Hublic Service Commission

January 27, 2009

VIA HAND DELIVERY

William E. Sundstrom, Esquire Rose, Sundstrom & Bentley, LLP 2548 Blairstone Pines Drive Tallahassee, FL 32301

Re: Dockets 010503-WU, 060606-WS, and 060122-WU

Escrow Release Request

Dear Mr. Sundstrom:

COMMISSIONERS:

LISA POLAK EDGAR

NANCY ARGENZIANO NATHAN A. SKOP

I am writing in response to your letter dated January 26, 2009, in which you request the release of funds to Aloha Utilities, Inc., which are being held pursuant to Order No. PSC-06-0270-AS-WU, the settlement order that controls distribution of the escrowed funds. Your letter has been filed in the dockets referenced above.

Commission staff has reviewed your request and the settlement order, and we believe the order contemplates that release of the escrowed funds may occur only after Phase III rates take (See page 5 of Order No. PSC-06-0270-AS-WU.) As such, action by the full Commission would be required to release the escrowed funds prior to the implementation of Phase III rates. Upon the completion of the sale of the utility to the Florida Governmental Utility Authority, staff will bring a recommendation to the Commission regarding the appropriate disposition of the escrowed funds.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Patrick L. "Booter" Imhof

General Counsel

PLI/MAH:tf

cc: Parties of Record (via U.S. Mail) Office of Commission Clerk