

STATE OF FLORIDA

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DIVISION OF LEGAL SERVICES
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Public Service Commission

September 25, 2001

F. Marshall Deterding, Esquire
Rose, Sundstrom, & Bentley, P.A.
2548 Blirstone Pines Drive
Tallahassee, Florida 32301

VIA FACSIMILE TRANSMITTAL
AND U.S. MAIL

Re: Docket No. 010503-WU - Application for increase in water rates for
Seven Springs System in Pasco County by Aloha Utilities, Inc.

Dear Mr. Deterding:

I am writing to confirm the receipt of your letter dated September 20, 2001, which was in regard to our recent conversations concerning the depositions of Mr. Watford, Mr. Nixon, and Mr. Porter. You state that the agreement was that the "areas to be covered in this initial deposition would not be repeated by any party in the later deposition, and that you [PSC] would obtain the agreement of Public Counsel in that regard." I am not sure that we have the same understanding of what our agreement was.

At this time, it is our understanding that Mr. Steve Burgess of the Office of Public Counsel (OPC) is planning to attend and participate in the early depositions for the three Aloha witnesses that are scheduled for Thursday, October 4, 2001. OPC is aware of our agreement that this deposition be limited in scope to the issues listed on the Notice of Deposition Duces Tecum, issued Wednesday, September 19, 2001, and has agreed to limit its questions to these issues at the early depositions, and has also agreed that questions on those issues will not be repeated at staff's depositions to be held in November.

However, OPC has indicated to us that due to the early timing of these particular depositions, it is possible that it will not be prepared at that time to depose the three Aloha witnesses. In the event that OPC chooses not to depose the Aloha witnesses on the limited issues we have agreed to, it is our understanding that OPC intends to depose the three Aloha witnesses at a separate deposition to be held at a later date.

We feel that it is necessary to clarify this point in order to avoid any confusion in the future. Specifically, if OPC chooses to participate in the depositions scheduled for October 4, 2001, questioning by OPC will be limited to the issues that have been specified, and these issues will not be repeated at the later staff-noticed deposition. However, in the event that OPC does not participate

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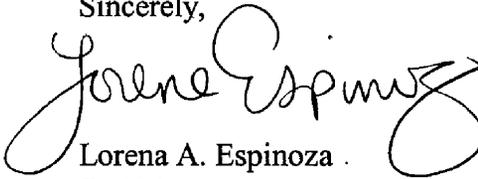
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in the October 4, 2001 depositions, it will not be held in any way to our agreement concerning these limited issues, and pursuant to Rule 1.310, Florida Rules of Civil Procedure, may schedule and notice its own set of depositions. Mr. Burgess states that he will try to be ready for the October 4, 2001 deposition date, but there are no guarantees.

It is our understanding that when you refer to "the later deposition," that any such agreement refers to only to a staff-noticed deposition, and can in no way bind other parties. Also, staff and OPC are working together to schedule depositions at a mutually agreeable time.

Hopefully, this clarifies our agreement and the partial depositions scheduled for October 4, 2001 will take place as scheduled and noticed. If you have any questions, or if we can be of any further assistance, please contact either myself or Ralph Jaeger at 413-6199.

Sincerely,



Lorena A. Espinoza
Staff Attorney

LAE/dm

cc: Stephen Burgess, Esquire, via facsimile
Division of the Commission Clerk and Administrative Services
Division of Economic Regulation (Fletcher, Crouch,
Jones, Lingo, Merchant, Stallcup, Wetherington, Willis)
Division of Regulatory Oversight (McPherson, Vandiver)
Division of Legal Services (Jaeger)

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