## STATE OF FLORIDA

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DIVISION OF LEGAL SERVICES NOREEN S. DAVIS DIRECTOR (850) 413-6199

## Hublic Service Commission

August 9, 2001

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

Re:

Docket No. 010156-WU - Application for increase in service availability charges for water customers in the Seven Springs service area in Pasco County by Aloha Utilities, Inc.

Dear Marty:

Thank you for your letter of August 6, 2001 waiving Aloha's rights under the 8-month time period, up to an additional five months. This additional time should allow both the utility and staff time to get a better idea of how Aloha might proceed in the future.

It appears that since the utility filed its application for increased service availability charges on February 1, 2001, in which it proposed centralization of plants and packed tower aeration, that Aloha is seriously considering other options to include use of the MIEX process and/or reverse osmosis. To conclude this service availability docket, staff believes that the utility needs to do an analysis of the costs of the various options and then amend its application to set out these costs and the most likely options that Aloha might choose. As we discussed, it might be an analysis of what Aloha at a minimum would have to do in the future.

I know that at this time, Aloha is concerned primarily with filing its testimony and exhibits in Docket No. 010503-WU. However, staff believes Aloha should proceed as soon as possible with analyzing the abovenoted options and their costs. Please respond to this letter by September 4, 2001, and advise staff as to when and if this analysis could be done.

Your attention to this matter is greatly appreciated.

Ralph R. Jaeger

Senior Attorney

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Division of Economic Regulation (Davis, Crouch, Wetherington, Merchant, Willis)

Division of the Commission Clerk and Administrative Services

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