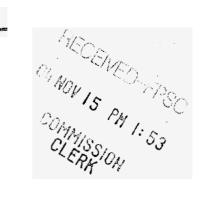
ORIGINAL

MEMORANDUM

November 15, 2004



TO:	DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES			
FROM:	OFFICE OF THE GENERAL COUNSEL (GERVASI)			
RE:	DOCKET NO. 020896-WS - Petition by customers of Aloha Utilities, Inc. deletion of portion of territory in Seven Springs area in Pasco County.			
	DOCKET NO. 010503-WU - Application for increase in water rates for Seven Springs System in Pasco County by Aloha Utilities, Inc.			

Attached is a copy of a letter to be filed in dockets 020896- WS and 010503- WU. The letter is addressed to Rosanne Gervasi, Esq. from F. Marshall Deterding of ROSE, SUNDSTROM & BENTLEY, L.L.P.

RG/pz Attachment

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MARTIN S. FRIEDMAN, P.A. VALERIE L. LORD

November 9, 2004

VIA HAND DELIVERY

Rosanne Gervasi, Esq. General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0873

Re: Aloha Utilities, Inc.; PSC Docket No. 020896

Our File No. 26038.37

Dear Rosanne:

Enclosed please find the monthly update which Aloha is directed to file by Order No. PSC-04-0712-PAA-WS. The attached represents the "project status report" for this month as required by the eighth ordering paragraph of that Order.

If you have any questions regarding the above, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENILEY

F. Marshall Deterding For The Firm

FMD/tms

cc: Blanca S. Bayo

Stephen Watford David W. Porter, P.E.

John Wharton

aloha\37\7gervasi.ltr

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FPSC-COMMISSION CLERK

Project Status Report

To: Stephen Watford From: David W. Porter, P.E.

Subject: Seven Springs Water System Improvements - 2004

Date: November 8, 2004

This is the third status report completed for this project.

To date the following tasks have been completed:

- 1. Aloha has retained the services of the University of South Florida to develop design criteria and assist in the design of the water system improvements. The University has designated Dr. Audrey Levine the Principal Investigator for the project.
- 2. A meeting with the FDEP was held to discuss the project and to obtain design and permitting direction from the Department staff.
- 3. The design team has been selected and provided authorization to complete the design, permitting, construction observation, start-up and commissioning tasks necessary to complete this project.
- 4. Basis of design process, chemical and equipment vendors have been selected, a number of purchase orders have been issued by Aloha to allow these firms to provide necessary design assistance and shop drawings for the various facility improvements.
- 5. The process, chemical and equipment vendors have developed detailed initial application recommendations, prepared drawing details for use by the design team and prepared cost proposals and shop drawings. As the permitting effort and Dr. Levine's work continues to proceed, changes to these initial recommendations may need to be made which will result in updated design drawings, cost proposals and shop drawings, etc.
- 6. The initial permit application submittal package has been submitted to the FDEP for review and approval. This permit application package is for the portion of the project design that is sufficiently complete to allow the permitting effort to begin. At this time we believe that at least one additional permit documentation submittal package will be prepared and submitted to FDEP (as a modification to this earlier submission) when Dr. Levine's process testing work has been completed to the point where it has provided the information needed to allow the completion of the design work for the entire project.

The following tasks are underway:

- 1. The design team has been coordinating with Dr. Levine on design parameter development; integrating all the various process, chemical and equipment application recommendations; undertaking the necessary sub-system and site engineering design work; working on the instrumentation and SCADA system design; preparing detailed project engineering drawings and readying the project documentation for supplemental FDEP Permit application submittals.
- Dr. Levine and her team are working to gather the pilot testing data needed to complete her analysis of the hydrogen peroxide treatment process and provide the necessary design and permitting data and report needed to complete the project.
- 3. Aloha has begun interviewing contractor's to provide construction services for this project.

Dr. Levine's process hydrogen peroxide treatment process testing work is underway. A summary of testing results will be provided when Dr. Levine has completed her work, compiled her data summaries and prepared her report for submittal to the AUI, FDEP, PSC and others.