

STATE OF FLORIDA

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DIVISION OF LEGAL SERVICES
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Public Service Commission

September 25, 2000

F. Marshall Deterding, Esquire
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

RE: Docket No. 000737-WS - Investigation of rates of Aloha Utilities, Inc. in Pasco County for possible overearnings for the Aloha Gardens water and wastewater systems and the Seven Springs water system.

Dear Mr. Deterding:

This letter is to follow up on a letter dated June 7, 2000, in which you responded to Staff's First Data Request. Question 2 asked Aloha to identify the year each well was placed in service. We would like the actual respective dates when Aloha began purchasing water that was pumped from Wells Nos. 3, 4, 6, and 7 in which said water was sold to Aloha's customers.

Aloha's response to Question 3 of the June 7, 2000 letter, in part, was that, because the utility does not own the property nor the initial equipment installed, Aloha does not have information concerning the original wells construction cost incurred by the landowners. While we realize that the original well construction costs were incurred by the landowner and not by Aloha, the original facilities installed for Wells Nos. 3, 4, 6, and 7 are owned by related parties. Consequently, those records should be available to the utility and are accessible by the Commission pursuant to § 367.156(1), Florida Statutes. As such, staff requests that Aloha provide the original cost of those wells installed by Tahitian Development, Inc. (Tahitian) and Interphase, Inc. (Interphase). Further, please provide a copy of all invoices and any other support documentation for the original cost of those wells installed by Tahitian and Interphase.

In addition, staff requests that Aloha provide the original cost or value of the land at the point in time when Aloha began purchasing water that was pumped from Wells Nos. 3, 4, 6, and 7 in which said water was sold to Aloha's customers. If the land is divided into different parcels, please provide a breakdown of the original cost or value for each parcel and indicate which well number each parcel is associated with. Further, please provide the purchase price paid by Tahitian for the land on which Wells No. 3 and 4 are located and the purchase price paid by Interphase for land on which Wells Nos. 6 and 7 are located. Lastly, please provide a copy of all support documentation

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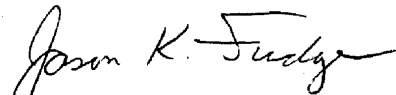
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that was relied upon for the original cost or value of this land and provide a copy of all support documentation for the purchase price paid by Tahitian and Interphase for this land.

Please respond within thirty days of the date of this letter. Your continued help in this matter is greatly appreciated. If we can be of any further assistance to clarify our request you can call me at 413-6236 or Bart Fletcher at 413-7017.

Sincerely,


Jason K. Fudge
Staff Attorney

JKF/dm

cc: Division of Economic Regulation (Fletcher, Merchant, Willis)
Division of Legal Services (Jaeger)

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