

**RUTLEDGE, ECENIA, PURNELL & HOFFMAN**

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW

**ORIGINAL**

STEPHEN A. ECENIA  
RICHARD M. ELLIS  
KENNETH A. HOFFMAN  
LORENA A. HOLLEY  
MICHAEL G. MAIDA  
MARTIN P. McDONNELL  
J. STEPHEN MENTON

POST OFFICE BOX 551, 32302-0551  
215 SOUTH MONROE STREET, SUITE 420  
TALLAHASSEE, FLORIDA 32301-1841

TELEPHONE (850) 681-6788  
TELECOPIER (850) 681-6515

November 4, 2004

R. DAVID PRESCOTT  
HAROLD F. X. PURNELL  
MARSHA E. RULE  
GARY R. RUTLEDGE  
MAGGIE M. SCHULTZ  
GOVERNMENTAL CONSULTANTS  
MARGARET A. MENDUNI  
M. LANE STEPHENS

**Via Hand Delivery**

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

RECEIVED - FPSC  
NOV - 4 PM 3: 54  
COMMISSION  
CLERK

Re: Docket No. 981079-SU  
Settlement Agreement

Dear Ms. Bayo:

On November 1, 2004 I filed a Settlement Agreement in the above referenced docket on behalf of Hudson Utilities, Inc. and the Office of Public Counsel. Unfortunately I inadvertently omitted a page of the Settlement Agreement. Enclosed please find page 3, which was omitted from the filing.

I apologize for any inconvenience and would appreciate it if you would acknowledge receipt of this document by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance with this filing.

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
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- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SEC   1
- OTH \_\_\_\_\_

Sincerely,

*Marsha Rule for*  
Martin P. McDonnell

MPM/tls  
Enclosures  
F:\USERS\Marty\Hudson Utilities\Bayo LTR 11.01.04

RECEIVED & FILED  
*[Signature]*  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
11919 NOV-4 3  
FPSC-COMMISSION CLERK

Hudson. In its recommendation staff recommends that Hudson should be required to show cause, in writing within 21 days, as to why it should not be fined in the amount of \$1,500.00 for failure to serve the Sea Pines area within a reasonable length of time, in apparent violation of Section 367.111(1), Florida Statutes; and

WHEREAS, Hudson has informed OPC that it has determined that it is not economically feasible for Hudson to serve the Sea Pines area at this time; and

WHEREAS, the Citizens and Hudson desire to resolve their differences with regard to OPC's motion to show cause so as to avoid the time and expense of a show cause proceeding, and any subsequent proceeding that might be established to consider removal of this area from Hudson's service territory and to enable wastewater service to be provided to this area as quickly as possible.

NOW THEREFORE, for and in consideration of the mutual covenants set forth below the Citizens and Hudson agree as follows:

1. Hudson agrees to the Commission's removal of the Sea Pines area from its service territory. This deletion will include the following streets: Mako Drive, Hatteras Drive, Gulf Way, Lyle Circle and Sea Pines Drive. As a result of the removal of these five streets from the service territory of Hudson, they will join the other streets in Sea Pines to be served directly by Pasco County.
2. Upon removal of the Sea Pines area from Hudson's service territory the OPC motion to show cause shall be resolved and the show cause proceeding shall not be opened and this docket shall be closed.
3. The submission of this Settlement Agreement by the Parties is in the nature of an offer to settle. Consequently, if this Settlement Agreement is not accepted and approved