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April 17, 2002
VIA HAND DELIVERY

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Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Aloha Utilities, Inc.; PSC Docket No. 010156-WS
Our File No. 26038.17

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COMMISSION CLERK

Dear Ms. Bayo:

Attached in accordance with the requirements of the Commission's Final Order in Docket No. 960545-WS is the most recent report on the status of the pilot project. Please see the attached letter for more detail concerning this status report.

If any members of the staff have any questions or concerns with the direction of the pilot project or anything within Mr. Porter's letters, either this report or previous reports, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tms
Enclosure
cc: Tom Walden, PSC
David W. Porter, P.E.
Stephen G. Watford

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David W. Porter, P.E., C.O.

Water and Wastewater Engineering Consultants

April 15, 2002

Ms. Connie Kurish
Aloha Utilities, Inc.
6915 Perrine Ranch Road
New Port Richey, FL 34655

**Regulatory Assistance;
Process Troubleshooting;
System Design, Permitting,
Construction Observation;
Forensic Engineering,
Expert Witness Testimony;
Rate Case Support**

Re: PSC Docket No. 010156-WU
Project Number AUI-021-1-S
Seven Springs WS Pilot Plant
Status Report for April 2002

Dear Connie,

I have prepared this project update letter so that you may use it in the preparation of your monthly report to the FPSC concerning this project.

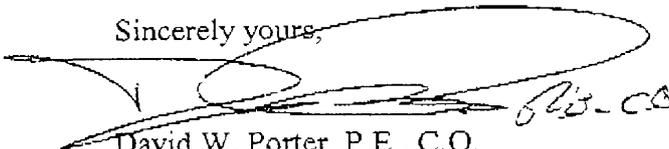
Since my last report, I have been working on the interim pilot plant report as authorized by Steve Watford. I have also continued working with ORICA-WATERCARE and WESTECH in the technical program development along with estimating construction and O&M costs for a MIEX demonstration plant.

As you are aware, over the last two or three years the County has been studying methods to remove hydrogen sulfide at their water facilities. They have investigated aeration methods as well as use of the MIEX process. They operated a MIEX pilot plant the year before we began our work. The County recently released their hydrogen sulfide report. I contacted Bruce Kennedy, the County's utility director, and discussed the report with him. He graciously provided me with a copy and I have reviewed it. Their report recommended that the MIEX process be selected for use at the County. The MIEX pilot plant operational data presented in the County report is similar to that obtained during our pilot testing. However, the process train recommended for use at the County is somewhat different from that we had discussed with the MIEX representatives. This is puzzling given that our raw water and that of the County is very similar. Therefore, we are conducting further discussions with the MIEX technical team to determine if any changes need to be made to our proposed process train.

We are continuing work on the MIEX Interim Report and will incorporate the changes (if any) that result from our additional technical discussions with the MIEX representatives in our report. We plan to have the report begin peer review and finalization in early May

If you have any questions please call me.

Sincerely yours,



David W. Porter, P.E., C.O.
Engineering Consultant