

Commissioners:
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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

January 7, 1999

STAFF'S THIRD DATA REQUEST

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

RE: Docket No. 970536-WS - Application of Aloha Utilities, Inc. for limited proceeding increase in water and wastewater rates

Dear Mr. Deterding:

By this letter, Commission staff requests that Aloha Utilities, Inc. (Aloha or utility) please provide responses to the following data requests:

According to your letter dated November 25, 1998 to Blanca S. Bayo, the facilities or lines relocated were placed in service in March of 1997. Cronin, Jackson, Nixon & Wilson, CPAs, PA. (CJNW) prepared a special report dated April 30, 1997, consisting of thirteen schedules. This special report by CJNW is Exhibit "A" of Aloha's application. Schedule No. 10 of this report is a schedule of the utility's calculation of allowance for funds used during construction (AFUDC).

1. Since the facilities or lines relocated were placed in service in March of 1997, please explain why Aloha continued the recognition of construction work in progress (instead of plant) and accrued AFUDC from April of 1997 to August of 1997.

2. Regarding the utility's response to number 5(a) of Staff's First Data Request, Aloha stated it incurred a total of \$148,415.99 in engineering services. In the utility's original application, Aloha indicated that the Florida Department of Transportation (DOT) reimbursed the utility \$83,178.00 of the \$128,573.14 in engineering services incurred through February of 1996, which equates to 64.69% of the \$128,573.14 figure.

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FPSC-RECORDS/REPORTING

F. Marshall Deterding, Esquire

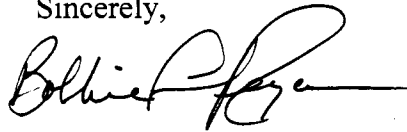
Page 2

January 4, 1999

- a. With regard to the \$19,842.85 difference between the \$148,415.99 and the \$128,573.14 figures, did DOT reimburse Aloha 64.69% or some other percentage of this additional \$19,842.85 in engineering services?
- b. If DOT did not reimburse Aloha for any of the additional \$19,842.85 in engineering services, please explain why not.
- c. If DOT did reimburse Aloha, please provide a copy of DOT's check, if one exists, relating to any reimbursement of the additional \$19,842.85 in engineering services.

Please file the original and five copies of the requested information by January 30, 1998 with Ms. Blanca Bayo, Director of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Please feel free to call me at (850) 413-6216 if you have any questions.

Sincerely,



Bobbie L. Reyes
Senior Attorney

BLR/lw

cc: Division of Records and Reporting
Division of Water and Wastewater (Fletcher, Merchant)