Equipment	16.67%		10,835	10,835	10,835	300	-	-	-	32,805
393	Tools, Shop and Garage Equipment	6.67%		722	722	722	722	722	55	-	3,665
397	Miscellaneous Equipment	3.33%		94	94	94	94	94	94	94	658
				<u>\$ 234,549</u>	<u>\$ 210,915</u>	<u>\$ 204,643</u>	<u>\$ 194,108</u>	<u>\$ 193,808</u>	<u>\$ 193,141</u>	<u>\$ 193,086</u>	<u>\$1,424,250</u>
Accumulated Depreciation Balances By Year											
351	Organization		\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	\$ 6,246	
353	Land and Land Rights		-	-	-	-	-	-	-	-	-
354	Structures and Improvements		1,150	1,231	1,312	1,393	1,474	1,555	1,636	1,717	
360	Collection Sewers - Force		391,804	423,692	460,027	500,457	541,188	581,919	622,650	663,381	
361	Collection Sewers - Gravity		512,509	607,147	717,091	840,396	966,862	1,093,328	1,219,794	1,346,260	
363	Services to Customers		121,683	145,922	174,415	206,115	238,505	270,895	303,285	335,675	
364	Flow Measuring Devices		106,811	135,082	141,354	141,354	141,354	141,354	141,354	141,354	
370	Receiving Wells		157,242	179,968	205,945	234,608	264,005	293,402	322,799	352,196	
371	Pumping Equipment		176,474	205,475	241,563	284,738	328,701	372,664	416,627	460,590	
389	Other Plant & Miscellaneous Equipment		6,098	6,298	6,298	6,298	6,298	6,298	6,298	6,298	
390	Office Furniture and Equipment		33,429	34,864	34,864	34,864	34,864	34,864	34,864	34,864	
391	Transportation Equipment		32,192	43,027	53,862	64,697	64,997	64,997	64,997	64,997	
393	Tools, Shop and Garage Equipment		7,164	7,886	8,608	9,330	10,052	10,774	10,829	10,829	
397	Miscellaneous Equipment		1,691	1,785	1,879	1,973	2,067	2,161	2,255	2,349	
			<u>\$ 1,554,493</u>	<u>\$ 1,798,623</u>	<u>\$2,053,464</u>	<u>\$2,332,469</u>	<u>\$2,606,613</u>	<u>\$2,880,457</u>	<u>\$3,153,634</u>	<u>\$3,426,756</u>	
Note. Summary of depreciation additions as follows:											
	Existing Plant		\$ 234,549	\$ 210,915	\$ 204,643	\$ 194,108	\$ 193,808	\$ 193,141	\$ 193,086	\$ 193,086	\$1,424,250
	Invested Plant additions		9,581	43,926	74,362	80,036	80,036	80,036	80,036	80,036	448,013
	Total Additions		<u>\$ 244,130</u>	<u>\$ 254,841</u>	<u>\$ 279,005</u>	<u>\$ 274,144</u>	<u>\$ 273,844</u>	<u>\$ 273,177</u>	<u>\$ 273,122</u>	<u>\$ 273,122</u>	<u>\$1,872,263</u>

Hudson Utilities, Inc.
 Summary of CIAC Additions by Year
 December 31, 2001 through December 31, 2008

NARUC Account	Description	December 31, 2001	2002	2003	2004	2005	2006	2007	2008	Total
Additional Capacity Charges by Year										
	Total ERC's to be added		282	402	263	165	144	124	120	1,500
	Proposed Service Availability Charge		<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>
	Total Additional Capacity Fees		<u>\$ 676,800</u>	<u>\$ 964,800</u>	<u>\$ 631,200</u>	<u>\$ 396,000</u>	<u>\$ 345,600</u>	<u>\$ 297,600</u>	<u>\$ 288,000</u>	<u>\$ 3,600,000</u>
CIAC Balances By Year										
271.100	Capacity Charges	<u>\$ 2,625,584</u>	<u>\$ 3,302,384</u>	<u>\$ 4,267,184</u>	<u>\$ 4,898,384</u>	<u>\$ 5,294,384</u>	<u>\$ 5,639,984</u>	<u>\$ 5,937,584</u>	<u>\$ 6,225,584</u>	<u>\$ 6,225,584</u>

Hudson Utilities, Inc.
 Summary of CIAC Amortization by Year
 December 31, 2001 through December 31, 2008

NARUC Account	Description	Rate	December 31, 2001	2002	2003	2004	2005	2006	2007	2008	Total 12/01 - 12/08
<u>CIAC Amortization of Future Service Availability Charges</u>											
271.100	Capacity Charges	3.46%		\$ 11,709	\$ 40,108	\$ 67,719	\$ 85,490	\$ 98,319	\$ 109,446	\$ 119,577	\$ 532,368
<u>CIAC Amortization for Existing CIAC</u>											
271.100	Capacity Charges	3.46%		\$ 90,845	\$ 90,845	\$ 90,845	\$ 90,845	\$ 90,845	\$ 90,845	\$ 90,845	\$ 635,915
<u>CIAC Amortization Balances By Year</u>											
271.100	Capacity Charges		\$ 646,522	\$ 749,076	\$ 880,029	\$ 1,038,593	\$ 1,214,928	\$ 1,404,092	\$ 1,604,383	\$ 1,814,805	\$ 1,814,805
Note: Summary of amortization as follows:											
	CIAC Amortization on Existing CIAC			\$ 90,845	\$ 90,845	\$ 90,845	\$ 90,845	\$ 90,845	\$ 90,845	\$ 90,845	\$ 635,915
	CIAC Amortization on Proposed Capacity Fees			11,709	40,108	67,719	85,490	98,319	109,446	119,577	532,368
				\$ 102,554	\$ 130,953	\$ 158,564	\$ 176,335	\$ 189,164	\$ 200,291	\$ 210,422	\$ 1,168,283

Hudson Utilities, Inc.
Schedule Of Active Customers On Line And
ERC's by Meter Size and Customer Class
December 31, 2001

	<u>No. Of Customers</u>	<u>Meter Size</u>	<u>ERC Factor</u>	<u>Factored ERC's</u>
Residential and Multi Family	<u>2,149</u>	5/8 X 3/4	1.0	<u>2,149</u>
General Service				
	100	3/4"	1.5	150
	6	1.0"	2.5	15
	8	1.5"	5.0	40
	5	2.0"	8.0	40
	2	3.0"	15.0	30
	1	4.0"	25.0	25
	<u>1</u>	6.0"	50.0	<u>50</u>
Total General Service	<u>123</u>			<u>350</u>
Total	<u>2,272</u>			<u>2,499</u>

Hudson Utilities, Inc.
Schedule Of Capital Structure
December 31, 2001

	<u>Dollar Amount</u>	<u>Percentage Of Capital</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
COMMON EQUITY	\$ -	0.00%	9.93%	0.00%
LONG TERM DEBT				
WRH MORTGAGE, INC	600,000	13.21%	13.50%	1.78%
REPUBLIC/UNITED BANKS	3,849,117	84.78%	10.75%	9.11%
HUNTINGTON BANK	4,672	0.10%	8.75%	0.01%
BANK ONE	45,000	0.99%	6.90%	0.07%
WORLD OMNI FINANCIAL	20,657	0.45%	6.99%	0.03%
C. MCMEANS	11,665	0.26%	8.00%	0.02%
CUSTOMER DEPOSTS	<u>9,660</u>	<u>0.21%</u>	<u>6.00%</u>	<u>0.01%</u>
 TOTAL	 <u>\$ 4,540,771</u>	 <u>100.00%</u>		 <u>11.03%</u>

Hudson Utilities, Inc.
Wastewater Service Availability Case
Detailed Statements Concerning Costs And Capacities (1)

(A) Collection System

Hudson Utilities, Inc. operates a wastewater collection system only. Treatment and disposal services are purchased from Pasco County. The service area has been expanded in cooperation with Pasco County to provide sanitary wastewater collection and treatment services to the coastal Hudson area, historically served by septic tanks. The construction scheduled for 2002, 2003 and 2004 will complete the construction of the collection system in Hudson's current service area.

(B) Cost, Account Nos., Capacity & Timetable Of Proposed Collection System Expansion

The cost and Uniform System of Account numbers for the proposed collection system expansion are shown on Schedule No. 5. These schedules are based on the engineering estimates prepared by the utility's Engineer.

(C) How Proposed Expansion Will Affect Capacity Of The Existing Plant

The Utility purchases sewage treatment from Pasco County, under a Bulk Sewage Treatment Agreement which expires in 2025; therefore, there is no impact on the Utility's capacity.

(D) Projected Growth Rate For Utilization Of Existing & Proposed Capacity

The system expansion is necessary to connect present and future residents in the service area who are currently utilizing septic tank systems for waste disposal. There are currently 669 existing homes(ERC's) on septic tanks in the areas to which lines will be extended in the three (3) year construction period discussed above. Based on past experience, the Utility expects that 80% of these existing ERC's will connect within 2 months of completion, and the remaining 20% will connect in the following year. There are also an additional 225 ERC's represented by vacant lots, on which homes are expected to be built and connected within 3 years of completion of construction. For the purposes of this report, these connections are assumed to occur evenly in each of the three (3) years following completion of construction and extension of the collection system to the respective areas.

In addition, that portion of the service area to which the collection system has already been extended contains 512 vacant lots and 94 existing homes (606 ERC's). These are expected to connect evenly each year through build-out in 2008.

Build-out of the Company's service area is expected to occur in 2008, when the last of the existing vacant lots are developed and connected to the system.

Note: These statements provided by the company's professional engineer, Charles E. Griffin, Inc.

HUDSON UTILITIES, INC.
WASTEWATER SERVICE AVAILABILITY CASE
STATEMENT REGARDING EXISTING AND PROPOSED ON-SITE AND
OFF-SITE MAIN EXTENSION POLICY
December 31, 2001

Under Hudson Utilities, Inc.'s existing policy, the Utility installs all of the facilities necessary to provide wastewater service to a property. A system capacity charge is collected for all new wastewater connections and may be collected one time or through instalments for each connection. No change to this policy is proposed.

CHARLES E. GRIFFIN, INC.
Civil Engineering - Land Surveying - Land Planning

3705 COMMERCIAL WAY - SPRING HILL, FLORIDA 34606 - (352) 666-8686

February 18, 2002

Hudson Utilities, Inc.
14334 Old Dixie Hwy
Hudson, Florida 34667

Re: Proposed Future Construction

Subj: Projected Costs & Plant Additions

Gentlemen,

Please find enclosed attachment "A" outlining the projected plant additions by Phases, Areas and associated Construction Costs covering each Area.

This costs analysis is based on current contract prices for sewerage system work in Hudson, Florida

Certification of attachment "A" to Hudson Utilities, Inc., Feb. 18, 2002.


Charles E. Griffin, Inc.

FL. Reg. P.E. No. 6993



HUDSON UTILITIES, INC.

PROPOSED CONSTRUCTION SCHEDULE 2002 thru 2003

ATTACHMENT "A"

	Area No	Collection Gravity	60% Pav. & Sod (Gravity)	Collection Manholes	Service Laterals	40% Pav. & Sod (Laterals)	Pumping Stations	Force Mains	Sub-Total	Engineering (6.8 %)	Testing (1.5 %)	Contingency (5.0 %)	Total
PHASE I	61	158,754	48,429	27,700	39,963	32,286	0	0	307,132	20,885	4,607	15,357	347,981
	62	128,340	34,922	19,600	21,051	23,282	25,000	34,667	286,862	19,506	4,303	14,343	325,014
Sub-Totals		287,094	83,351	47,300	61,014	55,568	25,000	34,667	593,994	40,391	8,910	29,700	672,995
PHASE II	41B	7,635	606	1,700	1,764	404	0	12,940	25,049	1,703	376	1,253	28,381
	22B	16,515	5,040	1,700	2,187	3,360	0	0	28,802	1,959	432	1,440	32,633
	42B	43,185	6,063	5,650	4,629	4,042	0	0	63,569	4,323	954	3,178	72,024
	44	51,955	11,547	9,250	5,238	7,698	25,000	24,010	134,698	9,159	2,021	6,735	152,613
	45	48,610	14,835	7,250	5,847	9,890	25,000	17,420	126,852	8,762	1,933	6,442	145,989
	43	91,912	17,835	15,450	12,783	11,890	25,000	3,180	178,050	12,107	2,671	8,902	201,730
	40	97,550	11,910	16,050	16,320	7,940	25,000	15,980	192,750	13,107	2,891	9,638	218,386
	31	43,980	5,964	7,550	5,607	3,976	0	0	67,077	4,561	1,006	3,354	75,998
	33C	20,555	480	2,250	2,847	320	0	0	26,452	1,799	397	1,322	29,970
55B	20,925	240	2,850	3,621	160	0	0	27,796	1,890	417	1,390	31,493	
Sub-Totals		442,822	74,520	71,700	60,843	49,680	100,000	73,530	873,095	59,370	13,098	43,654	989,217
PHASE III	77	61,688	11,104	7,650	10,487	7,402	25,000	20,740	144,071	9,797	2,161	7,204	163,233
	78	54,050	9,729	6,800	9,189	6,486	25,000	16,104	127,358	8,660	1,910	6,368	144,296
	79	45,825	8,249	5,950	7,790	5,499	25,000	28,182	126,495	8,602	1,897	6,325	143,319
	80	142,998	25,739	18,700	24,310	17,160	25,000	65,331	319,238	21,708	4,789	15,962	361,697
	81	56,635	10,194	7,650	9,628	6,796	25,000	13,176	129,079	8,777	1,936	6,454	146,246
Sub-Totals		361,196	65,015	46,750	61,404	43,343	125,000	143,533	846,241	57,544	12,693	42,313	958,791
Totals		1,091,112	222,886	165,750	183,261	148,591	250,000	251,730	2,313,330	157,305	34,701	115,667	2,621,003

Hudson Utilities, Inc.
 Projected ERC's by Area
 2002 - 2008

Description	Phase I		Phase II					Phase III										Total
	61	62	41B	22B	42B	44	45	43	40	31	33C	55B	77	78	79	80	81	
Mo/Yr in Service	7/02	10/02	7/03	2/04	7/03	10/03	11/03	9/03	1/04	2/04	3/04	3/04	5/03	3/03	2/03	1/03	6/03	
Existing ERC's	167	78	5	10	12	30	34	35	51	14	7	13	24	61	31	74	23	669
Vacant lots	3	11	5	2	5	7	7	11	34	24	9	12	7	10	16	31	31	225
Total Additional ERC's	170	89	10	12	17	37	41	46	85	38	16	25	31	71	47	105	54	894
Additions By Year		2002	2003	2004	2005	2006	2007	2008	Total									
Existing ERC's (1)		196	263	74					533									
Existing ERC's (2)			49	66	21				136									
Vacant Lots (1)			4	37	57	57	37	33	225									
Vacant Lots & Exist. Erc's- Dev Area (4)		86	86	86	87	87	87	87	606									
Total		282	402	263	165	144	124	120	1,500									

- Notes: (1) Assumes that 80% of existing ERC's will connect upon completion of construction, consistent with the parameters in Order No 21348.
 (2) Assumes the remaining ERC's will connect within 1 year of completion of construction, consistent with parameters in Order No. 21348
 (3) Assumes vacant lots will connect evenly over 4 years from completion of construction.
 (4) Unconnected vacant lots & existing homes in areas where construction was complete prior to 12-31-01. Assumption made that 606 Erc's (512 vacant lots + 94 existing structures) will be connected evenly over the next 7 years, beginning in 2002.