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ROBERT M. C. ROSE
OF COUNSEL

February 27, 2001
VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Aloha Utilities, Inc.; PSC Docket No. 010156-WU
Application for Increase in Service Availability Charges
Our File No. 26038.32

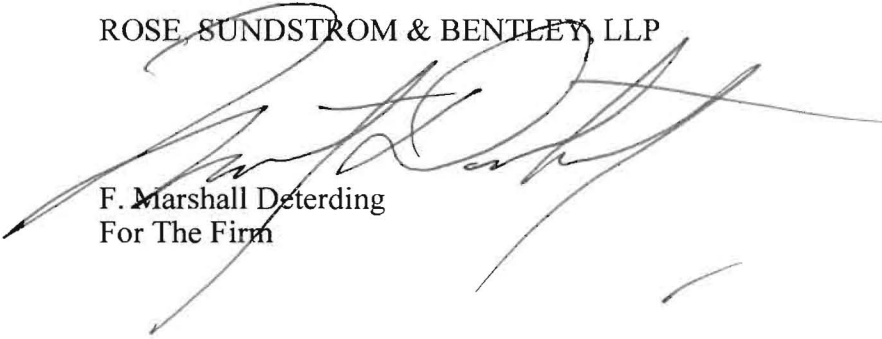
Dear Ms. Bayo:

Attached are the original and fifteen copies of revised Schedules 1, 2, and 3 to the Service Availability Application filed by Aloha Utilities, Inc. in the above-referenced matter on February 1, 2001. Due to typographical errors, some material miscalculations were made on the prior schedules. As such, please substitute the attached for those similarly numbered schedules attached to the original Application.

If you or any members of the staff have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP


F. Marshall Deterding
For The Firm

APP _____
CAF _____
CMP _____
COM _____
CTR _____
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OPC _____
PAI _____
RGO _____
SEC _____
SER _____
OTH _____
FMD/tmg
Enclosure
cc: Bob Crouch, P.E.
Bart Fletcher
Ralph Jaeger, Esquire
Tricia Merchant, CPA
Mike Wetherington, P.E.
Stephen G. Watford, President
aloha\32\2bayo.ltr

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FPSC-BUREAU OF RECORDS

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FPSC-RECORDS/REPORTING

ALOHA UTILITIES, INC
SEVEN SPRINGS WATER DIVISION
ANALYSIS of EXISTING CIAC LEVEL AND PROJECTED LEVEL AT BUILDOUT
ASSUMING PROPOSED CHANGE IN SERVICE AVAILABILITY CHARGES
NOVEMBER 30, 2000 AND NOVEMBER 30, 2015

	BALANCE 9/30/00	ADJUSTMENTS	ADJUSTED BALANCE
<u>WATER</u>			
UTILITY PLANT in SERVICE	\$8,938,892	\$19,795,789 (A)	28,734,681
ACCUMULATED DEPRECIATION	(2,126,664)	(10,856,922) (B)	(12,983,586)
DEFERRED TAX ASSET (1)	1,376,165	178,130 (E)	1,554,295
ACCUMULATED AMORTIZATION OF DEFERRED TAX ASSET (1)	(358,811)	(693,052) (F)	(1,051,863)
DEFERRED TAX LIABILITY (1)	(166,106)	(336,326) (G)	(502,432)
NET UTILITY PLANT	<u>\$7,663,476</u>	<u>\$8,087,619</u>	<u>\$15,751,095</u>
CONTRIBUTUONS IN AID of CONSTRUCTION (CIAC)	\$7,629,583	\$11,248,080 (C)	\$18,877,663
ACCUMULATED AMORTIZATION of CIAC	(1,808,311)	(5,688,659) (D)	(7,496,970)
CONTRIBUTED TAXES (1)	1,175,890		1,175,890
ACCUMULATED AMORTIZATION OF CONTRIBUTED TAXES (1)	(193,419)	(551,257) (H)	(744,676)
NET CIAC	<u>\$6,803,743</u>	<u>\$5,008,164</u>	<u>\$11,811,907</u>
NET UTILITY PLANT INVESTMENT	<u>\$859,733</u>	<u>\$3,079,455</u>	<u>\$3,939,188</u>
PERCENT CIAC	<u>88.76%</u>		<u>74.99%</u>
PERCENT INVESTMENT	<u>11.22%</u>		<u>25.01%</u>

NOTES. (1) CONSISTENT WITH COMMISSION TREATMENT IN DOCKET NO 991643-SU, DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES ARE INCLUDED IN RATE BASE AND UTILITY INVESTMENT UNTIL DEFERRED TAX LIABILITIES EXCEED NET DEFERRED TAX LIABILITIES, AFTER WHICH THE NET LIABILITY RECEIVES CAPITAL STRUCTURE TREATMENT AT ZERO COST. IN ADDITION, CONTRIBUTED TAXES NET OF ACCUMULATED AMORTIZATION ARE NOW CLASSIFIED AS CIAC

ALOHA UTILITIES, INC.
SEVEN SPRINGS WATER DIVISION
ADJUSTMENTS TO PRESENT CIAC LEVEL THROUGH BUILDOUT
NOVEMBER 30, 2000 TO DECEMBER 31, 2015

(A) WATER UTILITY PLANT

(1) ESTIMATED COST OF PLANT UPGRADES TO REMOVE HYDROGEN SULFIDE PER ENGINEERING STUDY& WHICH WILL SERVE BUILDOUT POPULATION (2015)	\$11,244,717
COST OF CONTRIBUTED PROPERTY RECEIVED IN DECEMBER, 2000	714,911
ESTIMATED COST OF FUTURE CONTRIBUTIONS OF ON-SITE & OFF-SITE FACILITIES	7,399,630
ESTIMATED COST OF METERS (5714 ERC'S X \$75 80 PLUS \$3410 RECEIVED IN DECEMBER)	<u>436,531</u>
 TOTAL ADDITIONS & ADJUSTMENTS TO PLANT THROUGH BUILDOUT	 <u>\$19,795,789</u>

(B) ACCUMULATED DEPRECIATION - WATER

TOTAL ESTIMATED ADDITIONS TO ACCUMULATED DEPRECIATION THROUGH BUILDOUT	<u>(\$10,856,922)</u>
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(C) CIAC - WATER

(1) ESTIMATED FUTURE PROPERTY CONTRIBUTIONS (\$1295 X 5714 ERC'S)	\$7,399,630
DECEMBER, 2000 PROPERTY CONTRIBUTIONS	714,911
ESTIMATED FUTURE METER FEES (\$78 80 X 5714 ERC'S)	433,121
DECEMBER, 2000 METER FEES COLLECTED	3,410
FUTURE SERVICE AVAILABILITY CHARGES TO RESULT IN A 75% LEVEL OF NET CIAC WHEN SERVICE AREA IS BUILTOUT (PROPOSED CHARGE OF \$ 472 PER ERC)	<u>2,697,008</u>
 TOTAL FUTURE CIAC AND ADJUSTMENTS THROUGH BUILDOUT (2015)	 <u>\$11,248,080</u>

(D) ACCUMULATED AMORTIZATION OF CIAC - WATER

(1) FUTURE AMORTIZATION OF EXISTING CIAC TO BUILDOUT (2015)	\$3,200,633
FUTURE AMORTIZATION OF PROPERTY CIAC RECEIVED IN DECEMBER, 2000	249,361
AMORTIZATION OF FUTURE PROPERTY CIAC	1,248,318
AMORTIZATION OF FUTURE METER FEES	162,420
FUTURE AMORTIZATION OF METER FEES RECEIVED IN DECEMBER, 2000	2,643
AMORTIZATION OF PROPOSED CASH SERVICE AVAILABILITY CHARGES	<u>825,284</u>
 TOTAL FUTURE ACCUMULATED AMORTIZATION OF CIAC THROUGH BUILDOUT (2015)	 <u>5,688,659</u>

(E) DEFERRED TAX ASSET

TAXIBLE METER FEES TO BE RECEIVED THROUGH BUILDOUT (5714 ERC'S X \$75 80)	\$433,121
TAXIBLE METER FEES RECEIVED IN 2000, INCLUDING DECEMBER ADDITIONS	<u>40,251</u>
	473,372
COMBINED EFFECTIVE TAX RATE	<u>37.63%</u>
 TOTAL ADDITIONS TO DEFERRED TAX ASSET THROUGH BUILDOUT	 <u>\$178,130</u>

ALOHA UTILITIES, INC
SEVEN SPRINGS WATER DIVISION
ADJUSTMENTS TO PRESENT CIAC LEVEL THROUGH BUILDOUT
NOVEMBER 30, 2000 TO DECEMBER 31, 2000

(F) <u>ACCUMULATED AMORTIZATION OF DEFERRED TAX ASSET</u>	
EXISTING DEFERRED TAX ASSET NOVEMBER 30, 2000	\$1,376,165
DEFERRED TAX ON METER FEES COLLECTED IN 2000 (\$40,251 X 37.63%)	15,146
	<u>1,391,311</u>
AMORTIZATION RATE OF 2.93% FOR 15.5 YEARS (1/2 YEAR IN 2000)	<u>45.42%</u>
ACCUMULATED AMORTIZATION OF EXISTING DEFERRED TAX ASSETS	<u>631,933</u>
FUTURE TAXIBLE METER FEES (5714 X \$75.80)	433,121
COMBINED EFFECTIVE TAX RATE	<u>37.63%</u>
	162,983
COMPOUND AMORTIZATION RATE OF 5% FOR 15 YEARS ASSUMING EQUAL ANNUAL ADDITIONS AND 1/2 YEAR CONVENTION	<u>37.50%</u>
ACCUMULATED AMORTIZATION ON FUTURE DEFERRED TAXES ON METER FEES	<u>61,119</u>
TOTAL ADDITIONAL AMORTIZATION OF DEFERRED TAX ASSETS	<u><u>\$693,052</u></u>
(G) <u>DEFERRED TAX LIABILITY</u>	
(1) TOTAL NET DEFERRED TAX LIABILITY AT BUILDOUT	
TOTAL ESTIMATED TAX DEPRECIATION ON EXISTING PLANT TO BUILDOUT (2015)	\$3,246,143
TOTAL ESTIMATED BOOK DEPRECIATION ON EXISTING PLANT TO BUILDOUT	(1,123,644)
ESTIMATED BOOK/TAX DEPRECIATION TIMING DIFFERENCE AT BUILDOUT (EXISTING PLANT)	<u>2,122,499</u>
COMBINED EFFECTIVE TAX RATE	<u>-37.63%</u>
FUTURE ADDITIONAL DEFERRED TAX LIABILITY AT BUILDOUT ON EXISTING PLANT	(798,696)
EXISTING DEFERRED TAX LIABILITY	<u>(166,106)</u>
TOTAL ESTIMATED DEFERRED TAX LIABILITY AT BUILDOUT (2015) - EXISTING PLANT	(964,802)
ESTIMATED NET DEFERRED TAX ASSET AT BUILDOUT (\$1,554,295 - \$1,051,863)	<u>502,432</u>
ESTIMATED NET DEFERRED TAX LIABILITY AT BUILDOUT (CREDIT)	<u><u>(\$462,370)</u></u>
(2) ADJUSTMENT REQUIRED TO ESTIMATED BUILDOUT BALANCE BECAUSE NET PROJECTED DEFERRED TAXES WILL HAVE A CREDIT BALANCE AT BUILDOUT, THEY WILL RECEIVE CAPITAL STRUCTURE TREATMENT AND ARE REMOVED AS FOLLOWS:	
NET DEFERRED TAX ASSET AT BUILDOUT	\$502,432
EXISTING DEFERRED TAX LIABILITY	<u>(166,106)</u>
ADJUSTMENT TO MAKE NET DEFERRED TAX ASSET & LIABILITY EQUAL TO ZERO	<u><u>(\$336,326)</u></u>
NOTE: DEFERRED TAX LIABILITIES ON PLANT ADDITIONS WERE IGNORED SINCE THEY WILL ONLY INCREASE THE NET DEFERRED TAX CREDIT BALANCE RECEIVING CAPITAL STRUCTURE TREATMENT	
(H) <u>ACCUMULATED AMORTIZATION OF CONTRIBUTED TAXES</u>	
CONTRIBUTED TAXES BALANCE	\$1,175,890
AMORTIZATION RATE OF 2.93% FOR 16 YEARS, CONSISTENT WITH TREATMENT IN DOCKET NO. 991643 - SU	<u>46.88%</u>
ADDITIONAL AMORTIZATION AT BUILDOUT (2015)	<u><u>\$551,257</u></u>

ALOHA UTILITIES, INC.
SEVEN SPRINGS WATER DIVISION SERVICE AVAILABILITY CASE
CALCULATION WORKSHEET

<u>(A) FUTURE PROPERTY CONTRIBUTIONS - WATER</u>		
(1) TOTAL NO OF ERC'S TO BE SERVED AT BUILDOUT (2015)		15,044
EXISTING NO. OF ERC'S SERVED		(9,330)
FUTURE ERC'S FOR WHICH FACILITIES WILL BE CONTRIBUTED		<u>5,714</u>
AVERAGE COST PER ERC		<u>\$1,295</u>
TOTAL FUTURE PROPERTY CONTRIBUTIONS THROUGH BUILDOUT		<u>7,399,630</u>
(2) PROPERTY CIAC RECEIVED IN 2000, BOOKED IN DECEMBER, 2000		<u>714,911</u>
TOTAL PROPERTY CONTRIBUTIONS TO BE RECEIVED THROUGH BUILDOUT (2015)		<u><u>\$8,114,541</u></u>
<u>(B) ACCUMULATED DEPRECIATION - WATER</u>		
(1) EXISTING DEPRECIABLE PLANT BALANCE		\$8,917,329
COMPOSITE DEPRECIATION RATE		2.92%
ANNUAL DEPRECIATION ON EXISTING PLANT		<u>260,386</u>
NUMBER OF YEARS TO BUILDOUT		15
ACCUM DEPRECIATION OF EXISTING PLANT AT BUILDOUT (2015)		<u>3,905,790</u>
(2) EST COST OF FUTURE CONTRIBUTED PLANT TO BUILDOUT (2015)		7,399,630
COMPOUND COMPOSITE DEPRECIATION RATE OF 2.25% ASSUMING EQUAL ANNUAL ADDITIONS FOR 15 YEARS TO REACH BUILDOUT AND 1/2 YEAR CONVENTION		16.87%
ACCUM DEPRECIATION OF FUTURE CONTRIBUTED PLANT AT BUILDOUT		<u>1,248,318</u>
(3) PROPERTY CONTRIBUTIONS RECEIVED IN DECEMBER, 2000		714,911
COMPOSITE DEPRECIATION RATE OF 2.25% FOR 15.5 YEARS (1/2 YEAR FOR 2000)		<u>34.88%</u>
ACCUM. DEPRECIATION OF PROPERTY CIAC RECEIVED IN DECEMBER, 2000 AT BUILDOUT		<u>249,361</u>
(4) ESTIMATED COST OF PLANT IMPROVEMENTS TO REMOVE HYDROGEN SULFIDE		11,244,717
COMPOSITE DEPRECIATION RATE OF 4.09% FOR 11.5 YEARS (1/2 YEAR CONVENTION) ASSUMING IMPROVEMENTS COMPLETED IN 2004		47.03%
		<u>5,288,390</u>
(5) ESTIMATED COST OF METERS TO BE RECEIVED TO BUILDOUT (2015)		433,121
COMPOUND COMPOSITE DEPRECIATION RATE OF 5.00% ASSUMING EQUAL ANNUAL ADDITIONS FOR 15 YEARS TO REACH BUILDOUT AND 1/2 YEAR CONVENTION		37.50%
		<u>162,420</u>
(6) METER FEES RECEIVED IN DECEMBER, 2000		3,410
COMPOSITE DEPRECIATION RATE OF 5.00% FOR 15.5 YEARS (1/2 YEAR FOR 2000)		77.50%
		<u>2,643</u>
TOTAL ACCUMULATED DEPRECIATION ADDITIONS ON METER FEES		<u>165,063</u>
TOTAL ADDITIONS AND ADJUSTMENTS TO ACCUMULATED DEPRECIATION TO BUILDOUT (2015)		<u><u>\$10,856,922</u></u>

ALOHA UTILITIES, INC
SEVEN SPRINGS WATER DIVISION SERVICE AVAILABILITY CASE
CALCULATION WORKSHEET

(C) <u>ACCUMULATED AMORTIZATION OF CIAC - WATER</u>		
(1)	EXISTING PLANT CAPACITY CHARGE BALANCE - NOVEMBER 30, 2000	\$1,552,943
	COMPOSITE AMORTIZATION RATE OF 4.08% FOR 15 YEARS (BUILDOUT)	<u>61.20%</u>
		<u>950,401</u>
(2)	EXISTING CONTRIBUTED PROPERTY BALANCE - NOVEMBER 30, 2000	5,321,593
	COMPOSITE AMORTIZATION RATE OF 2.25% FOR 15 YEARS (BUILDOUT)	<u>33.75%</u>
		<u>1,796,038</u>
(3)	EXISTING METER FEES BALANCE - NOVEMBER 30, 2000	755,047
	COMPOSITE AMORTIZATION RATE OF 5.00% FOR 12.03 YEARS (FULLY DEPRECIATED)	<u>60.15%</u>
		<u>454,194</u>
(4)	CONTRIBUTED PROPERTY RECEIVED DECEMBER, 2000	714,911
	COMPOSITE AMORTIZATION RATE OF 2.25% FOR 15.5 YEARS (1/2 YEAR IN 2000)	<u>34.88%</u>
		<u>249,361</u>
(5)	FUTURE CONTRIBUTED PROPERTY TO BE RECEIVED THROUGH BUILDOUT (2015)	7,399,630
	COMPOUND COMPOSITE DEPRECIATION RATE OF 2.25% ASSUMING EQUAL	
	ANNUAL ADDITIONS FOR 15 YEARS TO REACH BUILDOUT AND 1/2 YEAR CONVENTION	<u>16.87%</u>
		<u>1,248,318</u>
(6)	ESTIMATED COST OF METERS TO BE RECEIVED TO BUILDOUT (2015)	433,121
	COMPOUND COMPOSITE DEPRECIATION RATE OF 5.00% FOR 15 YEARS ASSUMING EQUAL	
	ANNUAL ADDITIONS TO REACH BUILDOUT AND HALF YEAR CONVENTION	<u>37.50%</u>
		<u>162,420</u>
(7)	COST OF METERS RECEIVED IN DECEMBER 2000	3,410
	COMPOSITE DEPRECIATION RATE OF 5.00% FOR 15.5 YEARS (1/2 YEAR FOR 2000)	<u>77.50%</u>
		<u>2,643</u>
	SUBTOTAL BEFORE AMORTIZATION OF FUTURE PROPOSED CASH SERVICE AVAILABILITY CHARGES	4,863,375
(8)	AMORTIZATION OF PROPOSED CASH SERVICE AVAILABILITY CHARGES	
	NUMBER OF FUTURE ERC'S TO REACH BUILDOUT	5,714
	PROPOSED CHARGE TO RESULT IN 75% LEVEL OF NET CIAC AT BUILDOUT (2015)	<u>472</u>
	FUTURE CASH SERVICE AVAILABILITY CHARGES	2,697,008
	FACTOR FOR ACCUM AMORT @ COMPOSITE RATE OF 4.08% FOR 15 YEARS ASSUMING EQUAL	
	ANNUAL ADDITIONS THROUGH BUILDOUT AND 1/2 YEAR CONVENTION	<u>30.60%</u>
	ACCUMULATED AMORTIZATION OF CASH SERVICE AVAILABILITY CHARGES	<u>825,284</u>
	TOTAL ADDITIONAL ACCUMULATED AMORTIZATION OF CIAC TO BUILDOUT	<u><u>\$5,688,659</u></u>