

ORIGINAL

LAW OFFICES

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

CHRIS H. BENTLEY, P.A.
F. MARSHALL DETERDING
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
JOSEPH P. PATTON
DAREN L. SHIPPY, LL.M. TAX
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (850) 656-4029

ROBERT M. C. ROSE
OF COUNSEL

July 18, 2001

VIA HAND DELIVERY

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

RECEIVED-FPSC
01 JUL 18 PM 4:39
COMMISSION
CLERK

Re: Aloha Utilities, Inc.; Docket No. 000737-WS
Investigation of Rates in Pasco County for Possible Overearnings
Our File No. 26038.31

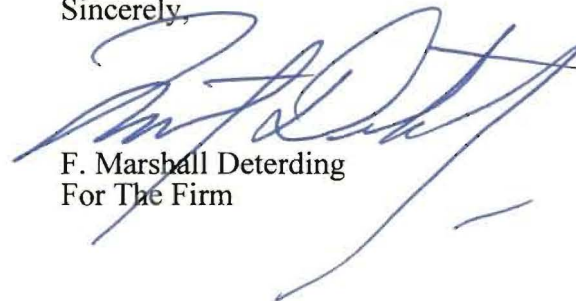
Dear Ms. Bayo:

Attached are the original and 15 copies of a "Settlement Agreement" entered into between Aloha Utilities, Inc. and the Office of Public Counsel today.

Based on a discussion earlier today with the Commission staff it is our understanding that they will support this Settlement Agreement.

If you have any questions in this regard, please let me know.

Sincerely,



F. Marshall Deterding
For The Firm

FMD/tmg

cc: Ralph Jaeger, Esquire
Rosanne Gervasi, Esquire
Bob Crouch, P.E.
Tricia Merchant, CPA
Mr. Bart Fletcher
Marshall Willis, CPA
Stephen G. Watford, President
Robert C. Nixon, CPA

APP _____
CAF _____
CMP _____
COM 3
CTR _____
ECR _____
LEG 1
OPC _____
PAI _____
RGO _____
SEC 1
SER _____
OTH _____

aloha\31\7bayo.ltr

RECEIVED & FILED
R&M
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

08764 JUL 18 2001

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: 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.)
_____)

Docket No. 000737-WS

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made and entered into this 18th day of July, 2001, by and between Citizens of the State of Florida (“Citizens”) through the Office of Public Counsel, and Aloha Utilities, Inc. (“Utility”).

W I T N E S S E T H

WHEREAS, the Florida Public Service Commission (“PSC”) issued Order No. PSC-01-1245-PAA-WS on June 4, 2001, and Order No. PSC-01-1374-PAA-WS on June 27, 2001 with regard to the above-referenced docket and earnings investigation; and

WHEREAS, Citizens and Utility desire to resolve their differences with regard to the Citizen’s Petition and any parties’ possible Petition of Order No. PSC-01-1374-PAA-WS.

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

1. In addition to the refund provided for in PAA Order No. PSC-01-1245-PAA-WS, the Utility shall increase the amount of the ordered refund by \$12,000 for its Aloha Gardens’ water customers.

2. To the extent either party to this Agreement files a protest of Order No. PSC-01-1374-PAA-WS, that party agrees to withdraw such protest if no other protests are received to the Order by any third parties. Such withdrawal will occur within 15 days of the date of the deadline for filing protests.

DOCUMENT NUMBER-DATE

08764 JUL 18 2001

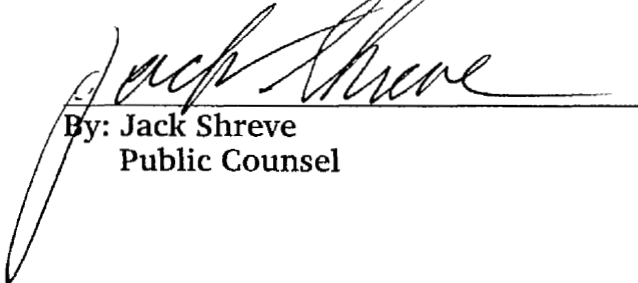
PSC-COMMISSION CLERK

3. Citizens will voluntarily dismiss the Petition on Proposed Agency Action filed on June 25, 2001 to Order No. PSC-01-1245-PAA-WS.

4. Except as specifically modified herein, the provisions and rulings in PAA Order No. PSC-01-1245-PAA-WS and Order No. PSC-01-1374-PAA-WS are hereby affirmed.

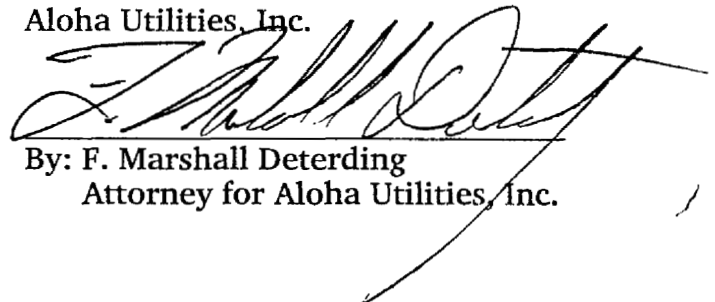
5. The provisions of this Settlement Agreement are not severable and shall become effective only after the Commission has entered an order approving the Agreement in total. In the event the Agreement is not approved in whole, without modification, the Settlement Agreement shall be deemed withdrawn and null and void, and neither party may use this attempted Settlement Agreement in this or any other proceeding.

Citizens of the State of Florida



By: Jack Shreve
Public Counsel

Aloha Utilities, Inc.



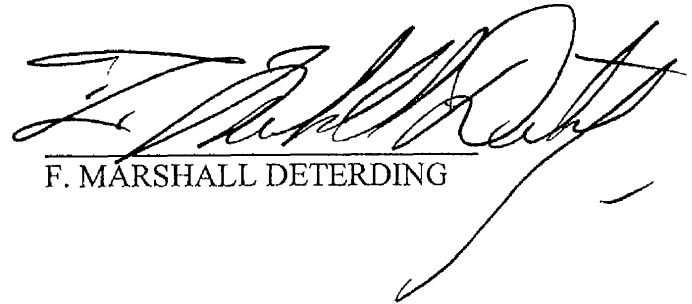
By: F. Marshall Deterding
Attorney for Aloha Utilities, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via hand delivery to the following on this 18th day of July, 2001:

Office of Public Counsel
Stephen Burgess
c/o The Florida Legislature
111 W. Madison St., Room 812
Tallahassee, FL 32399-1400
Phone: 850-488-9330

Ralph Jaeger, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850



F. MARSHALL DETERDING