

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition by Aloha Utilities)
Inc. and Office of Public Counsel to)
approve Stipulation on Procedure)

Docket No. 060122-WU

Filed: February 9th, 2006

JOINT PETITION TO APPROVE STIPULATION ON PROCEDURE

Aloha Utilities, Inc. ("Aloha"), through its undersigned counsel, and The Citizens of the State of Florida, through the Office of Public Counsel ("OPC"), jointly petition the Florida Public Service Commission for entry of a procedural order approving the Stipulation on Procedure ("Stipulation") attached hereto as Exhibit A.

The Stipulation specifies the issues that will be considered, and the timetables that will apply, in the event Aloha files a future limited proceeding to recover the cost of purchasing water from Pasco County and the cost of installing and operating chloramination facilities.

By its terms, the Stipulation will be effective only if approved by the Commission and only if an overall Settlement Agreement is also approved by the Commission.

WHEREFORE, the undersigned parties respectfully request that the Florida Public Service Commission approve the attached Stipulation on Procedure in all respects.

EXECUTED this 9th day of February, 2006.

ALOHA UTILITIES, INC.

By: 

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CITIZENS OF THE STATE OF FLORIDA

By: 

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

STIPULATION ON PROCEDURE

This STIPULATION is entered into this 3rd day of February, 2006, by and between Aloha Utilities, Inc. ("Aloha") and the Office of Public Counsel on behalf of the Citizens of the State of Florida ("OPC") (collectively, "Parties").

WHEREAS, Aloha intends to file a limited proceeding in order to recover through water rates (i) the cost of the additional 1.5 million gallons per day of water that Aloha has contracted to purchase from Pasco County, and (ii) the cost and operating expenses of the chloramination facilities that will be in operation prior to Aloha purchasing any water from Pasco County, and which facilities have been installed subsequent to its last rate case; and

WHEREAS, the Parties agree that the purchase of supplemental water from Pasco County is the only option reasonably and feasibly available to Aloha to insure that Aloha has sufficient water to serve the potable water needs of its present and future customers.

WHEREAS, the Parties are willing to agree on certain procedures and timeframes for the processing of such limited proceeding, subject to the execution of an overall Settlement Agreement that is currently under negotiation to address anion exchange and other matters ("Settlement Agreement").

NOW, THEREFORE, Aloha and OPC stipulate and agree as follows:

1. The Commission will process such application as a limited proceeding and will not expand the scope of the proceeding beyond issues related to the chloramination facilities and the additional water purchased (including the cost of any interconnection facilities, any required impact fees, and any related reduction in Aloha's water treatment costs).
2. The Commission will make its decision within 120 days after the receipt of the petition and will issue its PAA Order no more than 20 days thereafter.
3. No customer meeting shall be held by the Commission or staff in connection with the issuance of the PAA order.
4. In the event the PAA Order is protested, the Commission will issue its Final Order within 8 months of the date of such protest.
5. The limited proceeding shall not address "repression" in gallons of usage.
6. Aloha has provided to the Commission and OPC a report detailing its attempts to locate alternative sources of water in order to conform to the maximum limits of its water use permit while meeting the water supply needs of its existing and future customers. Based upon that report and on the previous information provided to the Commission in Docket No. 020896-WS, the Parties agree that Aloha has now complied with the requirements of Order No. PSC-02-0593-FOF-WU with regard to the further issues that needed to be analyzed and information that needed to be produced by Aloha to demonstrate that the purchase of water from Pasco County is

the most cost effective alternative for obtaining additional water resources as contained on Pages 52 and 53 of that Order.

7. This stipulation shall bind the parties only if it is approved by the Commission, without change, is incorporated by reference in a procedural order, and the time for reconsideration of such order has passed. This stipulation shall be submitted to the Commission for approval at the first available agenda conference after the date of its execution.

8. Notwithstanding approval by the Commission, this stipulation shall be of no force and effect until the date that Aloha, OPC and Intervenors have executed an overall Settlement Agreement and the Commission has approved the overall Settlement Agreement. If this stipulation becomes null and void because of the failure of either of the above contingencies, this Stipulation on Procedure shall not be admissible in any present or future judicial or administrative proceeding.

EXECUTED this 3rd day of February, 2006.

ALOHA UTILITIES, INC.

By: 

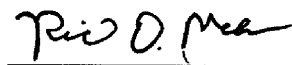
OFFICE OF PUBLIC COUNSEL

By: 

STATEMENT BY COMMISSION STAFF

The staff of the Commission participated in the negotiation of this stipulation. Based on that participation, staff will recommend to the Commission that it issue a procedural order approving this stipulation.

Staff further states that, subject to timely completion of its audit, it will endeavor in good faith to present a recommendation in the limited proceeding to the Commission for a decision within 90 days following the filing of the petition.


GENERAL COUNSEL


DIRECTOR OF ECONOMIC REGULATION