NOVEMBER 5, 2002

RE: Docket No. 981079-SU - 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. 020253-SU - Petition by the Citizens of the State of Florida to initiate show cause proceedings against Hudson Utilities, Inc. for failure to provide wastewater service in its expanded service area in Pasco County within a reasonable time.

Docket No. 020254-SU - Application for increase in service availability charges for wastewater customers in Pasco County by Hudson Utilities, Inc.

ISSUE 1: Should OPC's Petition to Initiate Show Cause Proceedings Against Hudson for failure to provide wastewater service within its expanded service area within a reasonable time be granted? RECOMMENDATION: No. OPC's Petition to Initiate Show Cause Proceedings against Hudson should be denied. Nevertheless, in Issue 2, staff

recommends that Hudson be required to file proof of the transfer of territory by June 30, 2003. If Hudson fails to do so, staff will file a recommendation at that time concerning the initiation of a show cause or deletion proceeding.

APPROVED To meet the 4/30/03 deadline shall result in immediate initiation of show cause proceedings

COMMISSIONERS ASSIGNED: Full Commission Palecki (020253, 020254)

COMMISSIONERS' SIGNATURES

MAJORITY	DISSENTING
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REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

12140 NOV-58

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<u>ISSUE 2</u>: Should Hudson's Proposed Settlement Agreement Regarding Its Application for Amendment of Certificate No. 104-S to Extend Service Territory in Pasco County be acknowledged?

RECOMMENDATION: Yes. The Proposed Settlement Agreement should be acknowledged as Hudson's response in compliance with the requirement of Order No. PSC-02-1166-PCO-SU to either file proof of the transfer of territory or a proposed settlement agreement concerning the delay in completing the transfer, as well as its response to the requirement that Hudson file a schedule setting forth the timetable for completion of the interconnection and transfer of territory. Hudson has complied with the requirements of that Order to the extent possible at this time. Moreover, Hudson should be required to file, in Docket No. 981079-SU, proof of the transfer of territory from the County to Hudson by June 30, 2003.

APPROVED

ISSUE 3: Should OPC's Motion to Expedite be granted?

RECOMMENDATION: Because the Motion has been rendered moot by staff's inability to file this recommendation for an earlier agenda conference, the Motion need not be ruled upon.

APPROVED

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ISSUE 4: Should Hudson's Application for Increase in Service Availability Charges and tariff filing to modify its system capacity charge be approved as filed?

RECOMMENDATION: Yes. Hudson's Application for Increase in Service Availability Charges and tariff filing to modify its system capacity charge should be approved as filed. Tariff Sheet Nos. 18.0, 23.0, 24.0, and 25.0 filed on March 19, 2002 should be approved. The Commission should approve a system capacity charge of \$2,400 per equivalent residential connection (ERC) and a system capacity charge of \$13.87 per gallon for non-residential connections. If there is no timely protest to the Commission's proposed agency action (PAA) by a substantially affected person, the utility should file a proposed notice within twenty days of the issuance date of the Consummating Order. The service availability charges should become effective for connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(2), Florida Administrative Code, provided the appropriate notice has been given. The notice should be mailed or hand-delivered to all persons in the service area who have filed a written request for service within the past 12 calendar months or who have been provided a written estimate for service within the past 12 calendar months. The utility should provide proof of the date the notice was given within 10 days after the date of the notice. In addition, the utility should be required to complete construction to the Signal Cove area by June 30, 2003, and to submit, in Docket No. 020254-SU, quarterly progress reports due on December 31, 2002; March 31, 2003; and June 30, These reports should list total expenses to date, anticipated remaining expenses, and an estimated date to complete construction of Phase Ι.

APPROVED

NOVEMBER 5, 2002

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ISSUE 5: Should Dockets Nos. 981079-SU, 020253-SU, and 020254-SU be closed?

RECOMMENDATION: Docket No. 981079-SU should remain open pending proof of the transfer of territory from the County to Hudson, after which time the docket should be closed administratively. Because no further action is necessary in Docket No. 020253-SU, that docket should be closed. With respect to Docket No. 020254-SU, if no timely protest is received to the Commission's proposed agency action on Issue 4, a Consummating Order should be issued and that docket should remain open pending receipt of the quarterly status reports recommended in Issue 4. If the appropriate quarterly status reports are filed, upon the transfer of territory from the County to Hudson, Docket No. 020254-SU should be closed administratively. If a protest is received to the Commission's proposed agency action on Issue 4, Docket No. 020254-SU should remain open pending final disposition and the tariff should remain in effect, held subject to refund, pending resolution of the protest.

