

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 020254-SU  
ORDER NO. PSC-02-0652-PCO-SU  
ISSUED: May 13, 2002

The following Commissioners participated in the disposition of  
this matter:

LILA A. JABER, Chairman  
J. TERRY DEASON  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI  
RUDOLPH "RUDY" BRADLEY

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

BACKGROUND

Hudson Utilities, Inc. (Hudson or utility) is a Class B  
wastewater collection-only utility in Pasco County (County). As of  
December 31, 2000, the utility served 2,221 wastewater customers  
and reported operating revenues of \$1,264,206 and a net operating  
income of \$202,475.

On March 19, 2002, the utility filed an application to  
increase its system capacity charge. The utility filed the  
application to recover the costs of extending its collection lines  
to serve the Signal Cove territory. We have reviewed the utility's  
application and supporting documentation and have determined that  
the utility has met the minimum filing requirements of Rule 25-  
30.565, Florida Administrative Code. Thus, March 19, 2002, was  
designated as the official filing date, pursuant to Section  
367.083, Florida Statutes. The utility's existing system capacity  
charge of \$1,000 was approved by this Commission by Order No.  
23810, issued November 27, 1990, in Docket No. 900293-SU.

DOCUMENT NUMBER-DATE

05102 MAY 13 02

FPSC-COMMISSION CLERK

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. Pursuant to an Addendum to the Agreement included in the amendment application, the County and Hudson agreed that the Signal Cove territory would be transferred from the County to Hudson.

By Order No. PSC-99-1916-PAA-SU, issued September 27, 1999, in Docket No. 981079-SU, made final and effective by Order No. PSC-99-2082-CO-SU, issued October 21, 1999, this Commission approved Hudson's application to amend its certificate of authorization, including the transfer of the Signal Cove territory from the County to Hudson. Pursuant to Order No. PSC-99-1916-PAA-SU, Hudson was ordered 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. In support of its motion, Hudson stated that, pursuant to the Addendum to the Agreement between Hudson and the County, the transfer of the Signal Cove territory would occur when Hudson connected its force main to the County's wastewater collection system which served the Signal Cove customers. Further, Hudson stated that the connection of Hudson's force main to the County's facilities would occur upon completion of the construction of Hudson's wastewater collection facilities to serve those Signal Cove customers currently on septic tanks. Hudson estimated that the connection would occur in approximately six months, based on estimates that the finalization for the funding of the construction work would take two months and the completion of the necessary construction work would take four months. Hudson requested an additional six months, until June 27, 2000, to file proof of the transfer of the Signal Cove territory from the County to Hudson. We found that Hudson's motion was reasonable, and granted the requested extension by Order No. PSC-00-0212-FOF-SU, issued February 2, 2000.

Since that time, the utility has filed for several extensions of time to file proof of the transfer of the Signal Cove territory from the County to Hudson. The utility indicated that it continues to have difficulty obtaining financing to complete the transfer.

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By Order No. PSC-01-1993-PCO-SU, issued October 8, 2001, in Docket No. 981079-SU, we granted the utility until June 30, 2002 to file proof of the transfer. That docket remains open pending verification of the transfer.

On March 19, 2002, the same date Hudson filed its current service availability application, the Office of Public Counsel petitioned this Commission to initiate show cause proceedings against the utility for failure to provide wastewater services within a reasonable time in the additional service territory approved by this Commission. That petition is being processed in Docket No. 020253-SU.

Although Hudson did not request an interim increase in its service availability charge, our staff discussed with the utility the idea of implementing such an interim increase subject to refund. However, the utility does not believe that there will be any growth in the service area it presently serves during the period of time that this docket will be open. Nor does the utility expect that monies held subject to refund pursuant to an interim increase would be of any benefit to the utility in obtaining bank financing for expansion into the Signal Cove area. For these reasons, an interim increase appears to be unnecessary.

This Order addresses the suspension of the utility's proposed tariff sheets. We have jurisdiction pursuant to Sections 367.091 and 367.101, Florida Statutes.

#### TARIFF SUSPENSION

Pursuant to Section 367.091(6), Florida Statutes, the service availability tariff sheets proposed by the utility shall become effective within sixty (60) days after filing, unless this Commission votes to withhold consent of the request. Further, we may withhold consent to the operation of any or all portions of the new rate schedules by a vote to that effect within 60 days, giving a reason or statement of good cause for withholding that consent.

We have reviewed the filing and have considered the utility's proposed charge, as well as the information filed in support of the application. We find that it is reasonable and necessary to require further amplification and explanation of this data and to

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require production of corroborative information, if necessary. The application requires further examination by our staff engineers and rate analysts. Therefore, the proposed tariff sheets to increase the system capacity charge shall be suspended pending further investigation. This docket shall remain open pending the completion of the service availability case.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Hudson Utilities, Inc.'s, proposed tariff to increase its system capacity charge is suspended. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission this 13th day of May, 2002.

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

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records and Hearing  
Services

( S E A L )

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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.