

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL

(850) 877-6555
FAX (850) 656-4029
www.rsbatorneys.com

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

June 30, 2003
VIA HAND DELIVERY

Ralph Jaeger, Esquire
General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

Re: Aloha Utilities, Inc.; PSC Docket No. 010503-WU
Our File No. 26038.35

Dear Ralph:

As we discussed with the staff some time ago, we believe that monies in the escrow for refunds should be released to the extent they are obviously not needed for making the refund that is now final.

I am attaching hereto a calculation of the amount of the refund, based upon use of the programs and interest multiplier provided by the Commission staff, along with the latest commercial paper rates. As you can see from this, the amount of interest is minuscule, based upon application of the commercial paper rates. I would therefore propose to leave \$136,000 in the escrow account, and request release of the remainder. We will then escrow, from this point forward, 4.87% of any monies collected under the old rates.

Since we are now implementing the new rates in the next few days, that will entail the billings up through the time customers begin service at the new rates.

Please work with us as quickly as possible to get release of these funds, because there is no reason for them to remain in the escrow account. Your quick attention to this matter is appreciated.

Sincerely,

ROSE, SUNDSTROM & BENTLEY


F. Marshall Deterding
For The Firm

FMD/tms
cc: Blanca S. Bayo, Esq.
Ms. Kay Flynn
Mr. Bart Fletcher
Tricia Merchant, CPA
Marshall Willis, CPA
Stephen Watford

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Aloha Utilities, Inc.

Interest Multiplier Calculator

<u>Month</u>	<u>Monthly Water Revenues Collected (a)</u>	<u>Percentage of Refund Water (b)</u>	<u>Water Refund Total (c)</u>	<u>Average Int. Rate for Month (d)</u>	<u>Monthly Interest Rate (e)</u>	<u>Monthly Interest Amount (f)</u>	<u>Cumulative Refund Water (g)</u>
Nov-2001	\$0	4.87%	\$0	2.1300%	0.1775%	\$0	\$0
Dec-2001	\$0	4.87%	\$0	1.9100%	0.1592%	\$0	\$0
Jan-2002	\$162,412	4.87%	\$7,909	1.7750%	0.1479%	\$6	\$7,915
Feb-2002	\$151,001	4.87%	\$7,354	1.7650%	0.1467%	\$11	\$15,280
Mar-2002	\$140,426	4.87%	\$6,839	1.7750%	0.1479%	\$16	\$22,135
Apr-2002	\$186,612	4.87%	\$9,088	1.7750%	0.1479%	\$23	\$31,246
May-2002	\$189,602	4.87%	\$9,234	1.7650%	0.1467%	\$30	\$40,510
Jun-2002	\$208,674	4.87%	\$10,162	1.7600%	0.1467%	\$37	\$50,709
Jul-2002	\$164,781	4.87%	\$8,025	1.7200%	0.1450%	\$43	\$58,777
Aug-2002	\$143,868	4.87%	\$7,006	1.7200%	0.1433%	\$47	\$65,830
Sept-2002	\$149,619	4.87%	\$7,286	1.7350%	0.1446%	\$53	\$73,170
Oct-2002	\$145,837	4.87%	\$7,102	1.7050%	0.1421%	\$57	\$80,329
Nov-2002	\$168,684	4.87%	\$8,215	1.6750%	0.1229%	\$54	\$88,598
Dec-2002	\$166,128	4.87%	\$8,090	1.2950%	0.1079%	\$52	\$96,741
Jan-2003	\$143,325	4.87%	\$6,980	1.2800%	0.1067%	\$55	\$103,776
Feb-2003	\$161,026	4.87%	\$7,842	1.2600%	0.1050%	\$59	\$111,677
Mar-2003	\$148,229	4.87%	\$7,219	1.2150%	0.1013%	\$60	\$118,956
Apr-2003	\$156,364	4.87%	\$7,615	1.1850%	0.0988%	\$62	\$126,633
May-2003	<u>\$178,861</u>	4.87%	<u>\$8,711</u>	1.2000%	0.1000%	<u>\$68</u>	<u>\$135,411</u>
Jun-2003							
Total	<u>\$2,765,449</u>		<u>\$134,677</u>			<u>\$734</u>	<u>\$135,411</u>

Interest Multiplier (h)

1.0054487