

STATE OF FLORIDA

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DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

July 26, 2001

Mr. Stephen G. Watford
Aloha Utilities, Inc.
6915 Perrine Ranch Road
New Port Richey, FL 34655-3904

Re: Docket No. 010503-WU; Aloha Utilities, Inc.; Audit Request: Seven Springs rate base, net operating income, and capital structure for the test year ended December 31, 2000; Audit Control No. 01-207-2-1

Dear Mr. Watford:

The Florida Public Service Commission will audit the Seven Springs rate base, net operating income, and capital structure for the test year ended December 31, 2000, in accordance with Commission audit procedures. Access will be requested to documents and records of the utility and, if necessary, supporting records for affiliate company transactions that affect regulated operations. Staff auditors may also request to review the utility's external audit working papers for the most recent independent audit. Jim McPherson, (813) 356-1440, the district office supervisor, will coordinate this audit. Questions regarding the audit or audit staff should be directed to the district supervisor or myself. My phone number is (850) 413-6487.

The Audit Access to Records rule for each industry states:

In those instances where the utility disagrees with the auditor's assessment of a reasonable response time to the audit request, the utility shall first attempt to discuss the disagreement with the auditor and reach an acceptable revised date. If agreement cannot be reached, the utility shall discuss the issue with successive levels of supervisors at the Commission until an agreement is reached.

DOCUMENT NUMBER - DATE

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A formal report is expected to be issued for internal Commission use on October 17, 2001. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,



Denise N. Vandiver
Bureau Chief of Auditing Services

cc: Division of Regulatory Oversight (Tampa District Office Supervisor, File Folder)
Division of Commission Clerk and Administrative Services (2)
Division of Legal Services
Office of the Public Counsel

Rose Law Firm
Marshall Deterding
2548 Blirstone Pines Dr.
Tallahassee, FL 32301