

REQUEST FOR CHANGE TO AGENDA CONFERENCE

HAND DELIVER

Date of Request: June 8, 2001 Date of Agenda Conference: June 12, 2001 Item No. 18

Docket No.: 000737-WS and 010518-WS Brief Title: Earnings Investigation & Price Index for 2000

Requested by: [X] Staff [ ] Other

Please attach a copy of the written documentation if the change is not requested by staff. (Name)

ACTION REQUESTED [see APM 2.11 and SOP 1607]

- Defer Item to Agenda Scheduled Date:
Change Order of Item or Take Up at Time Certain
Withdraw Item
Late Filed Recommendation (no later than 3:00 p.m.)
Add Item to Published Agenda [ see Section 120.525(2), F.S.] and Issue an ADDENDUM
Add Emergency Item to Published Agenda [see Section 120.525 (3), F.S.] and Give Fair NOTICE

Concise recommendation/explanation and justification for the action requested (attach additional sheet if necessary):
Schedules Nos. 3-C and 3-D as originally submitted with the recommendation are incorrect. Staff discovered a linking error between two Lotus files that caused the error in these schedules. This change is essentially a typographical correction on the schedules and does not impact any aspect of staff's recommendation. There is not statutory deadline, but the Commission previously voted that these dockets would be addressed at the 6-12-01

STAFF's Recommendation to Executive Suite [X] Approve Request [ ] Deny Request

Comments:

Signature (OPR Staff) [Handwritten Signatures] Initials (Division Director or Designee): [Handwritten Initials]

Requesting staff should distribute copies to the Division Directors (OPR & OCR) and attorney assigned to the docket.

DEPUTY EXECUTIVE DIRECTOR/TECHNICAL OR EXECUTIVE DIRECTOR:

Recommendation to the Chairman's Office [X] Approve Request [ ] Deny Request

Initials: [Handwritten Initials] Date: 6/8/01

Comments: modification approved because type & stubs removed sheets will be destroyed.

CHAIRMAN's OFFICE: [ ] Approve Request [ ] Deny Request

Initials: Date:

Executive Suite will send the original to the Division of Commission Clerk and Administrative Services and return a copy to the requesting staff after the Chairman's Office takes action on this request.

DOCUMENT NUMBER-DATE
07174 JUN-8 01
FISCAL RECORDS REPORTING

Concise recommendation/explanation (continued)

Agenda Conference. If the Commission does not finalize this investigation, Aloha will be prohibited from implementing a 2001 price index, since it is scheduled to file its rate case on July 31, 2001. Attached are the corrected Schedules Nos. 3-C and 3-D. Staff is not requesting to defer this item; staff is just requesting to replace these two schedules at the 6-12-01 Agenda Conference.

DOCKET NO. 000737-WS, 010518-WS  
 DATE: May 31, 2001

**ALOHA UTILITIES, INC. - SEVEN SPRINGS SYSTEM  
 STATEMENT OF WATER OPERATIONS - FOR RATE PURPOSES  
 SIMPLE AVERAGE TEST YEAR ENDED 12/31/00**

**SCHEDULE NO. 3-C  
 DOCKET NO. 000737-WS**

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUST- MENTS	STAFF ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	<u>\$1,794,660</u>	<u>\$0</u>	<u>\$1,794,660</u>	<u>\$0</u>	<u>\$1,794,660</u>	<u>\$63,832</u> <u>\$6,168</u> 3.56% <u>0.34%</u>	<u>\$1,858,492</u> <u>\$1,800,828</u>
<b>OPERATING EXPENSES:</b>							
2 OPERATION & MAINTENANCE	\$1,380,692	\$0	\$1,380,692	\$45,036	\$1,425,728		\$1,425,728
3 DEPRECIATION	\$69,796	\$0	69,796	4,021	73,817		73,817
4 AMORTIZATION	(\$42,214)	\$0	(42,214)	\$11,523	(30,691)		(30,691)
5 TAXES OTHER THAN INCOME	\$243,699	\$0	\$243,699	\$1,449	\$245,148	\$2,872 <u>\$278</u>	\$248,020 <u>\$245,425</u>
6 INCOME TAXES	<u>\$34,072</u>	<u>\$0</u>	<u>\$34,072</u>	<u>(\$37,402)</u> <u>(\$36,289)</u>	<u>(\$3,330)</u> <u>(\$2,217)</u>	<u>\$22,939</u> <u>\$2,217</u>	<u>\$19,609</u> <u>(\$0)</u>
7 TOTAL OPERATING EXPENSES	<u>\$1,686,045</u>	<u>\$0</u>	<u>\$1,686,045</u>	<u>\$24,627</u> <u>\$25,740</u>	<u>\$1,710,672</u> <u>\$1,711,785</u>	<u>\$25,812</u> <u>\$2,494</u>	<u>\$1,736,484</u> <u>\$1,714,280</u>
8 OPERATING INCOME	<u>\$108,615</u>	<u>\$0</u>	<u>\$108,615</u>	<u>(\$24,627)</u> <u>(\$25,740)</u>	<u>\$83,988</u> <u>\$82,875</u>	<u>\$38,021</u> <u>\$3,674</u>	<u>\$122,008</u> <u>\$86,549</u>
9 RATE BASE	<u>\$1,108,918</u>		<u>\$1,108,918</u>		<u>\$1,222,488</u>		<u>\$1,222,488</u>
10 RATE OF RETURN	<u>9.79%</u>		<u>9.79%</u>		<u>6.87%</u> <u>6.78%</u>		<u>9.98%</u> <u>7.08%</u>

**ALOHA UTILITIES, INC. - SEVEN SPRINGS SYSTEM  
 ADJUSTMENTS TO OPERATING INCOME - FOR RATE PURPOSES  
 SIMPLE AVERAGE TEST YEAR ENDED 12/31/00**

**SCHEDULE NO. 3-D  
 DOCKET NO. 000737-WS**

EXPLANATION	WATER
<b><u>OPERATION &amp; MAINTENANCE EXPENSE</u></b>	
1 Issue 1: To remove rent expense from old building.	(\$6,117)
2 Issue 5: Amortize regulatory commission expenses of Docket No. 960545-WS.	65,735
3 Issue 10: Related party purchased water expense.	(95,070)
4 Issue 11: Proforma salaries.	18,938
5 Issue 11: Proforma benefits.	6,496
6 Issue 11: To reflect the significant increase of purchased water in the first quarter of 2001.	<u>55,053</u>
Total	<u>\$45,036</u>
<b><u>DEPRECIATION EXPENSE</u></b>	
Issue 3: To reflect the correct depreciation rate for computer equipment.	<u>\$4,021</u>
<b><u>AMORTIZATION EXPENSE</u></b>	
Issue 4: Reflect the appropriate amortization of contributed taxes.	<u>\$11,523</u>
<b><u>TAXES OTHER THAN INCOME</u></b>	
Issue 11: Increase Payroll tax associated with proforma salaries.	<u>\$1,449</u>
<b><u>INCOME TAXES</u></b>	
To adjust to test year income tax expense.	<u>(\$37,402)</u>
	<u>(\$36,289)</u>