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July 30, 2004

Ms. Blanca S. Bayo, Director
Division Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

HAND DELIVERY

*CCA note: Place
in 981079-SU.
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04 JUL 30 PM 4:19
COMMISSION
CLERK

Re: Hudson Utilities Response to PSC Staff's First Request for Data Dated June 25, 2004
Docket No. 040509-SU

Dear Ms. Bayo:

Enclosed please find the original and fifteen copies of Hudson Utilities' Responses to PSC Staff's First Request for Data dated June 25, 2004 in the above styled docket.

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
Martin P. McDonnell

- CMP _____
- COM _____
- CTR _____
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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

08333 JUL 30 04

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Motion by Citizens of the State of Florida to initiate show cause proceedings against Hudson Utilities, Inc. for alleged continued failure to provide service to Sea Pines Community in Pasco County

Docket No. 040509-SU

Filed: July 30, 2004

**HUDSON UTILITIES RESPONSES TO PSC STAFF'S FIRST REQUEST FOR DATA
DATED JUNE 25, 2004**

Attached are the Responses of Hudson Utilities, Inc. ("Hudson") to PSC Staff's First Data Requests dated June 25, 2004:

Data Request No. 1: Have you discussed obtaining the necessary funds with the lenders to provide wastewater services with the Sea Pines Community? Please explain.

Hudson's Response: Yes. The funding necessary to provide wastewater service to the balance of the Sea Pines community has been discussed on a continuing basis with the lenders. Due to increased construction costs, the large number of vacant lots and the financial condition of the Utility, the project will not currently provide sufficient revenue to satisfy the lenders.

Data Request No. 2: Have you obtained the necessary permits from the Department of Environmental Protection and Pasco County to provide wastewater service to the Sea Pines Community? Please explain your progress.

Hudson's Response: Hudson received initial permit approval from the Department of Environmental Protection/Pasco County in 2003. The final right-of-way permit was submitted in Dec. 2003 and has not yet been approved by the new county engineer.

Data Request No. 3: Has the utility obtained bids from multiple construction companies for the construction of the wastewater collection system for the Sea Pines Community? Please explain.

Hudson's Response: Hudson Utilities is in the process of obtaining bids from multiple construction companies for the construction of the wastewater collection system for the Sea Pines community lying west of Old Dixie Highway. The bids are due on or about July 31, 2004.

DOCUMENT NUMBER-DATE

08333 JUL 30 04

FPSC-COMMISSION CLERK

Data Request No. 4: How much higher are the current bids for construction when compared to the costs that were estimated last year? Please provide Hudson's numbers.

Hudson's Response: The current estimate of construction costs is approximately 20%-25% higher than the estimates prepared in 2002. We will be in a better position to know the exact comparison when the bids are received by Hudson and tabulated.

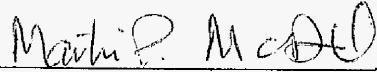
Data Request No. 5: When do you believe the construction will begin to provide wastewater service to the Sea Pines area, and when will the construction be complete?

Hudson's Response: It is unknown at this time when the construction will begin to provide wastewater service to the Sea Pines area and therefore when the construction will be completed. It involves receiving the construction bids for the area west of Old Dixie Highway and processing through our lenders as to the feasibility of funding.

Data Request No. 6: Is Hudson negotiating with Pasco County for the County to provide wastewater service to any portion of Sea Pines? If so, how long do you anticipate these negotiations will take?

Hudson's Response: Yes. Hudson Utilities is currently negotiating with Pasco County to provide wastewater service to the balance of the Sea Pines area, and has been for some time. Pasco County is currently evaluating Hudson's system for possible acquisition. It is difficult to determine how long these negotiations will take, as the county has not indicated when it will contact Hudson with the results of its evaluation.

Respectfully submitted this 30th day of July, 2004.


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ATTORNEY FOR HUDSON UTILITIES,
INC.

CERTIFICATE OF SERVICE


I HEREBY CERTIFY that a copy of the foregoing was furnished by United States Mail to the following this 30 day of July, 2004.

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