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E. LEON JACOBS, JR.,
CHAIRMAN

STATE OF FLORIDA

CAPITAL CIRCLE OFFICE CENTER
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6046



Public Service Commission

ORIGINAL

April 27, 2001

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

Re: Docket No. 010503-WU - Application for Increased Water Rates for Seven Springs System in Pasco County by Aloha Utilities, Inc. - Test Year Approval

Dear Mr. Deterding,

We have received your letter dated April 6, 2001 requesting test year approval for the Seven Springs Water System of Aloha Utilities, Inc. (Aloha or utility). Your letter states that the utility is requesting to use a projected test year ending December 31, 2001, with an historical base year of December 31, 2000. Aloha is also requesting that it be allowed to file its minimum filing requirements on or before August 15, 2001 or no more than 90 days after the requested test year is approved, whichever is shorter. By a telephone conversation with staff, you stated that the utility has not decided if it will seek interim rate relief. Further, by telephone, you stated that the utility will not file its application using the Proposed Agency Action (PAA) provision in Section 367.081(8), Florida Statutes. The utility's test year request as outlined above is hereby approved. You should also be aware that prefiled direct testimony must be filed with the minimum filing requirements (MFRs) since you are not electing to request the PAA process.

For administrative purposes only, Docket No. 010503-WU has been assigned to the forthcoming case. Your petition will be deemed filed on the date that the Division of Records and Reporting receives the complete petition, revised tariff sheets, the MFRs, testimony (if not requesting PAA), and the filing fee. To minimize any regulatory lag that may occur, we request that you file the above no later than July 31, 2001. Because of the difficulty in scheduling hearing dates it is not anticipated that an extension of this filing date will be granted.

Under the file and suspend law, the time period for processing the request will begin on the date that all of the required data is completely filed. If not complete, the official filing date will be the date the complete corrections to the deficiencies are filed. The utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, Florida Statutes, and the lengthy auditing and investigation required, there is a possibility that information filed at a later time will not be considered. Lastly, the utility should be prepared to

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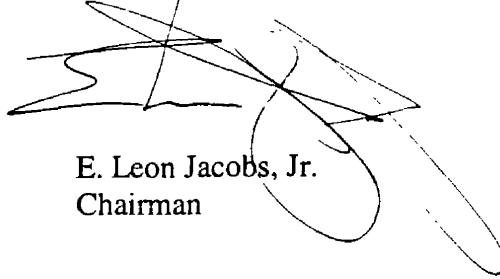
PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

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justify its requested test year operation and maintenance expenses, particularly those which have increased above the level of customer growth and inflation from those approved for the December 31, 1998 test year in Dockets Nos. 970536-WS and 980245-WS.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Leon Jacobs, Jr.", written over a horizontal line. The signature is stylized and somewhat messy, with a large loop at the end.

E. Leon Jacobs, Jr.
Chairman

ELJ:pwm

cc: Bill Talbott
Mary Bane
Division of Records and Reporting
Division of Economic Regulation (Willis, Merchant)
Division of Legal Services (Jaeger)
Division of Regulatory Oversight (Vandiver)