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August 10, 2001  
**VIA HAND DELIVERY**

ROBERT M. C. ROSE  
OF COUNSEL

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COMMISSION  
CLERK

Blanca S. Bayo, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

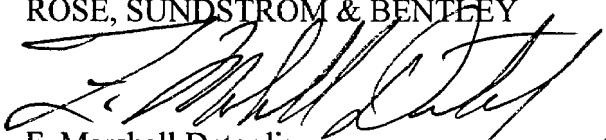
Re: Aloha Utilities, Inc.; PSC Docket No. 010503-WU  
Our File No. 26038.35

Dear Ms. Bayo:

Attached in accordance with the requirements of Section 367.081, F.S. and Rule 25-30.433 through 442, F.A.C., is the Application for Increase in Water Rates proposed by Aloha Utilities, Inc. to its water customers in its Seven Springs system. The original and 15 copies of all accounting, and rate information as required by the rule and two copies of various other exhibits as required, are attached hereto, along with the filing fee of \$4,500. To the extent you or any members of the Commission staff have any questions in this regard, please let me know.

Sincerely,

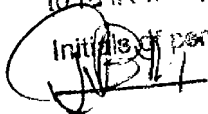
ROSE, SUNDSTROM & BENTLEY

  
F. Marshall Deterding  
For The Firm

FMD/tms


cc: Tricia Merchant, CPA (without enclosures)  
Ralph Jaeger, Esquire (without enclosures)  
Marshall Willis, CPA (without enclosures)  
Mr. Troy Rendell (without enclosures)  
Bob Crouch, P.E. (without enclosures)

Check received with filing and  
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Enclosures  
aloha\35\bayo.ltr

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DOCUMENT NUMBER-DATE  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of ALOHA )  
UTILITIES, INC. for an increase )  
in water rates for its Seven )  
Springs System in Pasco County, )  
Florida. )  
\_\_\_\_\_ )

DOCKET NO. 010503-WU

APPLICATION FOR INCREASE IN WATER RATES

Applicant, ALOHA UTILITIES, INC. (hereinafter "Aloha", the "Utility", or the "Applicant"), by and through its undersigned attorneys and pursuant to Section 367.081 and 367.082, Florida Statutes, and Chapter 25-30, Florida Administrative Code, files this Application for an increase in its wastewater rates for its Seven Springs System in Pasco County, Florida.

I.

The following information is provided pursuant to Rule 25-30.436, Florida Administrative Code:

- 1. (a) The name of the Utility and its principal place of business is:

Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

The name and address of the person authorized to receive notices and communications in respect to this application is:

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

- (b) Aloha Utilities, Inc. is a Florida corporation incorporated in Florida on March

10, 1970. The names and addresses of the persons owning more than 5% of the Utility's stock are:

DOCUMENT NUMBER - DATE  
09765 AUG 10 1970  
FPSC-COMMISSION CLERK

Lynnda Speer	62.5%
Estlon Pippin	12.5%
Joann Pippin	25.0%

(c) The Utility's rate base for the Seven Springs water system was last established in a general rate increase request proceeding in Docket No. 770720-WS which resulted in Order No. 9278 issued March 11, 1980. The rates of the Seven Springs water system were also considered and a rate base established in Commission Docket Nos. 970536-WS and 980245-WS, in which the Commission undertook a complete review of the Utility's capital investments, revenues, expenses, and earned rate of return, as well as cost of capital for the calendar year ended December 31, 1998 and those findings were published as part of Order No. PSC-99-1917-PAA-WS. Other than the issues that the Utility requested be provided an opportunity to thoroughly discuss and litigate in its next rate case (as specifically addressed in that Order), that Order became final when no protests were received by the close of business on October 19, 1999. Finally, the rates of the Seven Springs water system were again considered and rate base, operating expenses and earned rate of return were established as part of the Commission's investigation in Docket No. 000737-WS by Order No. PSC-01-1374-PAA-WS, and which became final on August 7, 2001 as a result of the settlement between the Office of Public Counsel and Aloha being approved by vote of the Commission.

(d) The address within the service area where the application is available for customer inspection during the time the rate application is pending is:

Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

(e) The Utility is requesting rates which would allow it to recover all expenses that the Utility will incur on a going-forward basis, and generate a fair rate of return on its

investment. The Utility is seeking rate relief in order to allow it to recover its expenses and earn a fair rate of return on its investment all properly considered 100% used and useful in the public service.

Specifically, several key points of the Application are as follows:

- (1) The Utility has been required by the Southwest Florida Water Management District to make substantial changes in both the method by which it acquires water for retail sale, and its rate structure. The Utility has assured the Water Management District that it would implement an inclining block rate structure in accordance with the requirement of recent Water Management District Orders. In filing this Application, the Utility has incorporated such a rate structure and has utilized the model provided by the Water Management District in developing the appropriate rates. These rate structure developed includes assumptions about reductions in water usage by Aloha's customers as a result of this change, as well as a resulting reduction in both revenues and expenses. Those are incorporated into the Application and MFRs as filed herein.

To the extent the Commission ultimately changes the assumption about going forward consumption levels or costs, the rates, revenue requirements and billing deferrals will also have to be adjusted.

- (2) The Water Management District has also required that the Utility begin purchasing all of its water needs, above its current water use permit allowed levels, from Pasco County. The cost of such water purchases is substantially higher than the cost of extracting, paying a royalty, and treating the water which Aloha obtains from wells. As such, the cost of all such additional purchases must be recognized in rate setting.

Both the water purchases from Pasco County and the inclining block rate structure will be undertaken and implemented immediately upon approval by the Florida Public Service Commission of the rates and charges necessary to cover the full annualized amount of such changes in costs and operations at the conclusion of this case.

- (3) The Utility has experienced an increase in total payroll as a result of both the addition of new staff members necessary to serve the existing customer base, and increases in salaries in order to eliminate the substantial recurring turnover problem within the Utility's employee base. The full annualized cost of these changes must be recognized in rates and is proposed within the MFRs.
- (4) In addition to the change in rate structure to an inclining block rate structure utilizing the SWFWMD model as provided to the Utility, the Utility is proposing that its full revenue requirement necessary in order to allow it to recover its expenses and earn a fair rate of return on its investment, should be recovered from the base charges and first tier of usage charges approved in this proceeding. The Utility is proposing that all revenues generated by the second tier be set aside and used only for the payment of the related purchased water cost from Pasco County, and for additional conservation measures, including the pursuit of alternative water supplies; funding conservation programs; and possibly funding expansion of reuse facilities and service.
- (5) Because the SWFWMD required not only Aloha, but all utilities in the Tampa Bay Area Water Use Caution Area to develop and submit revised conservation rate

proposals, Aloha had expected to have in hand prior to the filing of this Application, a new rate schedule from Pasco County. Since Aloha purchases a substantial portion of its water in bulk from Pasco County, the affect on Aloha's rates of a change in Pasco County's bulk rate is substantial and obvious. To Aloha's knowledge, no change in rate has been proposed yet by Pasco County to the Water Management District or to the governing board of the County. Aloha has inquired on several occasions as to whether such filing has been made by Pasco County and to date has been informed of no proceedings in that regard, even though the deadline imposed by the Water Management District's Executive Order for submission of such proposals, has already passed. The undersigned even attempted to contact the Pasco County Utilities Director on the date of filing this Application, however, he could not be reached.

Because any changes in rates that the County undertakes may involve a rate restructuring in addition to a potential increased charge to Aloha, any proposed change in the County's bulk rate charged to Aloha must be considered in this rate proceeding, despite the fact that change was not known and therefore was not incorporated in the rate proposal outlined herein. The Commission's final decision in this proceeding must reflect the known changes in rates charged to Aloha by Pasco County for bulk water purchases. Aloha will inform the Commission immediately upon learning anything new on this issue, and will submit to the Commission information concerning the amount and timing of any rate structure change or rate increase or decrease immediately upon receipt of such information from Pasco County.

(f) The Utility is seeking interim rates based upon the historic test year ended December 31, 2000. The Utility has demonstrated through the supporting schedules within the attached **Exhibit "1"** that it is earning outside its range of reasonable returns, calculated in accordance with Section 367.082(5), Florida Statutes. Submitted as part of **Exhibit "1"** are schedules of rate base (Schedule A-1 (B)), cost of capital (Schedule D-1 and Schedule D-2) and net operating income (Schedule B-1 (B) and Schedule B-3 (B)), pursuant to Commission Rule 25-30.437(5), F.A.C.

(g) An Affidavit signed by the President of the Utility that the Utility will comply with Rule 25-22.0407, F.A.C., is provided herewith as **Exhibit "4"**.

(h) The Utility requests that this case be processed using the standard 8 month file and suspend procedure outlined in Section 367.081(6), F.S., including proceeding directly to hearing. The Utility has chosen this alternative rather than the Proposed Agency Action process because of the need to immediately implement the required changes in operations imposed upon the Utility by the Southwest Florida Water Management District, including substantial increases in costs resulting from increased cost of purchasing water from Pasco County, and a change in rate structure, combined with the promised opposition from at least one of the Utility's most active customers to any proposed rate increase, regardless of the basis for same.

2. There has been no new land recorded on the Utility's books since the Utility's rate base was last established in PAA Order No. PSC-01-1374-PAA-WS. Please see Schedule B-12, Page 45 to this Application for a statement on this issue.

## II.

Sixteen copies of the Utility's Financial, Rate and Engineering Minimum Filing Requirements (Form PSC/WAW 20) are provided herewith as **Exhibit "1"**.

III.

Two copies of the Billing Analysis Schedules as required by Rule 25-30.437(4) are provided herewith as **Exhibit "2"**.

IV.

Two copies of the Additional Engineering Information required by Rule 25-30.440(2)-(10), F.A.C. are provided herewith as **Exhibit "3"**.

V.

Two copies of a detailed system map as required by Section 25-30.440(1)(a) and (b) are attached hereto as **Exhibit "5"**.

It should be noted that detailed system maps required by this rule are utilized by the Commission and its staff solely for the purpose of used and useful analysis for the distribution systems. All of Aloha's water distribution facilities (other than a very few main trunk lines), and have been contributed by developers since the inception of the Utility. As such, no separate used and useful calculation is necessary and will have no effect on the establishment of the Utility's rate base for rate setting purposes.

VI.

Aloha's system has costs or charges to it from an affiliate or related party which costs are reported in Schedule B-12 of Commission Form FPSC-WAW 19. As such, the information required by Rule 25-30.436(4)(h) is included as part of **Exhibit "1"** (Page 45 of Schedule B-12).



VII.

The original and two copies of the Revised Tariff Sheets reflecting the proposed interim rates are attached hereto as Composite **Exhibit "6"**.

VIII.

The original and two copies of the Revised Tariff Sheets reflecting the proposed final rates are attached hereto as Composite **Exhibit "7"**.

IX.

The Utility requests that the Commission not withhold consent to the effectiveness of the proposed final water rate increase as requested in this Application, or in the alternative that the Commission grant interim rates pursuant to Section 367.082, F.S. in accordance with the schedules contained in **Exhibit "1"** and the tariffs contained in **Exhibit "6"**.

X.

The Utility is not requesting any changes in its service availability policy or charges in this proceeding as that issue is currently being addressed in Commission Docket No. 010156-WU.

XI.

Attached hereto as **Exhibit "8"** are the Direct Testimonies of David W. Porter, P.E., CO and Robert C. Nixon, C.P.A., and Stephen G. Watford, President, filed in support of this Application as required by Commission Rule 25-30.436(2), F.A.C.

XII.

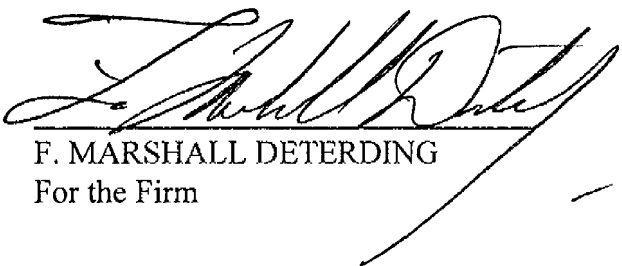
The filing fee required by Rule 25-30.020(1)(e), F.A.C., is \$4,500 since the Utility has the existing capacity to serve more than 4,000 ERCs. A check in that amount is included with this filing.

WHEREFORE, the Utility requests that the Florida Public Service Commission do the following:

1. Accept jurisdiction of this Application to grant an increase in water rates utilizing the full rate case procedure outlined in Section 367.081(6), F.S.
2. Not withhold consent to the effectiveness of the rates requested as final, or in the alternative, to grant the interim rates as requested herein and contained in the tariffs included as **Exhibit "6"**.
3. Incorporate into the final rates established in this proceeding, any change in rate structure or rate imposed on Aloha Utilities, Inc. for bulk water purchases from Pasco County, to the extent Pasco County proposes to make such change prior to the issuance of the Commission's Final Order in this case.
4. Provide such other and further relief as is fair, just and equitable.

Respectfully submitted this 10<sup>th</sup>  
day of August, 2001 by:

ROSE, SUNDSTROM & BENTLEY, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(850) 877 - 6555



F. MARSHALL DETERDING  
For the Firm

ALOHA UTILITIES, INC.  
Docket No. 010503-WU

Schedules of Rate Base, Cost of Capital, and Net Operating Income  
Minimum Filing Requirements

**Exhibit 1**

**CLASS A AND B WATER AND/OR SEWER UTILITIES  
FINANCIAL, RATE AND ENGINEERING  
MINIMUM FILING REQUIREMENTS**

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A-3(B)	4	Adjustments to Rate Base - Interim
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A-6(B)	7	Water Plant in Service by Primary Account - Historic Test Year
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CLASS A AND B WATER AND/OR SEWER UTILITIES  
FINANCIAL, RATE AND ENGINEERING  
MINIMUM FILING REQUIREMENTS

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CLASS A AND B WATER AND/OR SEWER UTILITIES  
FINANCIAL, RATE AND ENGINEERING  
MINIMUM FILING REQUIREMENTS

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*Cronin, Jackson, Nixon & Wilson*  
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDI, C.P.A.  
CHRISTINE R. CHRISTIAN, C.P.A.  
JOHN H. CRONIN, JR., C.P.A.  
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August 7, 2001

Officers & Directors  
Aloha Utilities, Inc.

We have compiled the rate case Financial, Rate, and Engineering Minimum Filing Requirements of Aloha Utilities, Inc., Seven Springs Water Division, for the year ended December 31, 2000, and the projected year ending December 31, 2001, in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Aloha Utilities, Inc. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

*Cronin, Jackson, Nixon & Wilson*  
CRONIN, JACKSON, NIXON & WILSON

## Schedule of Water Rate Base

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: A-1 (A)

Docket No.: 010503-WU

Page 1 of 1

Schedule Year Ended: December 31, 2001

Preparer: CJN &amp; W

Interim [ ] Final [X]

Historic [ ] Projected [X]

Explanation: Provide the calculation of average rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use. If method other than formula approach (1/8 O&M) is used to determine working capital, provide additional schedule showing detail calculation.

Line No.	(1) Description	(2) Balance Per Books	(3) A-3 Utility Adjustments	(4) Adjusted Utility Balance	(5) Supporting Schedule(s)
1	Utility Plant in Service	\$ 9,937,171		\$ 9,937,171	A-6
2	Utility Land & Land Rights	42,898		42,898	A-6
3	Less: Non-Used & Useful Plant			-	A-7
4	Construction Work in Progress			-	-
5	Less: Accumulated Depreciation	(2,328,109)		(2,328,109)	A-10
6	Less: CIAC	(8,479,418)		(8,479,418)	A-12
7	Accumulated Amortization of CIAC	1,923,349		1,923,349	A-14
8	Deferred Taxes (Net)	835,318		835,318	G-6
9	Contributed Taxes	(1,175,890)		(1,175,890)	G-6
10	Accum Amort of Contrib Tax	222,201		222,201	B-1(A)
11	Working Capital Allowance	<u>430,720</u>	<u>413,250 (A)</u>	<u>843,970</u>	A-17
12	Total Rate Base	<u>\$ 1,408,240</u>	<u>\$ 413,250</u>	<u>\$ 1,821,490</u>	



Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: A-1 (B)

Docket No.: 010503-WU

Page 1 of 1

Schedule Year Ended: December 31, 2000

Preparer: CJN &amp; W

Interim  Final Historic  Projected 

Explanation: Provide the calculation of average rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use. If method other than formula approach (1/8 O&M) is used to determine working capital, provide additional schedule showing detail calculation.

Line No.	(1) Description	(2) Balance Per Books	(3) A-3 Utility Adjustments	(4) Adjusted Utility Balance	(5) Supporting Schedule(s)
1	Utility Plant in Service	\$ 9,085,337		\$ 9,085,337	A-6
2	Utility Land & Land Rights	31,410		31,410	A-6
3	Less: Non-Used & Useful Plant	-		-	A-7
4	Construction Work in Progress				-
5	Less: Accumulated Depreciation	(2,022,239)		(2,022,239)	A-10
6	Less: CIAC	(7,628,606)		(7,628,606)	A-12
7	Accumulated Amortization of CIAC	1,699,008		1,699,008	A-14
8	Deferred Taxes (Net)	860,100	(32,703) (A)	827,397	G-6
9	Contributed Taxes	(1,175,890)		(1,175,890)	G-6
10	Accum Amort of Contrib Tax	206,854	(26,221) (B)	180,633	B-1(B)
11	Working Capital Allowance	309,776	190,000 (C)	499,776	A-17
12	Total Rate Base	<u>\$ 1,365,750</u>	<u>\$ 131,076</u>	<u>\$ 1,496,826</u>	

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: A-3 (A)

Test Year Ended: December 31, 2001

Page 1 of 1

Interim  Final 

Docket No.: 010503-WU

Historic  Projected 

Preparer: CJN &amp; W

Explanation: Provide a detailed description of all adjustments to rate base per books, with a total for each rate base line item.

Line No.	Description	Water	Wastewater
1	(A) Working Capital		
2	(1) Total estimated costs of this proceeding	\$ 446,500	N/A
3	Adjustment to working capital (Average)	223,250	
4	(2) Increase in working capital for average estimated cost		
5	of pilot plant project per Order No. PSC-01-1374-PAA-WS	190,000	
6	Total adjustments to working capital	\$ 413,250	

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: A-3 (B)

Schedule Year Ended: December 31, 2000

Page 1 of 1

Interim  Final 

Docket No.: 010503-WU

Historic  Projected 

Preparer: CJN &amp; W

Explanation: Provide a detailed description of all adjustments to rate base per books, with a total for each rate base line item.

Line No.	Description	Water	Wastewater
1	<u>(A) Deferred Tax Assets</u>		
2	Adjustment to convert to average (tax entry for 2000 made at year end):		
3	13-month average deferred tax asset (Seven Springs water only)	\$ 827,397	N/A
4	Deferred tax asset at 12/31/00	<u>860,100</u>	
5	Adjustment	<u>\$ (32,703)</u>	
6	<u>(B) Contributed Taxes</u>		
7	1.) Adjustment to correct 2000 amortization per Order No.		
8	PSC-01-1374-PAA-WS	<u>\$ (5,115)</u>	
9	2.) Adjustment to convert to average (tax entry for 2000 made at year end):		
10	13-month average deferred tax asset (Seven Springs water only)	(969,036)	
11	Contributed taxes (net) at 12/31/00	<u>(990,142)</u>	
12	Net adjustment to convert to 13-month average	<u>(21,106)</u>	
13	Total adjustment	<u>\$ (26,221)</u>	
14	<u>(C) Working Capital</u>		
15	(2) Increase in working capital for average estimated cost		
16	of pilot plant project per Order No. PSC-01-1374-PAA-WS	<u>\$ 190,000</u>	

Schedule of Water and Wastewater Plant in Service  
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2001

Schedule: A-4  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide the annual balance of the original cost of plant in service, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	12/31/00 Balance per books	9,816,161	N/A
2	12/31/00 Adjustments (Order No. PSC-01-1374-PAA-WS) (1)	49	
3	2000 Adjustments	-	
4	12/31/00 Balance (Order No. PSC-01-1374-PAA-WS)	9,816,210	
5	2001 Actual and Projected Additions	344,810	
6	2001 Projected Retirements		
7	2001 Projected Adjustments	-	
8	12/31/01 Projected Balance	<u>\$ 10,161,020</u>	<u>\$ -</u>
9	Note (1). Adjustments as follows		
10	Reflect appropriate cost of new building and improvements	\$ 1,019	
11	Reflect appropriate cost of office building land	<u>(970)</u>	
12		<u>\$ 49</u>	

Supporting Schedules: A-5, A-6  
Recap Schedules: A-18

Schedule of Water Plant in Service By Primary Account  
Beginning and End of Year Average

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Schedule Year Ended: December 31, 2001  
Historic [ ] Projected [X]

Schedule: A-6(A)  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide the ending balances and thirteen month average of plant in service for the prior year and the test year by primary account. Also show non-used & useful amounts by account

Recap Schedules A-2, A-4

No.	Line Account No. and Name	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		December 2000	January 2001	February 2001	Actual March 2001	April 2001	May 2001	June 2001	July 2001	August 2001	Projected September 2001	October 2001	November 2001	December 2001	13 Month Average	Non-Used Useful %	Non-Used Amount	
1	INTANGIBLE PLANT																	
2	301.1 Organization	161,503	161,503	161,503	161,503	161,503	161,503	161,503	161,503	161,503	161,503	161,503	161,503	161,503	161,503	161,503		
3	302.1 Franchises																	
4	309.1 Other Plant & Misc. Equipment																	
5	SOURCE OF SUPPLY AND PUMPING PL																	
6	303.2 Land & Land Rights	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563		
7	304.2 Structures & Improvements	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456		
8	305.2 Collecting and Impounding Resev																	
9	306.2 Lake, River and Other Intakes																	
10	307.2 Wells and Springs	738,040	738,040	738,040	738,040	738,040	738,040	738,040	738,040	738,040	738,040	738,040	738,040	738,040	738,040	738,040		
11	308.2 Infiltration Galleries and Tunnels																	
12	309.2 Supply Mains	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634		
13	310.2 Power Generation Equipment	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195		
14	311.2 Pumping Equipment	70,770	70,770	70,770	70,770	70,770	70,770	70,770	70,770	70,770	70,770	70,770	70,770	70,770	70,770	70,770		
15	339.2 Other Plant & Misc. Equipment	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74		
16	WATER TREATMENT PLANT																	
17	303.3 Land & Land Rights																	
18	304.3 Structures & Improvements	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557		
19	320.3 Water Treatment Equipment	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724		
20	339.3 Other Plant & Misc. Equipment	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378		
21	TRANSMISSION AND DISTRIBUTION PL																	
22	303.4 Land & Land Rights																	
23	304.4 Structures & Improvements	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286		
24	330.4 Distribution Reservoirs and Stand	210,180	210,180	210,180	210,180	210,180	210,180	210,180	210,180	210,180	210,180	210,180	210,180	210,180	210,180	210,180		
25	331.4 Transmission and Distribution Mai	5,691,413	5,691,413	5,691,413	5,691,413	5,766,744	5,766,744	5,808,312	5,834,862	5,861,412	5,887,962	5,914,512	5,941,062	5,967,612	5,808,836			
26	333.4 Services	552,568	552,568	552,568	552,568	552,568	552,568	552,568	552,568	552,568	552,568	552,568	552,568	552,568	552,568	552,568		
27	334.4 Meters and Meter Installations	970,256	970,256	979,697	979,697	998,283	1,007,705	1,007,705	1,007,705	1,007,705	1,007,705	1,007,705	1,007,705	1,007,705	1,007,705	996,908		
28	335.4 Hydrants	452,179	452,179	452,179	452,179	458,179	458,179	463,879	463,879	463,879	463,879	463,879	463,879	463,879	463,879	459,402		
29	339.4 Other Plant & Misc. Equipment	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710		
30	GENERAL PLANT																	
31	303.5 Land & Land Rights	21,335	21,335	21,335	21,335	21,335	21,335	21,335	21,335	21,335	21,335	21,335	21,335	21,335	21,335	21,335		
32	304.5 Structures & Improvements	197,966	197,966	197,966	197,966	197,966	197,966	197,966	197,966	197,966	197,966	197,966	197,966	197,966	197,966	197,966		
33	340.5 Office Furniture & Equipment	77,421	77,421	77,421	77,421	77,421	77,421	77,421	77,421	77,421	77,421	77,421	77,421	77,421	77,421	77,421		
34	340.5 Computer Equipment	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192		
35	341.5 Transportation Equipment	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573		
36	342.5 Stores Equipment																	
37	343.5 Tools, Shop & Garage Equipment	37,423	37,423	37,423	37,423	37,423	37,423	37,423	37,423	37,423	37,423	37,423	37,423	37,423	37,423	37,423		
38	344.5 Laboratory Equipment	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273		
39	345.5 Power Operated Equipment	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034		
40	346.5 Communication Equipment	29,793	29,793	29,793	29,793	29,793	29,793	29,793	29,793	29,793	29,793	29,793	29,793	29,793	29,793	29,793		
41	347.5 Miscellaneous Equipment	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564		
42	348.5 Other Tangible Plant																	
43	TOTAL	\$ 9,816,210	\$ 9,819,875	\$ 9,831,501	\$ 9,831,501	\$ 9,931,398	\$ 9,940,840	\$ 10,001,720	\$ 10,028,270	\$ 10,054,820	\$ 10,081,370	\$ 10,107,920	\$ 10,134,470	\$ 10,161,020	\$ 9,380,069			\$

Schedule of Water Plant in Service By Primary Account  
Beginning and End of Year Average

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Schedule Year Ended: December 31, 2000  
Historic [X] Projected [ ]

Schedule: A-6(B)  
Page 1 of 1  
Preparer: C.J.N. & W.

Explanation: Provide the ending balances and thirteen month average of plant in service for the prior year and the test year by primary account. Also show non-used & useful amounts by account.

Recap Schedules: A-2, A-4

No.	(1) Line Account No. and Name	(2) December 1999	(3) January 2000	(4) February 2000	(5) March 2000	(6) April 2000	(7) May 2000	(8) June 2000	(9) July 2000	(10) August 2000	(11) September 2000	(12) October 2000	(13) November 2000	(14) December 2000	(15) 13 Month Average	(16) Non-Used Useful %	(17) Non-Used Amount
1	INTANGIBLE PLANT																
2	301.1 Organization	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503	\$ 161,503		
3	302.1 Franchises	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095		1,667
4	339.1 Other Plant & Misc. Equipment																
5	SOURCE OF SUPPLY AND PUMPING PLANT																
6	303.2 Land & Land Rights	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563	21,563		21,563
7	304.2 Structures & Improvements	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456	73,456		73,456
8	305.2 Collecting and Impounding Reservoirs																
9	306.2 Lake, River and Other Intakes	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
10	307.2 Wells and Springs	749,464	749,464	749,464	749,464	749,464	749,464	749,464	738,040	738,040	738,040	738,040	738,040	738,040	738,040		744,191
11	308.2 Infiltration Galleries and Tunnels																
12	309.2 Supply Mains	60,022	60,022	60,022	60,022	60,022	60,022	60,022	51,634	51,634	51,634	51,634	51,634	51,634	51,634		56,151
13	310.2 Power Generation Equipment	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195		2,195
14	311.2 Pumping Equipment	56,139	56,139	56,139	56,139	56,139	56,139	56,139	79,770	70,770	70,770	70,770	70,770	70,770	70,770		62,892
15	339.2 Other Plant & Misc. Equipment	74	74	74	74	74	74	74	74	74	74	74	74	74	74		74
16	WATER TREATMENT PLANT																
17	303.3 Land & Land Rights																
18	304.3 Structures & Improvements	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557	20,557		20,557
19	320.3 Water Treatment Equipment	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724	51,724		51,724
20	339.3 Other Plant & Misc. Equipment	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378		5,378
21	TRANSMISSION AND DISTRIBUTION PLANT																
22	303.4 Land & Land Rights																
23	304.4 Structures & Improvements	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286	113,286		113,286
24	330.4 Distribution Reservoirs and Stand	38,762	38,762	38,762	38,762	38,762	38,762	38,762	210,180	210,180	210,180	210,180	210,180	210,180	210,180		117,878
25	331.4 Transmission and Distribution Mar	5,168,519	5,168,519	5,168,519	5,168,519	5,168,519	5,168,519	5,168,519	5,691,413	5,691,413	5,691,413	5,691,413	5,691,413	5,691,413	5,691,413		5,409,855
26	333.4 Services	120,940	120,940	120,940	120,940	120,940	120,940	120,940	552,568	552,568	552,568	552,568	552,568	552,568	552,568		320,153
27	334.4 Meters and Meter Installations	901,927	901,927	901,927	901,927	901,927	901,927	901,927	970,256	970,256	970,256	970,256	970,256	970,256	970,256		933,453
28	335.4 Hydrants	344,545	344,545	344,545	344,545	344,545	344,545	344,545	452,179	452,179	452,179	452,179	452,179	452,179	452,179		394,222
29	339.4 Other Plant & Misc. Equipment	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710		1,710
30	GENERAL PLANT																
31	303.5 Land & Land Rights (1)								21,335	21,335	21,335	21,335	21,335	21,335	21,335		9,847
32	304.5 Structures & Improvements (1)	211,567	211,567	211,567	211,567	211,567	211,567	211,567	195,781	195,781	195,781	195,781	195,781	195,781	195,781		204,281
33	340.5 Office Furniture & Equipment (2)	71,873	71,873	71,873	71,873	71,873	71,873	71,873	73,756	73,756	73,756	73,756	73,756	73,756	73,756		72,742
34	340.5 Computer Equipment (2)	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192		40,192
35	341.5 Transportation Equipment	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573	195,573		195,573
36	342.5 Stores Equipment																
37	343.5 Tools, Shop & Garage Equipment	39,875	39,875	39,875	39,875	39,875	39,875	39,875	37,423	37,423	37,423	37,423	37,423	37,423	37,423		38,743
38	344.5 Laboratory Equipment	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273	11,273		11,273
39	345.5 Power Operated Equipment	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034	18,034		18,034
40	346.5 Communication Equipment	29,397	29,397	29,397	29,397	29,397	29,397	29,397	29,793	29,793	29,793	29,793	29,793	29,793	29,793		29,580
41	347.5 Miscellaneous Equipment	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564	4,564		4,564
42	348.5 Other Tangible Plant																
43	TOTAL	\$ 8,517,207	\$ 8,517,207	\$ 8,517,207	\$ 8,517,207	\$ 8,517,207	\$ 8,517,207	\$ 8,517,207	\$ 9,816,210	\$ 9,816,210	\$ 9,816,210	\$ 9,816,210	\$ 9,816,210	\$ 9,816,210	\$ 9,116,747		\$

Notes (1) Includes adjustments to office building and land per Order No. PSC-01-1374-PAA-WS as detailed on Schedule A-4

(2) Includes adjustment per Order No. PSC-01-1374-PAA-WS to segregate computer equipment

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2001

Schedule: A-7(A)  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a summary of the items included in non-used and useful plant for the test year. Provide additional support schedules, if necessary.

Line No.	(1) Description	(2) Average Amount Per Books	(3) Utility Adjustments	(4) Balance Per Utility
<b>WATER</b>				
1	Plant in Service	\$ 9,937,171		\$ 9,937,171
2	Land	42,898		42,898
3	Accumulated Depreciation	(2,328,109)		(2,328,109)
4	Other (Explain)			-
5	<b>Total</b>	<u>\$ 7,651,960</u>	<u>\$ -</u>	<u>\$ 7,651,960</u>
6	Note: All Plant is 100% used and useful			
<b>WASTEWATER</b>				
7	Plant in Service	This application is for water only; therefore, this schedule is not applicable		
8	Land			
9	Accumulated Depreciation			
10	Other (Explain)			
11	<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supporting Schedules: A-5, A-6, A-9, A-10  
 Recap Schedules: A-1, A-2

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2000

Schedule: A-7(B)  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a summary of the items included in non-used and useful plant for the test year. Provide additional support schedules, if necessary.

Line No.	(1) Description	(2) Average Amount Per Books	(3) Utility Adjustments	(4) Balance Per Utility
<b>WATER</b>				
1	Plant in Service	\$ 9,085,337		\$ 9,085,337
2	Land	31,410		31,410
3	Accumulated Depreciation	(2,022,239)		(2,022,239)
4	Other (Explain)			-
5	<b>Total</b>	<u>\$ 7,094,508</u>	<u>\$ -</u>	<u>\$ 7,094,508</u>
6	Note: All Plant is 100% used and useful			
<b>WASTEWATER</b>				
7	Plant in Service	This application is for water only; therefore, this schedule is not applicable		
8	Land			
9	Accumulated Depreciation			
10	Other (Explain)			
11	<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supporting Schedules: A-5, A-6, A-9, A-10  
 Recap Schedules: A-1, A-2



Schedule of Water and Wastewater Accumulated Depreciation  
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2001

Schedule: A-8  
Page 1 of 1  
Preparer: CJNI & W

Explanation: Provide the annual balance of accumulated depreciation, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	12/31/00 Balance per books	2,169,647	N/A
2	12/31/00 Adjustments (Order No. PSC-01-1374-PAA-WS) (1)	6,032	
3	2000 Adjustments	-	
4	12/31/00 Balance (Order No. PSC-01-1374-PAA-WS)	2,175,679	
5	2001 Projected Additions	306,924	
6	2001 Projected Retirements		
7	2001 Projected Adjustments	-	
8	12/31/01 Projected Balance	<u>\$ 2,482,603</u>	<u>\$ -</u>
9	Note (1): Adjustment to depreciate computer equipment over guideline life of 6 years as follows.		
10	1998 and 1999 (Audit Disclosure No. 3)	\$ 4,273	
11	2000 (Order No. PSC-01-1374-PAA-WS)	<u>1,759</u>	
12		<u>\$ 6,032</u>	

Supporting Schedules: A-9, A-10  
Recap Schedules: A-18

Schedule of Water Accumulated Depreciation By Primary Account - Intermediate Period  
Beginning and End of Year Average

Florida Public Service Commission

Company: Aloha Utilities, Inc., Seven Springs Water Division  
Docket No.: 010503-WU  
Schedule Year Ended: December 31, 2001  
Historic [ ] Projected [X]

Explanation: Provide the month ending balances and thirteen month average of accumulated depreciation for the prior year and the test year by primary account. Also show non-used & useful amounts by account.

Schedule A-10(A)  
Page 1 of 1  
Preparer: CJN & W

Recap Schedules: A-1, A-8

No.	(1) Line Account No. and Name	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11) (12)		(13)	(14)	(15)	(16)	(17)
		December 2000	January 2001	February 2001	Actual March 2001	April 2001	May 2001	June 2001	July 2001	August 2001	September 2001	October 2001	November 2001	December 2001	13 Month Average	Non-Used Useful %	Non-Used Amount
1	INTANGIBLE PLANT																
2	301.1 Organization	53,497	53,833	54,169	54,505	54,841	55,177	55,513	55,850	56,187	56,524	56,861	57,198	57,535	55,515		
3	302.1 Franchises																
4	339.1 Other Plant & Misc. Equipment																
5	SOURCE OF SUPPLY AND PUMPING PLA																
7	304.2 Structures & Improvements	27,010	27,195	27,380	27,565	27,750	27,935	28,120	28,306	28,492	28,678	28,864	29,050	29,236	28,122		
8	305.2 Collecting and Impounding Resevoi																
9	306.2 Lake, River and Other Intakes																
10	307.2 Wells and Springs	161,738	163,786	165,834	167,882	169,930	171,978	174,026	176,074	178,122	180,170	182,218	184,267	186,315	174,026		
11	308.2 Infiltraton Galleries and Tunnels																
12	309.2 Supply Mains	14,677	14,800	14,923	15,046	15,169	15,292	15,415	15,538	15,661	15,784	15,907	16,031	16,154	15,415		
13	310.2 Power Generation Equipment	859	868	877	886	895	904	913	922	931	940	949	958	967	913		
14	311.2 Pumping Equipment	25,434	25,729	26,024	26,319	26,614	26,909	27,204	27,499	27,794	28,089	28,384	28,679	28,974	27,204		
15	339.2 Other Plant & Misc. Equipment	28	28	28	28	28	28	28	29	29	30	30	31	31	29		
16	WATER TREATMENT PLANT																
18	304.3 Structures & Improvements	4,672	4,724	4,776	4,828	4,880	4,932	4,984	5,036	5,088	5,140	5,192	5,244	5,295	4,984		
19	320.3 Water Treatment Equipment	20,916	21,112	21,308	21,504	21,700	21,896	22,092	22,288	22,484	22,680	22,876	23,073	23,269	22,092		
20	339.3 Other Plant & Misc. Equipment	2,390	2,408	2,426	2,444	2,462	2,480	2,498	2,516	2,534	2,552	2,570	2,588	2,605	2,498		
21	TRANSMISSION AND DISTRIBUTION PLA																
23	304.4 Structures & Improvements	65,187	65,473	65,759	66,045	66,331	66,617	66,903	67,189	67,475	67,761	68,047	68,334	68,620	68,903		
24	330.4 Distribution Reservoirs and Standpi	107,839	108,412	108,885	109,359	109,831	110,304	110,777	111,250	111,723	112,196	112,669	113,142	113,614	110,777		
25	331.4 Transmission and Distribution Main	817,174	827,703	838,232	848,761	859,290	869,819	880,348	890,878	901,407	911,936	922,465	932,994	943,523	891,174		
26	333.4 Services	59,644	60,795	61,946	63,097	64,248	65,399	66,550	67,701	68,852	70,003	71,154	72,305	73,456	66,594		
27	334.4 Meters and Meter Installations	477,165	481,208	485,251	489,294	493,337	497,380	501,423	505,466	509,509	513,552	517,595	521,638	525,681	501,674		
28	335.4 Hydrants	52,185	53,022	53,859	54,696	55,533	56,370	57,207	58,044	58,881	59,718	60,555	61,392	62,229	57,241		
29	339.4 Other Plant & Misc. Equipment	1,318	1,324	1,330	1,336	1,342	1,348	1,354	1,359	1,364	1,370	1,375	1,381	1,386	1,353		
30	GENERAL PLANT																
31	303.5 Land & Land Rights																
32	304.5 Structures & Improvements	1,709	2,201	2,693	3,185	3,677	4,169	4,661	5,153	5,645	6,137	6,629	7,121	7,613	4,669		
33	340.5 Office Furniture & Equipment	49,255	49,665	50,075	50,485	50,895	51,305	51,715	52,125	52,535	52,945	53,355	53,765	54,175	51,756		
34	340.5 Computer Equipment	10,973	11,531	12,090	12,648	13,206	13,765	14,323	14,881	15,440	15,998	16,556	17,115	17,673	14,323		
35	341.5 Transportation Equipment	160,496	163,213	165,930	168,647	171,364	174,081	176,798	179,515	182,232	184,949	187,665	190,382	193,098	176,798		
36	342.5 Stores Equipment																
37	343.5 Tools, Shop & Garage Equipment	11,586	11,761	11,936	12,111	12,286	12,461	12,636	12,811	12,986	13,161	13,336	13,511	13,686	12,736		
38	344.5 Laboratory Equipment	5,919	5,982	6,045	6,108	6,171	6,234	6,297	6,360	6,423	6,486	6,549	6,612	6,675	6,296		
39	345.5 Power Operated Equipment	13,951	14,076	14,201	14,326	14,451	14,576	14,701	14,826	14,951	15,076	15,201	15,326	15,451	14,701		
40	346.5 Communication Equipment	29,416	29,447	29,478	29,509	29,540	29,571	29,602	29,633	29,664	29,695	29,726	29,757	29,788	29,604		
41	347.5 Miscellaneous Equipment	761	786	811	836	861	886	911	937	963	989	1,014	1,040	1,065	912		
42	348.5 Other Tangible Plant																
43	TOTAL	\$ 2,175,679	\$ 2,200,882	\$ 2,226,086	\$ 2,251,289	\$ 2,276,492	\$ 2,301,696	\$ 2,326,899	\$ 2,352,103	\$ 2,377,306	\$ 2,402,509	\$ 2,427,712	\$ 2,452,915	\$ 2,478,118	\$ 2,328,109		\$ -

Schedule of Water Accumulated Depreciation By Primary Account - Interim Rates  
Beginning and End of Year Average

Florida Public Service Commission

Company: Aloha Utilities, Inc., Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2000  
Historic [X] Projected [ ]

Schedule A-10(B)  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide the month ending balances and thirteen month average of accumulated depreciation for the prior year and the test year by primary account. Also show non-used & useful amounts by account

Recap Schedules: A-1, A-8

No.	(1) Line Account No. and Name	(2) December 1999	(3) January 2000	(4) February 2000	(5) March 2000	(6) April 2000	(7) May 2000	(8) June 2000	(9) July 2000	(10) August 2000	(11) September 2000	(12) October 2000	(13) November 2000	(14) December 2000	(15) 13 Month Average	(16) Non-Used Useful %	(17) Non-Used Amount
1	INTANGIBLE PLANT																
2	301.1 Organization	\$ 49,459	\$ 49,795	\$ 50,132	\$ 50,469	\$ 50,805	\$ 51,141	\$ 51,478	\$ 51,814	\$ 52,151	\$ 52,487	\$ 52,824	\$ 53,160	53,497	51,478		
3	302.1 Franchises	1,064	1,070	1,077	1,083	1,090	1,096	1,103							\$ 583		
4	339.1 Other Plant & Misc. Equipment																
5	SOURCE OF SUPPLY AND PUMPING PLANT																
7	304.2 Structures & Improvements	24,784	24,969	25,155	25,340	25,526	25,711	25,897	26,082	26,268	26,453	26,639	26,824	27,010			
8	305.2 Collecting and Impounding Reservoirs																
9	306.2 Lake, River and Other Intakes																
10	307.2 Wells and Springs	140,705	142,785	144,865	146,944	149,024	151,104	153,184	151,340	153,420	155,500	157,580	159,659	161,738	151,373		
11	308.2 Infiltration Galleries and Tunnels																
12	309.2 Supply Mains	15,137	15,280	15,423	15,566	15,709	15,852	15,995	14,061	14,184	14,307	14,431	14,554	14,677	15,014		
13	310.2 Power Generation Equipment	549	558	567	576	586	595	604	613	622	631	640	650	659	604		
14	311.2 Pumping Equipment	24,696	24,930	25,164	25,398	25,632	25,866	26,099	26,333	26,567	26,801	27,035	27,269	25,434	25,940		
15	339.2 Other Plant & Misc. Equipment	25	25	25	26	26	26	26	27	27	27	27	28	28	26		
16	WATER TREATMENT PLANT																
18	304.3 Structures & Improvements	4,049	4,101	4,153	4,205	4,257	4,309	4,360	4,412	4,464	4,516	4,568	4,620	4,672	4,360		
19	320.3 Water Treatment Equipment	18,563	18,759	18,955	19,151	19,347	19,544	19,740	19,936	20,132	20,328	20,524	20,720	20,916	19,740		
20	339.3 Other Plant & Misc. Equipment	2,175	2,193	2,211	2,229	2,247	2,265	2,283	2,300	2,318	2,336	2,354	2,372	2,390	2,283		
21	TRANSMISSION AND DISTRIBUTION PLANT																
23	304.4 Structures & Improvements	61,754	62,040	62,326	62,612	62,898	63,184	63,470	63,756	64,042	64,328	64,614	64,901	65,187	63,470		
24	330.4 Distribution Reservoirs and Standpi	112,882	113,484	114,086	114,688	115,290	115,892	116,494	105,355	105,880	106,395	106,909	107,424	107,939	110,979		
25	331.4 Transmission and Distribution Main	705,248	714,259	723,271	732,282	741,294	750,305	759,317	767,280	777,259	787,238	797,217	807,195	817,174	759,949		
26	333.4 Services	47,611	48,467	49,323	50,180	51,036	51,892	52,748	53,604	54,460	55,316	56,172	57,028	57,884	53,223		
27	334.4 Meters and Meter Installations	434,968	438,820	442,672	446,523	450,375	454,227	458,079	461,931	465,783	469,635	473,487	477,339	481,191	455,612		
28	335.4 Hydrants	43,341	43,978	44,616	45,253	45,891	46,528	47,165	47,802	48,439	49,076	49,713	50,350	50,987	47,484		
29	339.4 Other Plant & Misc. Equipment	1,249	1,255	1,260	1,266	1,272	1,278	1,283	1,289	1,295	1,300	1,306	1,312	1,318	1,283		
30	GENERAL PLANT																
32	304.5 Structures & Improvements	(459)	(209)	40	290	540	789	1,039	461	711	961	1,210	1,460	1,709	657		
33	340.5 Office Furniture & Equipment (1)	44,398	44,797	45,197	45,596	45,996	46,395	46,795	47,195	47,595	48,025	48,435	48,845	49,255	46,812		
34	340.5 Computer Equipment (1)	4,273	4,831	5,390	5,948	6,506	7,065	7,623	8,181	8,740	9,298	9,856	10,415	10,973	7,623		
35	341.5 Transportation Equipment	127,894	130,611	133,328	136,044	138,761	141,478	144,195	146,912	149,629	152,345	155,062	157,779	160,496	144,195		
36	342.5 Stores Equipment																
37	343.5 Tools, Shop & Garage Equipment	10,935	11,143	11,350	11,558	11,766	11,973	12,181	10,592	10,787	10,982	11,177	11,372	11,566	11,337		
38	344.5 Laboratory Equipment	5,167	5,230	5,292	5,355	5,418	5,480	5,543	5,606	5,668	5,731	5,794	5,856	5,919	5,543		
39	345.5 Power Operated Equipment	12,448	12,573	12,698	12,824	12,949	13,074	13,199	13,324	13,449	13,575	13,700	13,825	13,951	13,199		
40	346.5 Communication Equipment	28,321	28,411	28,500	28,590	28,680	28,769	28,859	28,952	29,045	29,138	29,231	29,324	29,416	28,864		
41	347.5 Miscellaneous Equipment	456	481	507	532	557	583	608	634	659	684	710	735	761	608		
42	348.5 Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
43	Total	\$ 1,921,692	\$ 1,944,636	\$ 1,967,583	\$ 1,990,527	\$ 2,013,478	\$ 2,036,417	\$ 2,059,360	\$ 2,082,303	\$ 2,105,246	\$ 2,128,189	\$ 2,151,132	\$ 2,174,075	\$ 2,197,018	\$ 2,022,239		\$ -

44 Note (1) Includes PSC Audit Adjustments in Order No PSC-01-1374-PAA-WS to correct depreciation of computer equipment per detail on Schedule A-8

**Schedule of Water and Wastewater Contributions in Aid of Construction  
Annual Balances Subsequent to Last Established Rate Base**

**Florida Public Service Commission**

**Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2001**

**Schedule: A-11  
Page 1 of 1  
Preparer: CJN & W**

**Explanation: Provide the annual balance of contributions in aid of construction, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.**

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	12/31/00 Balance (Order No. PSC-01-1374-PAA-WS)	\$ 8,327,552	N/A
2	2001 Projected Additions	362,613	
3	2001 Projected Retirements		
4	2001 Projected Adjustments	-	
5	12/31/01 Projected Balance	\$ 8,690,165	\$ -

**Supporting Schedules: A-12  
Recap Schedules: A-19**

Schedule of Contributions in Aid of Construction By Classification  
Thirteen Month Average - Water and Wastewater

Florida Public Service Commission

Company Aloha Utilities, Inc ; Seven Springs Water Division  
Docket No.: 010503-WU  
Schedule Year Ended December 31, 2001  
Historic [ ] or Projected [X]

Schedule: A-12(A)  
Page 1 of 1  
Preparer CJN & W

Explanation: Provide the ending balances and thirteen month average of CIAC, by classification for the prior year and the test year. If a projected year is employed, provide breakdown for base year and intermediate year also

Line No.	(1) Description	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		December 1999	January 2000	February 2000	Historic March 2000 April 2000		May 2000	June 2000	July 2000	August 2000	Projected September 2000 October 2000		November 2000	December 2000	13 Month Average	Non-Used Useful %	Non-Used Amount
<b>WATER</b>																	
1	Plant Capacity Fees	\$ 1,511,636	\$ 1,514,630	\$ 1,515,181	\$ 1,515,345	\$ 1,517,260	\$ 1,520,459	\$ 1,520,876	\$ 1,525,407	\$ 1,533,780	\$ 1,539,454	\$ 1,547,826	\$ 1,553,223	\$ 1,559,136	\$ 1,529,786		
2	Line/Main Extension Fees																
3	Meter Installation Fees	764,168	766,317	770,289	772,980	776,951	779,511	782,316	784,413	788,288	790,914	794,788	797,286	800,022	782,173		
4	Contributed Property																
	Distribution Reservoirs	208,600	208,600	208,600	208,600	208,600	208,600	208,600	208,600	208,600	208,600	208,600	208,600	208,600	208,600		
	Transmission and Distrib	5,017,418	5,017,418	5,017,418	5,017,418	5,053,408	5,053,408	5,094,976	5,121,526	5,148,076	5,174,626	5,201,176	5,227,726	5,254,276	5,107,605		
	Services	460,445	460,445	460,445	460,445	460,445	460,445	473,145	473,145	473,145	473,145	473,145	473,145	473,145	467,293		
	Meters	7,450	7,450	7,450	7,450	25,450	25,450	25,450	25,450	25,450	25,450	25,450	25,450	25,450	19,912		
	Hydrants	357,836	357,836	357,836	357,836	363,836	363,836	369,536	369,536	369,536	369,536	369,536	369,536	369,536	365,059		
5	Other (Describe)																
6																	
7	Total	\$ 8,327,553	\$ 8,332,696	\$ 8,337,219	\$ 8,340,074	\$ 8,405,950	\$ 8,411,709	\$ 8,474,899	\$ 8,508,077	\$ 8,546,875	\$ 8,581,725	\$ 8,620,521	\$ 8,654,966	\$ 8,690,165	\$ 8,479,418		\$ -
<b>Water</b>																	
			N/A														
8	Plant Capacity Fees																
9	Line/Main Extension Fees																
10	Contributed Lines																
11	Other (Describe)																
12																	
13	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -

Schedule of Contributions in Aid of Construction By Classification  
Thirteen Month Average - Water and Wastewater

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No - 010503-WU  
Test Year Ended: December 31, 2000  
Historic [X] or Projected [ ]

Florida Public Service Commission

Schedule A-12(B)  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide the ending balances and thirteen month average of CIAC, by classification for the prior year and the test year. If a projected year is employed, provide breakdown for base year and intermediate year also.

Line No.	(1) Description	(2) December 1999	(3) January 2000	(4) February 2000	(5) March 2000	(6) April 2000	(7) May 2000	(8) June 2000	(9) July 2000	(10) August 2000	(11) September 2000	(12) October 2000	(13) November 2000	(14) December 2000	(15) 13 Month Average	(16) Non-Used Useful %	(17) Non-Used Amount
<b>WATER</b>																	
1	Plant Capacity Fees	\$ 1,408,743	\$ 1,408,743	\$ 1,408,743	\$ 1,408,743	\$ 1,408,743	\$ 1,408,743	\$ 1,408,743	\$ 1,511,636	\$ 1,511,636	\$ 1,511,636	\$ 1,511,636	\$ 1,511,636	\$ 1,511,636	1,456,232		
2	Line/Main Extension Fees																
3	Meter Installation Fees	718,206	718,206	718,206	718,206	718,206	718,206	718,206	764,168	764,168	764,168	764,168	764,168	764,168	739,419		
4	Contributed Property																
	Distribution Reservoirs	208,600	208,600	208,600	208,600	208,600	208,600	208,600	208,500	208,600	208,600	208,600	208,600	208,600	208,600		
	Transmission and Distribut Services	4,131,223	4,131,223	4,131,223	4,131,223	4,131,223	4,131,223	4,131,223	5,017,418	5,017,418	5,017,418	5,017,418	5,017,418	5,017,418	4,540,236		
	Meters	309,718	309,718	309,718	309,718	309,718	309,718	309,718	460,445	460,445	460,445	460,445	460,445	460,445	379,284		
	Hydrants	6,850	6,850	6,850	6,850	6,850	6,850	6,850	7,450	7,450	7,450	7,450	7,450	7,450	7,127		
	Hydrants	246,170	246,170	246,170	246,170	246,170	246,170	246,170	357,836	357,836	357,836	357,836	357,836	357,836	297,708		
5	Other (Describe)																
6																	
7	<b>Total</b>	<b>\$ 7,029,510</b>	<b>\$ 7,029,510</b>	<b>\$ 7,029,510</b>	<b>\$ 7,029,510</b>	<b>\$ 7,029,510</b>	<b>\$ 7,029,510</b>	<b>\$ 7,029,510</b>	<b>\$ 8,327,553</b>	<b>\$ 8,327,553</b>	<b>\$ 8,327,553</b>	<b>\$ 8,327,553</b>	<b>\$ 8,327,553</b>	<b>\$ 8,327,553</b>	<b>\$ 7,629,606</b>		<b>\$ -</b>
<b>WASTEWATER</b>																	
			N/A														
8	Plant Capacity Fees																
9	Line/Main Extension Fees																
10	Contributed Lines																
11	Other (Describe)																
12																	
13	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>

Schedule of Water and Wastewater Accumulated Amortization of CIAC  
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2001

Schedule: A-13  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide the annual balance of accumulated amortization of CIAC, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected additions and/or retirements specifically identifying those amounts. Show any retirements as adjustments.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	12/31/00 Balance (Order No. PSC-01-1374-PAA-WS)	\$ 1,809,370	N/A
2	2001 Projected Additions	230,292	
3	2001 Projected Retirements		
4	2001 Projected Adjustments	-	
5	12/31/01 Projected Balance	\$ 2,039,662	\$ -

Supporting Schedules: A-14  
Recap Schedules: A-19

Schedule of Accumulated Amortization of CIAC By Classification  
Beginning and End of Year Average - Water and Water

Florida Public Service Commission

Company: Aloha Utilities, Inc ; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2001  
Historic [ ] or Projected [X]

Schedule: A-14(A)  
Page 1 of 1  
Preparer: C/JN & W

Explanation: Provide the ending balances and thirteen month average of accumulated amortization of CIAC, by classification for the prior year and the test year. If a projected year is employed, provide breakdown for base year and intermediate year also.

Line No.	(1) Description	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		December 2000	January 2001	February 2001	Actual March 2001	April 2001	May 2001	June 2001	July 2001	August 2001	Projected September 2001	October 2001	November 2001	December 2001	13 Month Average	Non-Used Useful %	Non-Used Amount
WATER																	
1	Plant Capacity Fees	\$ 372,269	\$ 376,451	\$ 380,633	\$ 384,815	\$ 388,997	\$ 393,179	\$ 397,361	\$ 401,674	\$ 405,987	\$ 410,301	\$ 414,614	\$ 418,928	\$ 423,241	\$ 397,573		
2	Line/Main Extension Fees																
3	Meter Installation Fees	200,125	203,309	206,493	209,677	212,861	216,045	219,229	222,563	225,896	229,230	232,563	235,897	239,230	219,471		
4	Contributed Lines																
	Distribution Reservoirs	37,001	37,470	37,939	38,408	38,877	39,346	39,815	40,285	40,755	41,225	41,694	42,164	42,633	39,817		
	Transmission and Distribution Services	1,098,662	1,107,944	1,117,226	1,126,508	1,135,790	1,145,072	1,154,354	1,164,075	1,173,796	1,183,516	1,193,237	1,202,957	1,212,678	1,155,063		
	Meters	56,202	57,161	58,120	59,079	60,038	60,997	61,955	62,942	63,928	64,914	65,900	66,886	67,872	62,000		
	Hydrants	1,388	1,419	1,450	1,481	1,512	1,543	1,574	1,680	1,786	1,892	1,998	2,104	2,211	1,695		
		43,723	44,385	45,047	45,709	46,371	47,033	47,695	48,378	49,063	49,745	50,430	51,113	51,797	47,730		
5	Other (Describe)																
6																	
7	Total	\$ 1,809,370	\$ 1,828,139	\$ 1,846,908	\$ 1,865,677	\$ 1,884,446	\$ 1,903,215	\$ 1,921,984	\$ 1,941,598	\$ 1,961,211	\$ 1,980,824	\$ 2,000,436	\$ 2,020,049	\$ 2,039,662	\$ 1,923,349		\$ -
	Water	This application is for wastewater only, therefore, this schedule is not applicable															
8	Plant Capacity Fees																
9	Line/Main Extension Fees																
10	Contributed Lines																
11	Other (Describe)																
12																	
13	Total	\$ 1,809,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -

17



Schedule of Accumulated Amortization of CIAC By Classification  
Beginning and End of Year Average - Water and Water

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No. - 010503-WU  
Test Year Ended: December 31, 2000  
Historic [X] or Projected [ ]

Explanation: Provide the ending balances and thirteen month average of accumulated amortization of CIAC, by classification for the prior year and the last year. If a projected year is employed, provide breakdown for base year and intermediate year also.

Line No.	(1) Description	(2) December 1999	(3) January 2000	(4) February 2000	(5) March 2000	(6) April 2000	(7) May 2000	(8) June 2000	(9) July 2000	(10) August 2000	(11) September 2000	(12) October 2000	(13) November 2000	(14) December 2000	(15) 13 Month Average	(16) Non-Used Useful %	(17) Non-Used Amount
<b>WATER</b>																	
1	Plant Capacity Fees	\$ 319,948	\$ 324,062	\$ 328,277	\$ 332,491	\$ 336,706	\$ 340,920	\$ 345,135	\$ 349,657	\$ 354,180	\$ 358,702	\$ 363,224	\$ 367,746	\$ 372,269	345.632		
2	Line/Main Extension Fees	163,065	166,058	169,050	172,043	175,035	178,028	181,020	184,204	187,388	190,572	193,756	196,940	200,125	181.330		
3	Meter Installation Fees																
4	Contributed Lines	31,369	31,838	32,308	32,777	33,246	33,716	34,185	34,654	35,124	35,593	36,063	36,532	37,001	34,185		
	Distribution Reservoirs	997,112	1,004,755	1,012,398	1,020,040	1,027,683	1,035,326	1,042,969	1,052,251	1,061,533	1,070,815	1,080,097	1,089,380	1,098,662	1,045,617		
	Transmission and Distribution	46,575	47,220	47,865	48,511	49,156	49,801	50,446	51,406	52,365	53,324	54,284	55,243	56,202	50,954		
	Services	1,030	1,059	1,087	1,116	1,144	1,173	1,201	1,232	1,263	1,294	1,325	1,356	1,388	1,205		
	Meters	37,619	37,474	37,930	38,385	38,841	39,296	39,751	40,413	41,075	41,737	42,399	43,061	43,723	40,065		
	Hydrants																
5	Other (Describe)																
6																	
7	Total	\$ 1,596,018	\$ 1,612,466	\$ 1,628,915	\$ 1,645,363	\$ 1,661,811	\$ 1,678,260	\$ 1,694,707	\$ 1,711,817	\$ 1,729,920	\$ 1,752,037	\$ 1,771,148	\$ 1,790,258	\$ 1,809,370	\$ 1,695,006		\$
<b>WASTEWATER</b>																	
8	Plant Capacity Fees																
9	Line/Main Extension Fees																
10	Contributed Lines																
11	Other (Describe)																
12																	
13	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$

This application is for water only, therefore, this schedule is not applicable

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: A-15

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2001

Preparer: CJN & W

Explanation: Provide the annual AFUDC rates used since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously. Include a description of practices and authority of rate(s) used.

---

Line  
No.

- 1 The Utility's approved AFUDC rate is 9.08%, discounted to a monthly rate of 0.726890%, per Order No. PSC-99-
- 2 1917-FOF-WS for construction projects beginning January 1, 1999.

**Schedule of Water and Wastewater Advances For Construction  
Annual Balances Subsequent to Last Established Rate Base**

**Florida Public Service Commission**

**Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2001**

**Schedule: A-16  
Page 1 of 1  
Preparer: CJN & W**

**Explanation: Provide the annual balance of Advances For Construction, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected additions and/or retirements, specifically identifying those amounts. Also provide a brief description of the applicant's policy regarding advances.**

Line No.	Description	Year-End Balance	
		Water	Wastewater

**1** The Utility does not collect any Advances for Construction; therefore,  
**2** this Schedule is not applicable.

**Recap Schedules: A-1, A-2, A-19**

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: A-17(A)

Docket No.: 010503-WU

Page 1 of 2

Test Year Ended: December 31, 2001

Preparer: CJN &amp; W

Recap Schedule: A-1, A-2

Explanation: Provide the calculation of working capital using the balance sheet method.

Line No		Average Balances	Adjustments	Adjusted
<b>1</b>	<b><u>Current Assets and Deferred Debits</u></b>			
2	Cash	\$ 594,691		\$ 594,691
3	Working Funds (Petty cash)	400		400
4	Accounts Rec'b - water/sewer	788,297		788,297
5	Accts. Rec'b - Assoc. Cos.			-
6	Notes Rec'b - Assoc. Cos.			-
7	Accts. Rec'b - Other	75,379	\$ (75,379) (A)	-
8	Special Deposits	2,719	(2,719) (B)	-
9	Allowance for Bad Debts	(6,900)		(6,900)
10	Prepayments	133,805		133,805
11	Prepaid Income Taxes	16,905	(16,905) (C)	-
12	Loss on Plant Retirement	4,830		4,830
13	PSC Escrow Account	208,336	(208,336) (D)	-
14	Deferred Loan Costs	73,940	(73,940) (E)	-
15	Clearing Accounts	(511)	511 (F)	-
16	Deferred Rate Case Expense	358,902	(353,593) (G)	5,309
17	Other Miscellaneous Deferred Debits	534,095	(105,521) (H)	428,574
<b>18</b>	<b>Total Current Assets and Deferred Debits</b>	<u>2,784,888</u>	<u>(835,882)</u>	<u>1,949,006</u>
<b>19</b>	<b><u>Current Liabilities and Deferred Credits</u></b>			
20	Accounts Payable	569,491		569,491
21	Notes Payable			-
22	Notes & Accounts Payable - Assoc. Cos.	4	(4) (I)	-
23	Customer Deposits	562,205	(562,205) (J)	-
24	Accrued Taxes	384,160		384,160
25	Current Portion Long Term Debt			-
26	Accrued Dividends			-
27	Misc. Current and Accrued Liabilities	139,468	(139,468) (K)	-
28	Advances for Construction			-
29	Prepaid Capacity Charges			-
30	Operating Reserves		-	-
<b>31</b>	<b>Total Current Liabilities and Deferred Credits</b>	<u>1,655,328</u>	<u>(701,677)</u>	<u>953,651</u>
<b>32</b>	<b>Total Working Capital</b>	<u>\$ 1,129,560</u>	<u>\$ (134,205)</u>	<u>\$ 995,355</u>

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001

Schedule: A-17(A)  
 Page 2 of 2  
 Preparer: CJN & W  
 Recap Schedule: A-1, A-2

Explanation: Provide the calculation of working capital using the balance sheet method.

Line No		Adjustments				
1	<u>I. Adjustments to Current Assets and Deferred Debits</u>					
2	(A) Remove income tax refund receivable					\$ (75,379)
3	(B) Remove interest bearing deposits (electric and chlorine cylinders)					(2,719)
4	(C) Remove prepaid income taxes (deposits)					(16,905)
5	(D) Remove PSC Escrow account (Service availability charges)					(208,336)
6	(E) Remove deferred loan costs					(73,940)
7	(F) Eliminate miscellaneous clearing account balance					511
8	(G) 1) Remove deferred rate case expense Docket No. 991643-SU					
9	(G) 2) Remove below the line activity					(320,006)
10	(H) Remove deferred rule challenge costs					(105,521)
11	Total					<u>\$ (835,882)</u>
12	<u>II. Adjustments to Current Liabilities and Deferred Credits</u>					
13	(I) Remove notes and accounts payable to assoc. companies					\$ (4)
14	(J) Eliminate customer deposits					(562,205)
15	(K) Eliminate miscellaneous current liability associated with					
16	Service Availability Charges refundable deposited					
17	in PSC Escrow account					(139,468)
18	Total					<u>\$ (701,677)</u>
19	<u>III. Working Capital allocated as follows.</u>					
20		Aloha Gardens		Seven Springs		
21		Water	Sewer	Sewer	Water	Total
22	O & M Expenses (1)	\$ 433,987	\$ 841,036	\$ 1,777,490	\$ 2,450,404	\$ 5,502,917
23	Factor for growth and					
24	inflation (2)	<u>1,025</u>	<u>1,025</u>	<u>1,07188</u>	<u>-</u>	
25	Estimated 2001 O & M	<u>444,837</u>	<u>862,062</u>	<u>1,905,256</u>	<u>2,450,404</u>	<u>5,662,559</u>
26	Percent	<u>7.8560%</u>	<u>15.2240%</u>	<u>33.6470%</u>	<u>43.2730%</u>	<u>100.000%</u>
27	Working capital	<u>\$ 78,195</u>	<u>\$ 151,533</u>	<u>\$ 334,907</u>	<u>\$ 430,720</u>	<u>\$ 995,355</u>
28	Notes: (1) Aloha Gardens water and sewer per going forward O & M in Order No. PSC-01-1245-					
29	PAA-WS; Seven Springs sewer per 2000 Annual Report.					
30	(2) Aloha Gardens - inflation only (system is build out); Seven Springs - Customer growth (4.688%)					
31	and inflation (2.50%).					

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: A-17(B)

Docket No.: 010503-WU

Page 1 of 2

Test Year Ended: December 31, 2000

Preparer: CJN &amp; W

Recap Schedule: A-1, A-2

Explanation: Provide the calculation of working capital using the balance sheet method.

Line No		Average Balance	Adjustments	Adjusted
<b>1</b>	<b><u>Current Assets and Deferred Debits</u></b>			
2	Cash	\$ 417,081		\$ 417,081
3	Special Deposits	3,950	\$ (3,950)	-
4	Working Funds (Petty cash)	400		400
5	Accts. Rec'b - Trade	821,328		821,328
6	Accts. Rec'b - Other	109,826	(109,826)	-
7	Prepayments	12,961		12,961
8	Prepaid Income Taxes	19,327	(19,327)	-
9	Allowance for Bad Debts	(6,900)		(6,900)
10	PSC Escrow Account	8,528	(8,528)	-
11	Miscellaneous Current & Accrued Assets			-
12	Loss on Plant Retirement	6,210		6,210
13	Unamortized Debt Discount & Exp.	73,551	(73,551)	-
14	Prelim. Survey & Investigation Charges			-
15	Clearing Accounts	1,807	(1,807)	-
16	Deferred Rate Case Expense	380,831	(103,459)	277,372
17	Other Miscellaneous Deferred Debits	307,607	(175,868)	131,739
<b>18</b>	<b>Total Current Assets and Deferred Debits</b>	<u>2,156,507</u>	<u>(496,316)</u>	<u>1,660,191</u>
<b>19</b>	<b><u>Current Liabilities and Deferred Credits</u></b>			
20	Accounts Payable - Trade	435,377		435,377
21	Accounts Payable - C.W.I.P.	-		-
22	Notes Payable	22,542	(22,542)	-
23	Notes & Accounts Payable - Assoc. Cos.	26,999	(26,999)	-
24	Customer Deposits	501,377	(501,377)	-
25	Accrued Taxes	316,608		316,608
26	Current Portion Long Term Debt			-
27	Accrued Dividends			-
28	Misc. Current and Accrued Liabilities	112,870	(112,870)	-
29	Advances for Construction			-
30	Prepaid Capacity Charges			-
31	Operating Reserves		-	-
<b>32</b>	<b>Total Current Liabilities and Deferred Credits</b>	<u>1,415,773</u>	<u>(663,788)</u>	<u>751,985</u>
<b>33</b>	<b>Total Working Capital</b>	<u>\$ 740,734</u>	<u>\$ 167,472</u>	<u>\$ 908,206</u>

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000

Schedule: A-17(B)  
 Page 2 of 2  
 Preparer: CJN & W  
 Recap Schedule: A-1, A-2

Explanation: Provide the calculation of working capital using the balance sheet method.

Line No		Adjustments
1	<u>I. Adjustments to Current Assets and Deferred Debits</u>	
2	(A) Remove interest bearing deposits (electric and chlorine cylinders)	\$ (3,950)
3	(B) Remove income tax refund receivable and other miscellaneous	(109,826)
4	(C) Remove prepaid income taxes (deposits)	(19,327)
5	(D) Remove PSC Escrow account (Sevvice availability charges)	(8,528)
6	(E) Remove deferred loan costs	(73,551)
7	(F) Eliminate miscellaneous clearing account balance	(1,807)
8	(G) 1) Remove deferred rate case expense Docket No. 991643-SU	
9	(Seven SpringsSewer rate case)	(103,459)
10	(H) Remove deferred rule challenge costs	<u>(175,868)</u>
11	Total	<u>\$ (496,316)</u>
12	<u>II. Adjustments to Current Liabilities and Deferred Credits</u>	
13	(I) Remove interest bearing note payable	\$ (22,542)
14	(J) Remove accounts payable to associated companies	(26,999)
15	(K) Eliminate customer deposits	(501,377)
16	(L) Eliminate miscellaneous current liability associated with	
17	Service Availability Charges refundable deposited	
18	in PSC Escrow account	<u>(112,870)</u>
19	Total	<u>\$ (663,788)</u>
20	<u>III. Working Capital allocated as follows:</u>	
21		Aloha Gardens                      Seven Springs
22		<u>Water              Sewer              Sewer              Water              Total</u>
23	O & M Expenses (1)	\$ <u>433,987</u> \$ <u>841,036</u> \$ <u>1,777,490</u> \$ <u>1,580,130</u> \$ <u>4,632,643</u>
24	Percent	<u>9.3680%</u> <u>18.1546%</u> <u>38.3688%</u> <u>34.1086%</u> <u>100.000%</u>
25	Working capital	\$ <u>85,081</u> \$ <u>164,881</u> \$ <u>348,468</u> \$ <u>309,776</u> \$ <u>908,206</u>
26	Notes: (1) Aloha Gardens water and sewer per going forward O & M in Order No. PSC-01-1245-	
27	PAA-WS; Seven Springs sewer per 2000 Annual Report.	

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001

Schedule: A-18  
 Page 1 of 2  
 Preparer: CJN & W

Explanation: Provide a balance sheet for years requested Provide same for historical base or intermediate years, if not already shown

Line No.	(1) ASSETS	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		December 2000	January 2001	February 2001	Actual		April 2001	May 2001	June 2001	July 2001	August 2001	Projected		November 2001	December 2001
1	Utility Plant in Service	35,277,783	35,287,837	35,303,106	35,303,106	35,506,878	35,517,956	35,704,959	35,731,509	35,758,059	35,784,609	35,811,159	35,837,709	35,864,259	35,591,456
2	Construction Work in Progress	61,479	76,367	89,292	114,824	129,440	153,948	160,787	160,787	160,787	150,787	160,787	160,787	160,787	134,681
3	Other Utility Plant Adjustments														
4	<b>GROSS UTILITY PLANT</b>	<b>35,339,262</b>	<b>35,364,204</b>	<b>35,392,398</b>	<b>35,417,930</b>	<b>35,636,318</b>	<b>35,671,904</b>	<b>35,865,746</b>	<b>35,892,296</b>	<b>35,918,846</b>	<b>35,945,396</b>	<b>35,971,946</b>	<b>35,998,496</b>	<b>36,025,046</b>	<b>35,726,137</b>
5	Less: Accumulated Depreciation	(8,218,722)	(8,255,479)	(8,292,236)	(8,466,699)	(8,549,358)	(8,632,017)	(8,714,676)	(8,827,521)	(8,940,366)	(9,053,211)	(9,166,056)	(9,278,901)	(9,391,746)	(8,752,845)
6	<b>NET UTILITY PLANT</b>	<b>27,120,540</b>	<b>27,108,725</b>	<b>27,100,162</b>	<b>26,951,231</b>	<b>27,086,960</b>	<b>27,039,887</b>	<b>27,151,070</b>	<b>27,064,775</b>	<b>26,978,480</b>	<b>26,892,185</b>	<b>26,805,890</b>	<b>26,719,595</b>	<b>26,633,300</b>	<b>26,973,292</b>
7	Non-Utility Property	218,222	218,222	218,222	218,222	218,222	218,222	218,222	218,222	218,222	218,222	218,222	218,222	218,222	218,222
8	Less: Accumulated Amortization	(3,410)	(3,695)	(3,980)	(4,265)	(4,550)	(4,835)	(5,120)	(5,405)	(5,690)	(5,975)	(6,260)	(6,545)	(6,830)	(5,120)
9	<b>NET NON-UTILITY PROPERTY</b>	<b>214,812</b>	<b>214,527</b>	<b>214,242</b>	<b>213,957</b>	<b>213,672</b>	<b>213,387</b>	<b>213,102</b>	<b>212,817</b>	<b>212,532</b>	<b>212,247</b>	<b>211,962</b>	<b>211,677</b>	<b>211,392</b>	<b>213,102</b>
10	Cash	173,683	799,630	786,888	545,915	659,643	712,670	703,507	653,971	661,164	715,151	929,489	207,442	181,825	594,691
11	Special Deposits	5,950	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,719
12	Working Funds (Petty Cash)	400	400	400	400	400	400	400	400	400	400	400	400	400	400
13	Accounts Rec'b - Trade	898,548	838,303	814,588	772,116	731,535	668,907	575,563	778,324	706,090	816,107	860,139	846,975	940,671	788,297
14	Other Accts Rec'b	88,299	74,310	74,334	74,110	74,047	74,134	74,385	74,385	74,385	74,385	74,385	74,385	74,385	75,379
15	Prepayments	116,029	119,625	114,472	140,084	132,535	130,158	140,938	140,938	140,938	140,938	140,938	140,938	140,938	133,805
16	Prepaid Income Taxes	16,905	16,905	16,905	16,905	16,905	16,905	16,905	16,905	16,905	16,905	16,905	16,905	16,905	16,905
17	Allowance for Bad Debts	(5,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)
18	PSC Escrow	45,392	72,972	82,865	92,938	179,410	216,379	249,179	258,478	275,665	287,311	304,494	315,572	327,709	208,336
19	Miscellaneous Current & Accrued Asset														
20	<b>TOTAL CURRENT ASSETS</b>	<b>1,336,306</b>	<b>1,917,695</b>	<b>1,886,002</b>	<b>1,538,018</b>	<b>1,790,025</b>	<b>1,815,103</b>	<b>1,756,427</b>	<b>1,918,951</b>	<b>1,871,097</b>	<b>2,046,747</b>	<b>2,322,300</b>	<b>1,598,167</b>	<b>1,678,383</b>	<b>1,813,632</b>
21	Loss on Plant Retirement	5,520	5,405	5,290	5,175	5,060	4,945	4,830	4,715	4,600	4,485	4,370	4,255	4,140	4,830
22	Deferred Loan Costs	71,156	70,757	76,478	78,079	75,679	75,281	74,882	74,483	74,084	73,685	73,286	72,887	72,488	73,940
23	Prelim. Survey & Investigation Charges														
24	Clearing Accounts	233	(591)	(535)	(5,060)	(596)									(511)
25	Deferred Rate Case Expense	328,677	339,747	355,412	375,326	375,326	384,820	384,820	354,205	353,963	353,721	353,479	353,237	352,995	358,902
26	Other Miscellaneous Deferred Debits	573,201	593,100	592,199	591,955	589,382	596,142	537,363	520,492	503,621	486,750	469,879	453,008	436,137	534,095
27	Accum. Deferred Income Taxes	2,333,232	2,326,143	2,319,054	2,311,965	2,304,876	2,297,787	2,290,698	2,283,609	2,276,520	2,269,431	2,262,342	2,255,253	2,248,164	2,290,698
28	<b>TOTAL OTHER ASSETS</b>	<b>3,312,019</b>	<b>3,334,461</b>	<b>3,347,898</b>	<b>3,355,440</b>	<b>3,349,727</b>	<b>3,358,975</b>	<b>3,292,593</b>	<b>3,237,504</b>	<b>3,212,788</b>	<b>3,188,072</b>	<b>3,163,356</b>	<b>3,138,640</b>	<b>3,113,924</b>	<b>3,261,954</b>
25	<b>TOTAL ASSETS</b>	<b>31,985,677</b>	<b>32,575,408</b>	<b>32,548,304</b>	<b>32,158,646</b>	<b>32,440,384</b>	<b>32,427,352</b>	<b>32,413,192</b>	<b>32,434,047</b>	<b>32,274,897</b>	<b>32,339,251</b>	<b>32,503,508</b>	<b>31,668,079</b>	<b>31,636,999</b>	<b>32,261,980</b>



Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000

Schedule: A-18  
 Page 2 of 2  
 Preparer: CJN & W

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) ASSETS	(2) December 1999	(3) January 2000	(4) February 2000	(5) March 2000	(6) April 2000	(7) May 2000	(8) June 2000	(9) July 2000	(10) August 2000	(11) September 2000	(12) October 2000	(13) November 2000	(14) December 2000	(15) 13 Month Average
1	Utility Plant in Service	26,741,604	26,999,376	27,011,792	27,035,644	27,035,644	27,049,590	27,061,479	27,073,368	27,084,555	27,778,070	28,374,046	28,731,077	35,277,783	27,942,618
2	Construction Work in Progress	334,512	473,545	770,900	1,727,644	2,057,252	2,921,318	3,765,612	4,069,808	4,400,943	4,517,068	4,733,556	4,939,543	61,479	2,674,860
3	Other Utility Plant Adjustments														
4	GROSS UTILITY PLANT	27,076,116	27,472,921	27,782,692	28,763,288	29,092,896	29,970,908	30,827,091	31,143,176	31,485,498	32,295,138	33,107,602	33,670,620	35,339,262	30,617,478
5	Less: Accumulated Depreciation	(7,226,840)	(7,398,728)	(7,468,795)	(7,538,862)	(7,608,929)	(7,678,996)	(7,749,063)	(7,819,130)	(7,889,197)	(7,959,264)	(8,029,331)	(8,099,398)	(8,218,722)	(7,745,020)
6	NET UTILITY PLANT	19,849,276	20,074,193	20,313,897	21,224,426	21,483,967	22,291,912	23,078,028	23,324,046	23,596,301	24,335,874	25,078,271	25,571,222	27,120,540	22,872,458
7	Non-Utility Property											218,222	218,222	218,222	50,359
8	Less: Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	-	-	(3,410)	(262)
9	NET NON-UTILITY PROPERTY	-	-	-	-	-	-	-	-	-	-	218,222	218,222	214,812	50,097
10	Cash	157,770	265,473	455,120	317,578	241,019	385,351	400,670	624,686	631,557	683,127	887,867	198,153	173,683	417,081
11	Special Deposits	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	12,450	5,450	5,450	5,950	3,950
12	Working Funds (Petty Cash)	400	400	400	400	400	400	400	400	400	400	400	400	400	400
13	Accounts Rec'b - Trade	803,811	911,595	975,185	797,098	869,154	797,977	795,723	743,471	674,471	779,562	821,622	809,048	898,548	821,328
14	Other Accts Rec'b	155,357	155,628	155,628	155,628	155,628	116,391	74,510	74,410	74,310	74,210	74,110	73,632	88,299	109,826
15	Prepayments	(1)	(1)	(1)	-	(1)	(1)	8,945	4,629	8,147	8,654	9,798	12,294	116,029	12,961
16	Prepaid Income Taxes	19,529	19,529	19,529	19,529	19,529	19,529	19,529	19,529	19,529	19,529	19,529	19,529	16,905	19,327
17	Allowance for Bad Debts	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)
18	PSC Escrow											29,648	35,820	45,392	8,528
19	Miscellaneous Current & Accrued Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	TOTAL CURRENT ASSETS	1,132,416	1,348,174	1,601,411	1,285,783	1,281,279	1,315,197	1,295,327	1,462,675	1,403,954	1,571,032	1,841,524	1,147,426	1,338,306	1,386,501
21	Loss on Plant Retirement	6,300	6,785	6,670	6,555	6,440	6,325	6,210	6,095	5,980	5,865	5,750	5,635	5,520	6,210
22	Deferred Loan Costs	75,945	75,546	75,147	74,747	74,349	73,950	73,551	73,151	72,752	72,353	71,955	71,556	71,156	73,551
23	Prelim. Survey & Investigation Charges														
24	Clearing Accounts	(3,353)	(3,353)	927	927	1,017	1,017	3,928	5,847	6,714	8,684	610	288	233	1,807
25	Deferred Rate Case Expense	210,233	190,477	243,673	293,759	294,209	339,074	396,467	432,199	471,015	476,134	612,441	660,444	328,677	380,831
26	Other Miscellaneous Deferred Debits	237,060	253,632	290,548	284,143	277,739	271,336	278,327	274,660	305,090	299,509	329,750	323,899	573,201	307,607
27	Accum. Deferred Income Taxes	2,150,795	2,150,795	2,150,795	2,150,795	2,150,795	2,150,795	2,150,795	2,150,795	2,150,795	2,150,795	2,150,795	2,150,795	2,333,232	2,164,829
28	TOTAL OTHER ASSETS	2,677,580	2,673,882	2,767,760	2,810,926	2,804,549	2,842,497	2,909,278	2,942,747	3,012,346	3,015,340	3,171,301	3,212,617	3,312,019	2,934,835
29	TOTAL ASSETS	23,659,272	24,096,249	24,683,068	25,321,135	25,569,795	26,449,606	27,282,633	27,729,468	28,012,611	28,922,246	30,309,318	30,149,487	31,985,677	27,243,891

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001

Schedule: A-19  
 Page 1 of 2  
 Preparer: C.J.N & W

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) EQUITY CAPITAL & LIABILITIES	(2)	(3)	(4)	(5) Actual	(6)	(7)	(8)	(9)	(10)	(11) Projected		(13)	(14)	(15)
		December 2000	January 2001	February 2001	March 2001	April 2001	May 2001	June 2001	July 2001	August 2001	September 2001	October 2001	November 2001	December 2001	13 Month Average
1	Common Stock Issued	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
2	Preferred Stock Issued	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
3	Additional Paid in Capital	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600
4	Retained Earnings														
5	Other Equity Capital	1,826,333	1,832,545	1,712,595	1,742,615	1,752,938	1,758,031	1,638,706	1,622,424	1,415,074	1,599,866	1,515,793	927,764	751,241	1,545,840
6	<b>TOTAL EQUITY CAPITAL</b>	<b>2,468,433</b>	<b>2,474,645</b>	<b>2,354,695</b>	<b>2,384,715</b>	<b>2,395,038</b>	<b>2,400,131</b>	<b>2,280,806</b>	<b>2,264,524</b>	<b>2,057,174</b>	<b>2,241,966</b>	<b>2,157,893</b>	<b>1,569,864</b>	<b>1,393,341</b>	<b>2,187,940</b>
7	Bonds														
8	Contributed Taxes														
9	Advances From Associated Companies														
10	Other Long-Term Debt	8,738,545	9,385,836	9,381,489	9,358,881	9,345,838	9,318,044	9,319,668	9,306,893	9,293,750	8,983,579	9,267,379	9,254,149	9,240,888	9,244,226
11	<b>TOTAL LONG-TERM DEBT</b>	<b>8,738,545</b>	<b>9,385,836</b>	<b>9,381,489</b>	<b>9,358,881</b>	<b>9,345,838</b>	<b>9,318,044</b>	<b>9,319,668</b>	<b>9,306,893</b>	<b>9,293,750</b>	<b>8,983,579</b>	<b>9,267,379</b>	<b>9,254,149</b>	<b>9,240,888</b>	<b>9,244,226</b>
7	Accounts Payable	727,551	594,137	668,085	496,182	493,014	546,926	433,079	447,077	459,057	608,885	524,027	643,699	761,658	569,491
8	Notes Payable														
9	Notes & Accounts Payable - Assoc. Cos.			50											4
10	Customer Deposits	563,414	583,580	591,965	603,853	624,745	531,090	542,459	543,068	543,678	544,288	544,898	545,508	546,118	562,205
11	Accrued Taxes	275,531	336,873	402,818	197,212	265,708	337,395	402,007	456,771	511,535	566,299	621,063	283,053	337,817	384,160
12	Current Portion Long Term Debt														
13	Accrued Dividends														
14	Misc. Current and Accrued Liabilities	45,067	75,351	89,719	85,608	125,082	142,579	139,361	148,660	165,847	177,493	194,676	205,754	217,891	139,468
15	<b>TOTAL CURRENT &amp; ACCRUED LIABILITIES</b>	<b>1,611,563</b>	<b>1,589,941</b>	<b>1,752,637</b>	<b>1,382,855</b>	<b>1,508,549</b>	<b>1,557,990</b>	<b>1,516,906</b>	<b>1,595,576</b>	<b>1,680,117</b>	<b>1,896,965</b>	<b>1,884,664</b>	<b>1,678,014</b>	<b>1,863,484</b>	<b>1,655,328</b>
16	Advances for Construction														
17	Prepaid Capacity Charges														
18	Contributed Taxes	2,238,802	2,232,395	2,225,988	2,219,581	2,213,174	2,206,767	2,200,360	2,193,953	2,187,546	2,181,139	2,174,732	2,168,325	2,161,918	2,200,360
19	Operating Reserves														
20	<b>TOTAL DEFERRED CREDITS &amp; OPER. RESERVES</b>	<b>2,238,802</b>	<b>2,232,395</b>	<b>2,225,988</b>	<b>2,219,581</b>	<b>2,213,174</b>	<b>2,206,767</b>	<b>2,200,360</b>	<b>2,193,953</b>	<b>2,187,546</b>	<b>2,181,139</b>	<b>2,174,732</b>	<b>2,168,325</b>	<b>2,161,918</b>	<b>2,200,360</b>
21	Contributions in Aid of Construction	21,696,836	21,705,150	21,709,790	21,712,324	21,921,231	21,931,602	22,126,370	22,159,578	22,198,346	22,233,196	22,271,992	22,306,437	22,341,636	22,024,191
22	Less: Accum. Amortization of CIAC	(5,424,233)	(5,470,456)	(5,516,358)	(5,581,939)	(5,607,841)	(5,653,743)	(5,699,645)	(5,757,370)	(5,815,095)	(5,872,820)	(5,930,545)	(5,988,270)	(6,045,995)	(5,718,793)
23	Accumulated Deferred Income Taxes	655,731	657,897	660,063	662,229	664,395	666,561	668,727	670,893	673,059	675,226	677,393	679,560	681,727	668,728
24	<b>Total Equity Capital and Liabilities</b>	<b>\$ 31,985,677</b>	<b>\$ 32,575,408</b>	<b>\$ 32,548,304</b>	<b>\$ 32,158,646</b>	<b>\$ 32,440,384</b>	<b>\$ 32,427,352</b>	<b>\$ 32,413,192</b>	<b>\$ 32,434,047</b>	<b>\$ 32,274,897</b>	<b>\$ 32,339,251</b>	<b>\$ 32,503,508</b>	<b>\$ 31,668,079</b>	<b>\$ 31,636,999</b>	<b>\$ 32,261,980</b>

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000

Schedule: A-19  
 Page 2 of 2  
 Preparer: CJN & W

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) EQUITY CAPITAL & LIABILITIES	(2) December 1999	(3) January 2000	(4) February 2000	(5) March 2000	(6) April 2000	(7) May 2000	(8) June 2000	(9) July 2000	(10) August 2000	(11) September 2000	(12) October 2000	(13) November 2000	(14) December 2000	(15) 13 Month Average
1	Common Stock Issued	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
2	Preferred Stock Issued	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
3	Additional Paid in Capital	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600
4	Retained Earnings	1,715,452	1,970,024	2,115,325	1,970,099	1,971,088	1,872,152	1,901,555	1,832,412	1,766,512	1,705,513	1,975,430	1,832,376	1,826,333	1,881,098
5	Other Equity Capital						(2,000)								(154)
6	<b>TOTAL EQUITY CAPITAL</b>	<u>2,357,552</u>	<u>2,612,124</u>	<u>2,757,425</u>	<u>2,612,199</u>	<u>2,613,188</u>	<u>2,512,252</u>	<u>2,543,655</u>	<u>2,474,512</u>	<u>2,408,612</u>	<u>2,347,613</u>	<u>2,617,530</u>	<u>2,474,476</u>	<u>2,468,433</u>	<u>2,523,044</u>
7	Bonds														
8	Contributed Taxes														
9	Advances From Associated Companies														
10	Other Long-Term Debt	3,555,789	4,150,439	4,443,824	5,403,813	5,719,842	6,570,191	7,371,910	7,691,426	8,015,325	8,011,994	8,715,483	8,743,335	8,738,545	6,702,455
11	<b>TOTAL LONG-TERM DEBT</b>	<u>3,555,789</u>	<u>4,150,439</u>	<u>4,443,824</u>	<u>5,403,813</u>	<u>5,719,842</u>	<u>6,570,191</u>	<u>7,371,910</u>	<u>7,691,426</u>	<u>8,015,325</u>	<u>8,011,994</u>	<u>8,715,483</u>	<u>8,743,335</u>	<u>8,738,545</u>	<u>6,702,455</u>
7	Accounts Payable - Trade	478,508	324,109	323,898	336,295	233,550	293,787	379,587	427,057	438,501	581,619	500,561	614,874	727,551	435,377
8	Accounts Payable - C.W.I.P.														
9	Notes Payable	293,046													22,542
10	Notes & Accounts Payable - Assoc. Cos.	(606)	74,254	75,862	75,805	74,938	74,951	(23,548)	(62)	(109)	(103)	(177)	(216)		26,999
11	Customer Deposits	458,716	465,019	475,934	489,465	497,344	485,569	469,652	461,447	449,478	555,577	570,371	575,712	563,414	501,377
12	Accrued Taxes	267,857	313,135	365,291	156,584	212,997	256,528	311,094	365,607	409,392	459,344	523,919	197,625	275,531	316,608
13	Current Portion Long Term Debt														
14	Accrued Dividends														
15	Misc Current and Accrued Liabilities	71,337	11,163	103,211	114,371	111,079	125,124	112,272	127,053	138,527	149,962	169,420	188,722	45,067	112,870
16	<b>TOTAL CURRENT &amp; ACCRUED LIABILITIES</b>	<u>1,568,858</u>	<u>1,187,680</u>	<u>1,345,196</u>	<u>1,172,520</u>	<u>1,129,908</u>	<u>1,235,959</u>	<u>1,249,257</u>	<u>1,381,102</u>	<u>1,435,789</u>	<u>1,746,399</u>	<u>1,764,094</u>	<u>1,576,717</u>	<u>1,611,563</u>	<u>1,415,773</u>
17	Advances for Construction														
18	Prepaid Capacity Charges														
19	Contributed Taxes	2,340,416	2,340,416	2,340,416	2,340,416	2,340,416	2,340,416	2,340,416	2,340,416	2,340,416	2,340,416	2,340,416	2,340,416	2,238,802	2,332,600
20	Operating Reserves														
21	<b>TOTAL DEFERRED CREDITS &amp; OPER. RESERVES</b>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,340,416</u>	<u>2,238,802</u>	<u>2,332,600</u>
22	Contributions in Aid of Construction	18,144,137	18,145,872	18,169,291	18,198,073	18,205,129	18,262,278	18,281,687	18,379,106	18,382,365	19,078,522	19,507,295	19,682,845	21,696,836	18,779,495
23	Less: Accum. Amortization of CIAC	(4,873,413)	(4,906,215)	(4,939,017)	(4,971,819)	(5,004,621)	(5,037,423)	(5,070,225)	(5,103,027)	(5,135,829)	(5,168,631)	(5,201,433)	(5,234,235)	(5,424,233)	(5,082,317)
24	Accumulated Deferred Income Taxes	565,933	565,933	565,933	565,933	565,933	565,933	565,933	565,933	565,933	565,933	565,933	565,933	655,731	572,841
25	<b>Total Equity Capital and Liabilities</b>	<u>\$ 23,659,272</u>	<u>\$ 24,096,249</u>	<u>\$ 24,683,068</u>	<u>\$ 25,321,135</u>	<u>\$ 25,569,795</u>	<u>\$ 26,449,606</u>	<u>\$ 27,282,633</u>	<u>\$ 27,729,468</u>	<u>\$ 28,012,611</u>	<u>\$ 28,922,246</u>	<u>\$ 30,309,318</u>	<u>\$ 30,149,487</u>	<u>\$ 31,985,677</u>	<u>\$ 27,243,891</u>



Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: B-1 (A)

Docket No.: 010503-WU

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Test Year Ended: December 31, 2001

Preparer: CJN &amp; W

Interim [ ] Final [X]

Historic [ ] or Projected [X]

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Balance Per Books	(3) Utility Test Year Adjustments	(4) Utility Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedule(s)
1	OPERATING REVENUES	\$ 1,967,474	\$ -	\$ 1,967,474	\$ 1,077,337 (E)	\$ 3,044,811	B-4, E-13
2	Operation & Maintenance	1,394,460	944,319 (A)	2,338,779	111,625 (C)	2,450,404	B-5, B-3(A)
3	Depreciation, net of CIAC Amort.	75,736		75,736		75,736	B-13, B-3(A)
4	Amortization (Contributed Taxes) (1)	(30,691)		(30,691)		(30,691)	
5	Taxes Other Than Income	278,781	7,327 (B)	286,108	48,481 (D)	334,589	B-15, B-3(A)
6	Provision for Income Taxes (2)	49,564	-	49,564	-	49,564	C-1(A)
7	OPERATING EXPENSES	1,767,850	951,646	2,719,496	160,106	2,879,602	
8	NET OPERATING INCOME	\$ 199,624	\$ (951,646)	\$ (752,022)	\$ 917,231	\$ 165,209	
9	RATE BASE	\$ 1,408,240		\$ 1,821,490		\$ 1,821,490	
10	RATE OF RETURN	14.18 %		-- %		9.07 %	
11	Notes. (1) Amortization of contributed taxes is as follows:						
12	Contributed tax collected				\$ 1,175,890		
13	Amortization rate				2.61 %		
14	Annual amortization				\$ 30,691		
15	Average accumulated amortization				\$ 222,201		
16	(2) The provision for income taxes consists solely of deferred income tax required by Internal Revenue Code (IRC) Section 168						

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: B-1 (B)

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2000

Preparer: CJN & W

Interim [X] Final [ ]

Historic [X] or Projected [ ]

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Balance Per Books	(3) Utility Test Year Adjustments	(4) Utility Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedule(s)
1	OPERATING REVENUES	\$ 1,794,660	\$ 54,345 (A)	\$ 1,849,005	\$ 133,063 (H)	\$ 1,982,068	B-4, E-13
2	Operation & Maintenance	1,380,691	144,504 (B)	1,525,195	(15,559) (E)	1,509,636	B-5, B-3(B)
3	Depreciation, net of CIAC Amort.	73,816		73,816		73,816	B-13, B-3(B)
4	Amortization (Contributed Taxes) (1)	(42,214)	11,523 (C)	(30,691)		(30,691)	B-3(B)
5	Taxes Other Than Income	246,175	3,895 (D)	250,070	5,922 (F)	255,992	B-15, B-3(B)
6	Provision for Income Taxes (2)	34,072	-	34,072	(412) (G)	33,660	C-1(B), B-3(B)
7	OPERATING EXPENSES	1,692,540	159,922	1,852,462	(10,049)	1,842,413	
8	NET OPERATING INCOME	\$ 102,120	\$ (105,577)	\$ (3,457)	\$ 143,112	\$ 139,654	
9	RATE BASE	\$ 1,365,750		\$ 1,496,826		\$ 1,496,826	
10	RATE OF RETURN	7.48 %		-- %		9.33 %	
11	Notes (1) Amortization of contributed taxes is as follows:						
12	Contributed tax collected				\$ 1,175,890		
13	Amortization rate				2.61		
14	Annual amortization				\$ 30,691		
15	Average accumulated amortization				\$ 206,854		

16 (2) The provision for income taxes consists solely of deferred income tax required by Internal Revenue Code (IRC) Section 168

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Schedule Year Ended: December 31, 2001  
 Interim [ ] Final [X]  
 -historic [ ] or Projected [X]

Schedule: B-3 (A)  
 Page 1 of 2  
 Docket No.: 010503-WU  
 Preparer: CJN & W

Explanation: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Wastewater
1 (A)	<u>Operations &amp; Maintenance (O &amp; M) Expenses</u>		
2	1) <u>PSC Adjustments per Docket No's 000737-WS, 010518-WS</u>		
3	Amortize regulatory commission expense of		
4	Docket No. 960545-WS	\$ 65,735	N/A
5	2) <u>Salaries and Wages - Employees</u>		
6	(a) Total annual salaries - existing employees		
7	per schedule G-8	362,668	
8	Test year salaries	(346,223)	
9	Adjustment required	16,445	
10	(b) Open positions Company is in process of filling		
11	per G-8	107,850	
12	Total adjustment to employee salaries	124,295	
13	3) <u>Employee Benefits</u>		
14	Total salaries - employees and officers		
15	(\$362,668 + \$66,707)	429,375	
16	Salaries for positions being filled	107,850	
17	Total salaries and wages requested	537,225	
18	Benefits percentage per G-7 (2 of 6)	12.29 %	
19	Total employee benefits	66,025	
20	Employee benefits for projected test year (B-5)	(50,749)	
21	Adjustment required	15,276	
22	4) <u>Purchased Water</u>		
23	Total projected purchased water costs per Schedule		
24	G-9 (Page 4 of 4)	1,072,961	
25	Projected purchased water costs per Schedules B-5		
26	and G-9 (Page 3 of 4)	(333,948)	
27		739,013	
28	Total adjustment to operations and maintenance expenses	\$ 944,319	

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: B-3 (A)

Schedule Year Ended: December 31, 2001

Page 2 of 2

Interim [ ] Final [X]

Docket No.: 010503-WU

Historic [ ] or Projected [X]

Preparer: CJN &amp; W

Explanation: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Wastewater
1	(B) <u>Taxes Other Than Income</u>		
2	Total annualized payroll tax on existing payroll per G-9	\$ 35,454	N/A
3	Annual payroll tax on open positions per B-9	9,159	
4	Total annual payroll taxes requested	44,613	
5	Payroll tax projected for test year	(37,286)	
6	Adjustment required	\$ 7,327	
7	(C) <u>Rate Case Expense</u>		
8	Total estimated costs of this case per B-10	\$ 446,500	
9	Annual amortization over 4 years	\$ 111,625	
10	(D) <u>Taxes Other Than Income</u>		
11	(1) Regulatory Assessment Fees (RAF's)		
12	Total revenue requested	\$ 3,044,811	
13	RAF rate	0.045	
14	Total RAF's	137,016	
15	Adjusted test year RAF's	(88,536)	
16	Adjustment required	\$ 48,480	
17	(E) <u>Revenue Increase</u>		
18	Increase in revenue required by the Utility to realize a		
19	9.07 % rate of return	\$ 1,077,337	



Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Schedule Year Ended: December 31, 2000  
 Interim  Final   
 Historic  or Projected

Schedule: B-3 (B)  
 Page 1 of 2  
 Docket No.: 010503-WU  
 Preparer: CJN & W

Explanation: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Wastewater
1	(A) <u>Annualized Revenue</u>		
2	Annualized revenue per Schedule E-2(a)	\$ 1,849,005	N/A
3	Test year revenue - actual per Schedule B-4	<u>(1,794,660)</u>	
4	Adjustment required	<u>\$ 54,345</u>	
5	(B) <u>Operations &amp; Maintenance (O &amp; M) Expenses</u>		
6	1) PSC Adjustments per Docket No's 000737-WS, 010518-WS		
7	(a) Remove rent expense from old building	\$ (6,118)	
8	(b) Amortize regulatory commission expense of		
9	Docket No. 960545-WS	65,735	
10	(c) Proforma salaries	18,938	
11	(d) Proforma benefits	6,496	
12	(e) Purchased water	<u>55,053</u>	
13		140,104	
14	2) Amortization of rate case costs related to Docket No.		
15	000737-WS per Order No. PSC-01-1245-PAA-WS		
16	(\$29,011 - Aloha Gardens portion (\$11,411) = \$17,600/4 years)	<u>4,400</u>	
17	Total adjustments	<u>\$ 144,504</u>	
18	(C) <u>Amortization of Contributed Taxes</u>		
19	Reduce amortization per Order No. PSC-01-1374-PAA-WS	<u>\$ (11,523)</u>	
20	(D) <u>Taxes Other Than Income</u>		
21	1) Regulatory Assessment Fees (RAF's)		
22	RAF's associated with Adjustment (A) X 4.5%	\$ 2,446	
23	2) Payroll tax on proforma salaries approved in Order No.		
24	PSC-01-1374-PAA-WS	<u>1,449</u>	
25		<u>\$ 3,895</u>	

Schedule of Adjustments to Operating Income

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Schedule Year Ended: December 31, 2000  
 Interim  Final   
 .Historic  or Projected

Schedule: B-3 (B)  
 Page 2 of 2  
 Docket No.: 010503-WU  
 Preparer: CJN & W

Explanation: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Wastewater
1	(E) <u>Operations and Maintenance Expense</u>		
2	Reduce interim revenue requirement for overearnings per Order		
3	No. PSC-01-1374-PAA-WS	\$ (15,559)	N/A
4	(F) <u>Regulatory Assessment Fees (RAF's)</u>		
5	Total interim revenue requested	\$ 1,982,068	
6	RAF rate	0.045	
7	Total RAF's	89,193	
8	Adjusted test year RAF's	(83,271)	
9	Adjustment required	\$ 5,922	
10	(G) <u>Provision for Income Taxes</u>		
11	Income taxes per C-1 (Deferred only)	\$ 33,660	
12	Deferred income tax per books	34,072	
13	Adjustment	\$ (412)	
14	(H) <u>Interim Revenue Increase</u>		
15	Interim increase in revenue required by the Utility to realize a		
16	9.33 % rate of return	\$ 133,063	

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2001  
 historic [ ] or Projected [X]

Schedule: B-4 (A)  
 Page 1 of 1  
 Preparer: CJN & W  
 Recap Schedules: B-1,B-2

Explanation: Complete the following revenue schedule for the historical test year or base year. If general service revenues not accounted for by sub-account, then show the total amount under metered-or measured-commercial and provide an explanation.

WATER SALES		(1)	SEWER SALES		(2)
No.	Line Account No. and Description	Total Water	Account No. and Description	Total Sewer	
1	460 Unmetered Water Revenue		521.1 Flat Rate - Residential		N/A
2	461.1 Metered - Residential	\$ 1,749,062	521.2 Flat Rate - Commercial		
3	461.2 Metered - Commercial	186,128	521.3 Flat Rate - Industrial		
4	461.3 Metered - Industrial		521.4 Flat Rate - Public Authorities		
5	461.4 Metered - Public Authorities		521.5 Flat Rate - Multi-Family		
6	461.5 Metered - Multi-Family		521.6 Flat Rate - Other		
7	462.1 Public Fire Protection		522.1 Measured - Residential		
8	462.2 Private Fire Protection		522.2 Measured - Commercial		
9	464 Other Sales - Public Authorities		522.3 Measured - Industrial		
10	465 Irrigation Customers		522.4 Measured - Public Authority		
11	466 Sales for Resale		522.5 Measured - Multi-Family		
12	467 Interdepartmental Sales		523 Other Sales - Public Authorities		
13			524 Revenues from Other Systems		
14	<b>TOTAL WATER SALES</b>	<u>1,935,190</u>	525 Interdepartmental Sales		
15					
16	<b>OTHER WATER REVENUES</b>		<b>TOTAL SEWER SALES</b>		<u>-</u>
17	470 Forfeited Discounts				
18	471 Misc. Service Revenues		<b>OTHER SEWER REVENUES</b>		
19	472 Rents From Water Property		531 Sale of Sludge		
20	473 Interdepartmental Rents		532 Forfeited Discounts		
21	474 Other Water Revenues	21,670	534 Rents From Sewer Property		
22	Interest Income	<u>10,614</u>	535 Interdepartmental Rents		
23			536 Other Sewer Revenues		
24					
25		<u>32,284</u>	<b>TOTAL OTHER</b>		
26			<b>SEWER REVENUES</b>		<u>-</u>
27					
		\$ <u>1,967,474</u>	<b>TOTAL SEWER</b>		
28			<b>OPERATING REVENUES</b>		<u>\$ -</u>

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 -historic [X] or Projected [ ]

Schedule: B-4 (B)  
 Page 1 of 1  
 Preparer: CJN & W  
 Recap Schedules: B-1,B-2

Explanation: Complete the following revenue schedule for the historical test year or base year. If general service revenues not accounted for by sub-account, then show the total amount under metered-or measured-commercial and provide an explanation.

WATER SALES		(1)	SEWER SALES		(2)
No.	Line Account No. and Description	Total Water	Account No. and Description	Total Sewer	
1	460 Unmetered Water Revenue		521.1 Flat Rate - Residential		N/A
2	461.1 Metered - Residential	\$ 1,594,306	521.2 Flat Rate - Commercial		
3	461.2 Metered - Commercial	169,515	521.3 Flat Rate - Industrial		
4	461.3 Metered - Industrial		521.4 Flat Rate - Public Authorities		
5	461.4 Metered - Public Authorities		521.5 Flat Rate - Multi-Family		
6	461.5 Metered - Multi-Family		521.6 Flat Rate - Other		
7	462.1 Public Fire Protection		522.1 Measured - Residential		
8	462.2 Private Fire Protection		522.2 Measured - Commercial		
9	464 Other Sales - Public Authorities		522.3 Measured - Industrial		
10	465 Irrigation Customers		522.4 Measured - Public Authority		
11	466 Sales for Resale		522.5 Measured - Multi-Family		
12	467 Interdepartmental Sales		523 Other Sales - Public Authorities		
13			524 Revenues from Other Systems		
14	<b>TOTAL WATER SALES</b>	<u>1,763,821</u>	525 Interdepartmental Sales		
15					
16	<b>OTHER WATER REVENUES</b>		<b>TOTAL SEWER SALES</b>		-
17	470 Forfeited Discounts				
18	471 Misc. Service Revenues		<b>OTHER SEWER REVENUES</b>		
19	472 Rents From Water Property		531 Sale of Sludge		
20	473 Interdepartmental Rents		532 Forfeited Discounts		
21	474 Other Water Revenues	20,700	534 Rents From Sewer Property		
22	Interest Income	10,139	535 Interdepartmental Rents		
23			536 Other Sewer Revenues		
24					
25		<u>30,839</u>	<b>TOTAL OTHER</b>		
26			<b>SEWER REVENUES</b>		-
27					
		\$ <u>1,794,660</u>	<b>TOTAL SEWER</b>		
28			<b>OPERATING REVENUES</b>		\$ -

Company: Aloha Utilities, Inc.; Seven Springs Water Divisi

Schedule: B-5 (A)

Docket No.: 010503-WU

Page 1 of 1

Schedule Year Ended: December 31, 2001

Explanation: Provide a schedule of operation and maintenance expenses by primary account for each month of the test year. If schedule has to be continued on 2nd page, reprint the account titles and numbers.

Preparer: C/JN & W

Historic [ ] or Projected [X]

Recap Schedules: B-1

Line No.	(1) Account No. and Name	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Actual						Projected						Total Annual
		January 2001	February 2001	March 2001	April 2001	May 2001	June 2001	July 2001	August 2001	September 2001	October 2001	November 2001	December 2001	
1	601 Salaries & Wages - Employees	\$ 18,537	\$ 23,783	\$ 25,029	\$ 26,735	\$ 42,599	\$ 27,603	\$ 22,028	\$ 23,549	\$ 27,909	\$ 26,831	\$ 44,633	\$ 36,987	346,223
2	603 Salaries & Wages - Officers, Etc.	4,623	6,426	6,426	6,426	9,585	6,474	4,458	4,458	4,458	4,458	4,458	4,457	66,707
3	604 Employee Pensions & Benefits	3,768	3,722	4,684	4,213	4,011	4,705	3,215	3,410	3,962	3,837	6,164	5,058	50,749
4	610 Purchased Water	77,190	87,486	12,888	12,286	14,824	13,013	9,313	8,917	7,906	12,359	14,556	63,211	333,848
5	615 Purchased Power	759	11,898	9,288	11,609	13,498	7,543	4,028	4,018	5,215	3,712	5,332	7,597	84,497
6	616 Fuel for Power Purchased						228							228
7	618 Chemicals	840	4,830	5,250	13,993	11,568	4,550	11,707	9,648	3,457	9,841	15,514	4,672	95,870
8	620 Materials & Supplies	7,844	24,795	6,861	16,126	10,767	22,056	12,408	14,196	5,034	9,964	9,721	20,143	159,915
9	631 Contractual Services - Engr.	1,871	1,365	1,130	1,352	724	2,352	1,925	4,189	-	-	779	6,623	22,340
10	632 Contractual Services - Acct.	5,007	4,145	3,643	5,471	6,029	5,665	(1,200)	(1,200)	(1,200)	(1,200)	(1,201)	(1,200)	22,759
11	633 Contractual Services - Legal	7,009	12,783	6,418	8,023	6,955	4,000	(9,702)	(2,906)	(3,498)	-	(1,387)	(2,158)	26,537
12	634 Contractual Services - Mgmt. Fees													
13	635 Contractual Services - Testing	243	243	280	252	471	252	-	301	573	2,171	209	209	5,204
14	636 Contractual Services - Other	4,657	8,463	9,024	11,215	4,428	5,552	5,824	3,584	4,592	4,831	2,653	2,375	67,198
15	641 Rental of Building/Real Prop.	243	244	(487)										
16	642 Rental of Equipment	51	16	782	471	309	245	59	78	-	6	8	41	2,066
17	650 Transportation Expenses	3,381	7,372	3,254	6,023	7,819	1,435	2,892	1,466	2,549	2,108	1,717	2,817	42,833
18	656 Insurance - Vehicle							4,998	714	714	714	714	714	8,568
19	657 Insurance - General Liability	3,005	94	(9)	3,129			(3,961)	323	323	323	323	323	3,873
20	658 Insurance - Workman's Comp.	902	467	467	2,039	2,198	989	718	759	877	848	1,331	1,123	12,718
21	659 Insurance - Other													
22	660 Advertising Expense													
23	666 Reg. Comm. Exp. - Rate Case Amort.													
24	667 Reg. Comm. Exp. - Other							1,124	1,124	1,124	1,124	1,123	1,123	6,742
25	670 Bad Debt Expense			(144)		69		551	551	551	551	550	550	3,229
26	675 Miscellaneous Expenses	2,074	4,423	2,115	1,495	1,035	1,104	6,748	1,015	2,133	2,262	1,456	6,396	32,256
27	<b>TOTAL</b>	<b>\$ 142,004</b>	<b>\$ 202,555</b>	<b>\$ 96,899</b>	<b>\$ 130,888</b>	<b>\$ 136,889</b>	<b>\$ 107,766</b>	<b>\$ 78,133</b>	<b>\$ 78,194</b>	<b>\$ 66,679</b>	<b>\$ 84,740</b>	<b>\$ 108,653</b>	<b>\$ 161,061</b>	<b>\$ 1,394,460</b>

Detail of Operation & Maintenance Expenses By Month - Water

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Divisi  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2000  
 Historic [X] or Projected [ ]

Explanation: Provide a schedule of operation and maintenance expenses by primary account for each month of the test year. If schedule has to be continued on 2nd page, reprint the account titles and numbers.

Schedule: B-5 (B)  
 Page 1 of 1  
 Preparer: C/JN & W  
 Recap Schedules: B-1

Line No.	(1) Account No. and Name	(2) January 2000	(3) February 2000	(4) March 2000	(5) April 2000	(6) May 2000	(7) June 2000	(8) July 2000	(9) August 2000	(10) September 2000	(11) October 2000	(12) November 2000	(13) December 2000	(14) Total Annual	(15) Year-End Adjustments	(16) Total Annual
1	601 Salaries & Wages - Employees	\$ 16,057	\$ 21,425	\$ 22,897	\$ 38,684	\$ 23,093	\$ 21,464	\$ 18,485	\$ 19,748	\$ 23,375	\$ 22,466	\$ 37,203	\$ 30,982	\$ 295,879		\$ 295,879
2	603 Salaries & Wages - Officers, Etc.	4,846	6,520	6,520	9,780	6,520	5,783	6,208	6,267	6,254	6,254	9,380	8,119	82,451	(15,744)	66,707
3	604 Employee Pensions & Benefits	8,064	6,328	8,717	9,495	15,294	2,345	4,670	4,147	4,580	3,630	5,772	(7,788)	65,254	(3,538)	61,716
4	610 Purchased Water	4,896	10,948	69,815	44,856	38,941	58,245	12,958	12,395	10,996	17,189	20,326	87,919	389,484		389,484
5	615 Purchased Power	5,276	7,258	5,389	1,222	7,091	4,479	6,735	6,718	8,719	6,207	8,916	12,703	80,713		80,713
6	616 Fuel for Power Purchased			184										184		184
7	618 Chemicals	8,052	8,768	10,877	3,430	11,823	5,609	8,771	7,228	2,590	7,373	11,623	3,500	89,344		89,344
8	620 Materials & Supplies	10,355	10,740	17,160	12,836	15,941	10,551	12,404	14,192	5,033	9,961	9,718	20,137	149,028		149,028
9	631 Contractual Services - Engr.	480	300		11,151	3,959	8,398	741	1,613		(7,122)	300	2,550	22,340		22,340
10	632 Contractual Services - Acct.		(1,578)			18,449	1,649		1,128		1,110		2,001	22,759		22,759
11	633 Contractual Services - Legal	(3,138)	2,671	688	82	28,481	(29,649)	10,591	3,537	4,257	4,704	1,688	2,826	26,538		26,538
12	634 Contractual Services - Mgmt. Fees															
13	635 Contractual Services - Testing	351	252	293					364	692	2,621	252	252	5,077		5,077
14	636 Contractual Services - Other	4,784	6,808	3,434	2,993	5,981	9,629	7,078	4,355	5,580	5,871	3,224	2,885	62,622		62,622
15	641 Rental of Building/Real Prop.	510	744	744	744	978	758	758	524	758	758	758	524	8,558		8,558
16	642 Rental of Equipment		33	51		235		493	654		51	67	341	1,925		1,925
17	650 Transportation Expenses	400	2,063	4,398	4,508	497	3,840	5,546	2,812	4,889	4,043	3,293	5,399	41,788		41,788
18	656 Insurance - Vehicle															
19	657 Insurance - General Liability		1,306	3,168	1,592	1,345	1,345							8,756		8,756
20	658 Insurance - Workman's Comp.	2,232	997		977	1,953		1,953		2,011	977		541	11,641		11,641
21	659 Insurance - Other															
22	660 Advertising Expense															
23	666 Reg. Comm. Exp. - Rate Case Amort.															
24	667 Reg. Comm. Exp. - Other												2,342	2,342		2,342
25	670 Bad Debt Expense											3,229		3,229		3,229
26	675 Miscellaneous Expenses	8,744	2,548	4,709	1,611	1,172	628	3,591	540	1,135	1,204	775	3,404	30,061		30,061
27	TOTAL	\$ 71,879	\$ 88,131	\$ 158,844	\$ 144,061	\$ 181,753	\$ 104,974	\$ 100,982	\$ 86,222	\$ 80,869	\$ 87,297	\$ 116,524	\$ 178,437	\$ 1,399,973	\$ (19,282)	\$ 1,380,691

28 Note: Adjustments to record below the line activity for regulatory purposes

Operation & Maintenance Expense Comparison - Water

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001

Schedule: B-7 (A)  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Prior TY 12/31/00	(3) Projected TY 12/31/01	(4) TY Adj.'s per B-3(a)	(5) Adjusted TY 12/31/01	(6) \$ Difference	(7) % Difference	(8) Explanation
1	601 Salaries & Wages - Employees	\$ 314,817	\$ 346,223	\$ 124,295	\$ 470,518	\$ 155,701	49.46 %	-- Increased staff and salaries effective 7/09/01
2	603 Salaries & Wages - Officers, Etc.	66,707	66,707		66,707	-		
3	604 Employee Pensions & Benefits	68,212	50,749	15,276	66,025	(2,187)	(3.21)	
4	610 Purchased Water	349,467	333,948	739,013	1,072,961	723,494	207.03	-- Increased costs due to purchase from Pasco County per B-3
5	615 Purchased Power	80,713	84,497		84,497	3,784	4.69	
6	616 Fuel for Power Purchased	184	228		228	44	23.91	-- Increase immaterial
7	618 Chemicals	89,344	95,870		95,870	6,526	7.30	
8	620 Materials & Supplies	149,028	159,915		159,915	10,887	7.31	
9	631 Contractual Services - Engr	22,340	22,340		22,340	-		
10	632 Contractual Services - Acct.	22,759	22,759		22,759	-		
11	633 Contractual Services - Legal	26,538	26,537		26,537	(1)	-	
13	634 Contractual Services - Mgmt. Fees	-	-		-	-		
14	634 Contractual Services - Testing	5,077	5,204		5,204	127	2.50	
15	636 Contractual Services - Other	62,622	67,198		67,198	4,576	7.31	
16	641 Rental of Building/Real Prop.	2,440	-		-	(2,440)	(100.00)	-- Company no longer rents office space
17	642 Rental of Equipment	1,925	2,066		2,066	141	7.32	
18	650 Transportation Expenses	41,788	42,833		42,833	1,045	2.50	
19	656 Insurance - Vehicle		8,568		8,568	8,568	100.00	-- Reclassification from general liability
20	657 Insurance - General Liability	8,756	3,873		3,873	(4,883)	(55.77)	-- Vehicle ins. combined with general liability
21	658 Insurance - Workman's Comp.	11,641	12,718		12,718	1,077	9.25	-- Increased payroll and salaries
22	659 Insurance - Other		-		-			
23	660 Advertising Expense		-		-			
24	666 Reg Comm Exp. - Rate Case Amort		-	111,625	111,625	111,625	100.00	-- Current rate case estimate per B-10
25	667 Reg Comm. Exp. - Other	68,077	6,742	65,735	72,477	4,400	6.46	
26	670 Bad Debt Expense	3,229	3,229		3,229	-		
27	675 Miscellaneous Expenses	30,061	32,256		32,256	2,195	7.30	
29	TOTAL	\$ 1,425,725	\$ 1,394,460	\$ 1,055,944	\$ 2,450,404	\$ 1,024,679	71.87 %	
30	Total Customers (ERC's)	9,303			9,739	436	4.69 %	
31	Consumer Price Index - U	490.92			503.21	12.29	2.50 %	
32	Benchmark Index: Change in Customer ERC's					1.0469		
33	Increase in CPI					1.0250		
34						1.0731		
35	Note (1) Per Order no PSC-01-1374-PAA-WS							

Operation & Maintenance Expense Comparison - Water

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000

Schedule: B-7 (B)  
 Page 1 of 1  
 Preparer: C.J.N & W

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Prior TY 12/31/00 (1)	(3) Current TY 12/31/00	(4) TY Adj.'s per B-3(a)	(5) Adjusted TY 12/31/00	(6) \$ Difference	(7) % Difference	(8) Explanation
1	601 Salaries & Wages - Employees	\$ 314,817	\$ 295,879	\$ 18,938	\$ 314,817	\$ -	%	
2	603 Salaries & Wages - Officers, Etc	66,707	66,707		66,707	-		
3	604 Employee Pensions & Benefits	68,212	61,716	6,496	68,212	-		
4	610 Purchased Water	349,467	389,484	55,053	444,537	95,070	27.20	-- Purchased water from related parties not adjusted for interim rate purposes per Order No PSC-01-1374-PAA-WS
5	615 Purchased Power	80,713	80,713		80,713	-		
6	616 Fuel for Power Purchased	184	184		184	-		
7	618 Chemicals	89,344	89,344		89,344	-		
8	620 Materials & Supplies	149,028	149,028		149,028	-		
9	631 Contractual Services - Engr	22,340	22,340		22,340	-		
10	632 Contractual Services - Acct	22,759	22,759		22,759	-		
11	633 Contractual Services - Legal	26,538	26,538		26,538	-		
13	634 Contractual Services - Mgmt. Fees	-	-		-	-		
14	634 Contractual Services - Testing	5,077	5,077		5,077	-		
15	636 Contractual Services - Other	62,622	62,622		62,622	-		
16	641 Rental of Building/Real Prop.	2,440	8,558	(6,118)	2,440	-		
17	642 Rental of Equipment	1,925	1,925		1,925	-		
18	650 Transportation Expenses	41,788	41,788		41,788	-		
19	656 Insurance - Vehicle	-	-		-	-		
20	657 Insurance - General Liability	8,756	8,756		8,756	-		
21	658 Insurance - Workman's Comp	11,641	11,641		11,641	-		
22	659 Insurance - Other	-	-		-	-		
23	660 Advertising Expense	-	-		-	-		
24	666 Reg. Comm. Exp - Rate Case Amort	-	-	4,400	4,400	4,400	100.00	-- Amortization of rate case expense for Docket No 000737-WS in OrderNo PSC-01 1245-PAA-WS
25	667 Reg. Comm. Exp - Other	68,077	2,342	65,735	68,077	-		
26	670 Bad Debt Expense	3,229	3,229		3,229	-		
27	675 Miscellaneous Expenses	30,061	30,061		30,061	-		
29	TOTAL	\$ 1,425,725	\$ 1,380,691	\$ 144,504	\$ 1,525,195	\$ 99,470	6.98 %	
30	Total Customers (ERC's)	9,303			9,303	-	%	
31	Consumer Price Index - U	490.92			490.92	-	- %	
32	Benchmark Index: Change in Customer ERC's					1.0000		
33	Increase in CPI					1.0000		
34						1.0000		
35	Note (1). Per Order no. PSC-01-1374-PAA-WS							



Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000

Schedule: B-9  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a complete list of outside services which were incurred during the test year. List by type of service, such as accounting, engineering or legal, and provide specific detail of work performed by each consultant and the associated cost breakdown by items. Provide amounts separated by system and method of allocation if appropriate. Specific detail is not necessary for charges which are less than 2% of the test year revenues for that system. Do not include rate case expense charges.

(1) Line No.	(2) Consultant	(3) Type of Service	(4) Amount	(5) Description of Work Performed
1	Cronin, Jackson,			
2	Nixon & Wilson, CPA's	Accounting & Tax (1)	\$ 26,427	Annual reports, year-end closing entries, general accounting, index adjustment, management advisory services, PSC work, tax returns, DEP reports, Review quarterly client statements, Bank of America required annual audit
3				
4				
5				
6				
7	Rose, Sundstrom &			
8	Bentley	General legal (2)	66,333	General legal services, developer agreements, representation at DEP, PSC and Pasco County, regulatory rules interpretation, general legal advice, index adjustments, assistance with financing and insurance matters.
9				
10				
11				
12	David Porter, PE	General engineering (2)	34,732	DEP compliance, plant operation advice, corrosion control, permitting, construction.
13				
14	All Forms Maintenance	Security (1)	6,800	Security - patrol of plant sites and service areas
15	Interphase, Inc.	Purchased water (2)	71,084	Water for Seven Springs system
16	Tahitian Development, I	Purchased water (2)	52,529	Water for Seven Springs system
17	Notes: (1) Specifically identified where possible, otherwise, allocation between systems is based on ERU's as			
18	described in Note (1) on Schedule B-12 (Aloha Gardens Water - 14%; Aloha Gardens Sewer - 14%; Seven Springs			
19	Water - 36%, Seven Springs Sewer - 36%)			
20	(2) Specifically charged to division to which services related.			

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001

Schedule: B-10  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide the total amount of rate case expense requested in the application. State whether the total includes the amount up to proposed agency action or through a hearing before the Commission. Provide a list of each firm providing services for the applicant, the individuals for each firm assisting in the application, including each individual's hourly rate, and an estimate of the total charges to be incurred by each firm, as well as a description of the type of services provided. Also provide the additional information for amortization and allocation method, including support behind this determination.

(1)	(2)	(3)	(4)	(5)	
Line No.	Firm or Vendor Name	Counsel, Consultant or Witness	Hourly Rate Per Person	Total Estimate of Charges by Firm	Type of Service Rendered
1	Cronin Jackson Nixon	Robert C. Nixon, CPA	\$ 165	\$ 60,000	Accounting and preparation of MFR's, testimony and discovery
2	and Wilson, CPA's	Paul E. DeChario	95	50,000	
3		Ronaldas G. Jurgutis	105	40,000	
4				<u>150,000</u>	
5	Rose Syndstrom and	F. Marshall Deterding	200	250,000	Legal: Pleading, discovery, hearing, general counsel
6	Bentley				
7	David W. Porter PE	David W Porter	80	40,000	Billing analysis, MFR engineering, account analysis, testimony and discovery
8					
9					
10	Filing fees			4,500	
11	Notices			<u>2,000</u>	
12				<u>\$ 446,500</u>	

13 Estimate Through

- 14  PAA
- 15  Commission Hearing

16 Amortization Period 4 Years  
 17 Explanation if different from Section 367.0816, Florida

18 Amortization of Rate Case Expense:	(A)	(B)	(C)
19	Water	Wastewater	Total
20 Prior unamortized rate case expense			
21 Current rate case expense	<u>446,500</u>	<u>-</u>	<u>446,500</u>
22 Total projected rate case expense	<u>\$ 446,500</u>	<u>\$ -</u>	<u>\$ 446,500</u>
23 Annual Amortization (4 year)	<u>\$ 111,625</u>	<u>\$ -</u>	<u>\$ 111,625</u>

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2000 & 2001

Schedule: B-11  
Page 1 of 1  
Preparer: CJN & W

**Explanation:** Provide an analysis of all maintenance projects greater than 2% of test year revenues per system which occurred during the 2 years prior to the test year, the test year, and the budgeted amount for 1 year subsequent to the test year. For each project, provide a description, the total cost or budgeted amount and how often the project should be repeated.

---

Line  
No.

- 1 The Utility had no maintenance projects in excess of 2% of test year revenues. No known projects are budgeted for
- 2 the year subsequent to the test year. Note that Aloha is currently conducting a pilot study to evaluate alternative
- 3 treatment methods. The capital costs which may ultimately be required or any associated maintenance expenses
- 4 cannot be estimated at this time.

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2000  
 Historic [X] or Projected [ ]

Schedule: B-12  
 Page 1 of 4  
 Preparer: CJN & W

Explanation: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Provide a description of all systems other than water and sewer.

Line No.	Acct. No. Desc.	(1) (2) Allocation Percentages		(3) Description of Allocation Method	(4) Total Utility Expense	(5) Total Seven Springs Water Expense	(6) (7) (8) Amounts Allocated		
		Seven Springs Water	All Other(1)				Total Company Amount	Seven Springs Water	All Other
1	601								
2	Salaries - Emp	36%	64%	ERU's	\$ 599,903	\$ 295,879	\$ 341,217	\$ 122,838	\$ 142,516
3	603								
4	Officers Salaries	36%	64%	ERU's	182,398	66,707	182,398	66,707	153,422
5	604								
6	Emp. Benefits	36%	64%	ERU's	199,170	61,716	85,304	30,710	119,334
7	620								
8	Customer and								
9	G&A Supplies	36%	64%	ERU's	86,620	30,660	86,620	30,660	21,829
10	635								
11	Grounds Maint	100%		Direct Charge	1,933	1,933	N/A	1,933	-
12	632								
13	Accounting	36%	64%	ERU's	63,100	22,759	63,100	22,759	23,148
14	657								
15	Vehicle Ins. and								
16	Gen. Liab. Ins.	36%	64%	ERU's	28,379	8,756	28,379	8,756	14,727
17	658								
18	Workers Comp.	36%	64%	ERU's	32,276	11,641	32,276	11,641	12,424
19	675								
20	Security	36%	64%	ERU's	18,576	6,687	18,576	6,687	12,090

21 Notes: (1) Salaries and other expenses are specifically identified and charged directly to the appropriate division (Aloha Gardens  
 22 Water, Aloha gardens Sewer, Seven Springs Water, Seven Springs Sewer), where such assignment is possible. Otherwise, common  
 23 and general and administrative expenses are allocated based on ERC's. 2000 ERC allocation results in the following percentages for each  
 24 of Aloha's four divisions. Aloha Gardens Water - 14%; Aloha Gardens Sewer - 14%; Seven Springs Water - 36%; Seven Springs Sewer - 36%  
 25 Because of growth in the Seven Springs service area, the standard allocation percentages were changed as of January 1, 2001. See  
 26 Note (2) and Page 4 of this Schedule.

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2000  
 Historic [X] or Projected [ ]

Schedule: B-12  
 Page 2 of 4  
 Preparer: CJK & W

Explanation: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Provide a description of all systems other than water and sewer.

Line No.	Allocation Percentages			Description of Allocation Method	Total Utility Expense	Total Seven Springs Water Expense	Amounts Allocated		
	Acct. No. Desc.	Seven Springs Water	All Other(1)				Total Company Amount	Seven Springs Water	All Other
1	(2) ERU allocation percentages for Seven Springs is calculated as follows:								
2							Total ERU's	Seven Springs Sewer	All Other
3									
4									
6		1998					24,731	8,902	15,829
7		Percent					100%	36%	64%
8	(3) Beginning January 1, 2001, the allocation percentage was changed to reflect a greater proportion of customers in the								
9	Seven Springs Service Area due to customer growth See Page 4 of this Schedule for new allocation percentages.								
10	Information required per Rule 25-30.436(4)(h)								
11	Four categories of expenses are based on transaction between related parties:								
12	I.								
13					Total Amount	Allocated Seven Springs Water Amount		Allocated to Other Divisions	Method of Allocation
14			Related Party						
15	Purchased water		Tahitian Development		\$ 52,529	\$ 52,529		\$ -	Direct Chg
16			Interphase, Inc		71,084	71,084		-	Direct Chg
17	Rent		Interphase, Inc.		23,977	6,118	(35%)	15,418	ERU's
18	Grounds maintenance		All Forms Maintenance, Inc.		1,933	18,613	(100%)	-	Direct Chg
19	Security		All Forms Maintenance, Inc.		18,576	6,800	(36%)	11,889	ERU's
20	II None of the costs allocated or charged are in excess of 1% of test year revenue, except for purchased water.								
21	III. 1.) ERU's are used to allocate common expenses between Aloha Gardens and Seven Springs, and between water and wastewater.								
22	This is a fair allocation which recognizes costs on a per customer basis. Such allocation was accepted in the Company's recently								
23	completed audit. The calculation of the allocation percentages based on ERU's is shown above. The allocation of rent is based on an older								
24	calculation, which is immaterial (1% difference), and has been eliminated since purchase of new building See Page 4 of this Schedule for								
25	change in allocation percentages for 2001.								
26									
27	2) All Forms Maintenance, Inc. (AFM) provides equipment (mowers, tractors, bushhogs, edgers, etc ) and labor to maintain he Company's								
28	lift station sites, ponds and treatment plant sites. Each job is specifically identified and the appropriate utility division invoiced. Copies of								
29	the invoices will be furnished to the auditors upon request								
30	IV. An organization chart is shown on Page 3 of this Schedule								
31	V. There are no formal contracts for security or grounds maintenance. The Company does not rent office space as of December,								
32	2000. The Company purchased an office building in November, 2000, as reflected in previous rate filings								
33	VI. No land has been acquired or recorded on the Company's books since rate base was last established by the Commission.								

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2000  
 Historic [X] or Projected [ ]

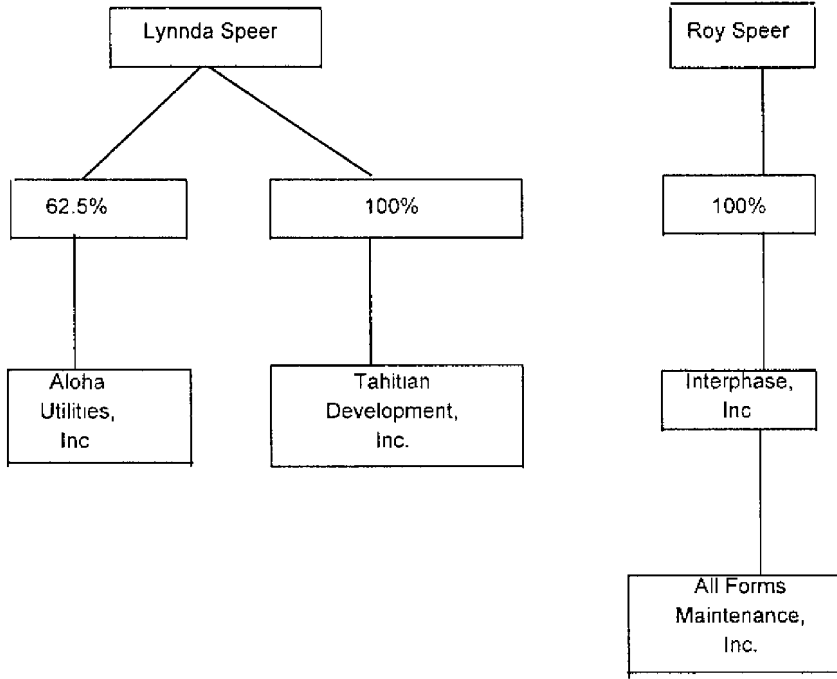
Schedule: B-12  
 Page 3 of 4  
 Preparer: C.J.N & W

Explanation: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Provide a description of all systems other than water and sewer.

Line No.	Acct. No. Desc.	Allocation Percentages		Description of Allocation Method	Total Utility Expense	Total Seven Springs Water Expense	Amounts Allocated		
		Seven Springs Water	All Other(1)				Total Company Amount	Seven Springs Water	All Other

1 Aloha Utilities, Inc. is neither a parent nor a subsidiary of another corporation

2 Stockholder



25 Note Roy and Lynnda Speer are husband and wife

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2001  
 Historic [ ] or Projected [X]

Schedule: B-12  
 Page 4 of 4  
 Preparer: CJN & W

Explanation: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Provide a description of all systems other than water and sewer.

Line No.	Acct. No. Desc.	(1) (2) Allocation Percentages		(3) Description of Allocation Method	(4) Total Utility Expense	(5) Total Seven Springs Water Expense	(6) (7) (8) Amounts Allocated			
		Seven Springs Water	All Other(1)				Total Company Amount	Seven Springs Water	All Other	
1	Allocation of general operation and maintenance expenses effective January 1, 2001 as follows:									
2	The allocation percentage based on average customers of all four divisions (Note (1))									
3							Water	Sewer	Total	
4		Aloha Gardens					12.5%	12.5%	25%	
5										
6		Seven Springs					37.5%	37.5%	75%	
7	Note (1): Service area allocations calculated as follows.									
8		Average water and wastewater customers						Aloha Gardens	Seven Springs	Total
9		(December 31, 1999 and December 31, 2000)								
10							2,980	8,855	11,835	
11		Average water and wastewater customer percentage						25%	75%	100%
12	The above allocation percentages are divided equally between the respective water and sewer divisions in each service area since the number									
13	of water and sewer customers are approximately the same.									

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: B-13 (A)

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2001

Preparer: CJN & W

Historic [ ] or Projected [X]

Recap Schedules: B-1

Explanation: Provide a schedule of test year non-used and useful depreciation expense by primary account

No.	(1) Line Account No. and Name	(2) Test Year 12/31/01	(3) Adjustments	(4) Adjusted Balance	(5) Non-Used & Useful %	(6) Non-Used & Amount
1	INTANGIBLE PLANT					
2	301.1 Organization	4,038		4,038		
3	302.1 Franchises					
4	339.1 Other Plant & Misc. Equipment					
5	SOURCE OF SUPPLY AND PUMPING PLANT					
6	303.2 Land & Land Rights					
7	304.2 Structures & Improvements	2,226		2,226		
8	305.2 Collect. & Impound. Reservoirs					
9	306.2 Lake, River & Other Intakes					
10	307.2 Wells & Springs	24,577		24,577		
11	308.2 Infiltration Galleries & Tunnels					
12	309.2 Supply Mains	1,477		1,477		
13	310.2 Power Generation Equipment	110		110		
14	311.2 Pumping Equipment	3,539		3,539		
15	339.2 Other Plant & Misc. Equipment	3		3		
16	WATER TREATMENT PLANT					
17	303.3 Land & Land Rights					
18	304.3 Structures & Improvements	623		623		
19	320.3 Water Treatment Equipment	2,353		2,353		
20	339.3 Other Plant & Misc. Equipment	215		215		
21	TRANSMISSION & DISTRIBUTION PLANT					
22	303.4 Land & Land Rights					
23	304.4 Structures & Improvements	3,433		3,433		
24	330.4 Distr. Reservoirs & Standpipes	5,675		5,675		
25	331.4 Transm. & Distribution Mains	129,415		129,415		
26	333.4 Services	13,973		13,973		
27	334.4 Meters & Meter Installations	49,449		49,449		
28	335.4 Hydrants	10,168		10,168		
29	339.4 Other Plant & Misc. Equipment	68		68		
30	GENERAL PLANT					
31	303.5 Land & Land Rights					
32	304.5 Structures & Improvements	5,934		5,934		
33	340.5 Office Furniture & Equipment	5,072		5,072		
34	340.5 Computer Equipment	6,700		6,700		
35	341.5 Transportation Equipment	32,602		32,602		
36	342.5 Stores Equipment					
37	343.5 Tools, Shop & Garage Equipment	2,339		2,339		
38	344.5 Laboratory Equipment	752		752		
39	345.5 Power Operated Equipment	1,502		1,502		
40	346.5 Communication Equipment	377		377		
41	347.5 Miscellaneous Equipment	304		304		
42	348.5 Other Tangible Plant					-
42	TOTAL	306,924	-	306,924		-
43	LESS: AMORTIZATION OF CIAC	(231,188)	-	(231,188)		-
44	NET DEPRECIATION EXPENSE - WATER	\$ 75,736	\$ -	\$ 75,736		\$ -

45 Note: All plant is 100% used and useful



Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: B-13 (B)

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2000

Preparer: CJN & W

Historic [X] or Projected [ ]

Recap Schedules: B-1

Explanation: Provide a schedule of test year non-used and useful depreciation expense by primary account

No.	(1) Line Account No. and Name	(2) Test Year 12/31/00	(3) Adjustments	(4) Adjusted Balance	(5) Non-Used & Useful %	(6) Non-Used & Amount
1	INTANGIBLE PLANT					
2	301.1 Organization	4,038		4,038		
3	302.1 Franchises	38		38		
4	339.1 Other Plant & Misc. Equipment					
5	SOURCE OF SUPPLY AND PUMPING PLANT					
6	303.2 Land & Land Rights					
7	304.2 Structures & Improvements	2,226		2,226		
8	305.2 Collect. & Impound. Reservoirs					
9	306.2 Lake, River & Other Intakes					
10	307.2 Wells & Springs	24,767		24,767		
11	308.2 Infiltration Galleries & Tunnels					
12	309.2 Supply Mains	1,597		1,597		
13	310.2 Power Generation Equipment	110		110		
14	311.2 Pumping Equipment	3,173		3,173		
15	339.2 Other Plant & Misc. Equipment	3		3		
16	WATER TREATMENT PLANT					
17	303.3 Land & Land Rights					
18	304.3 Structures & Improvements	623		623		
19	320.3 Water Treatment Equipment	2,353		2,353		
20	339.3 Other Plant & Misc. Equipment	215		215		
21	TRANSMISSION & DISTRIBUTION PLANT					
22	303.4 Land & Land Rights					
23	304.4 Structures & Improvements	3,433		3,433		
24	330.4 Distr. Reservoirs & Standpipes	6,177		6,177		
25	331.4 Transm. & Distribution Mains	117,243		117,243		
26	333.4 Services	12,044		12,044		
27	334.4 Meters & Meter Installations	46,991		46,991		
28	335.4 Hydrants	8,844		8,844		
29	339.4 Other Plant & Misc. Equipment	68		68		
30	GENERAL PLANT					
31	303.5 Land & Land Rights					
32	304.5 Structures & Improvements	2,996		2,996		
33	340.5 Office Furniture & Equipment	4,857		4,857		
34	340.5 Computer Equipment	6,700		6,700		
35	341.5 Transportation Equipment	32,602		32,602		
36	342.5 Stores Equipment					
37	343.5 Tools, Shop & Garage Equipment	2,416		2,416		
38	344.5 Laboratory Equipment	752		752		
39	345.5 Power Operated Equipment	1,502		1,502		
40	346.5 Communication Equipment	1,096		1,096		
41	347.5 Miscellaneous Equipment	304		304		
42	348.5 Other Tangible Plant	-		-		-
43	TOTAL	287,168	-	287,168		-
44	LESS: AMORTIZATION OF CIAC	(213,352)	-	(213,352)		-
45	NET DEPRECIATION EXPENSE - WATER	\$ 73,816	\$ -	\$ 73,816		\$ -
46	Note: All plant is 100% used and useful					

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001  
 Historic [ ] or Projected [X]

Schedule: B-15(A)  
 Page 1 of 1  
 Preparer: CJN & W  
 Recap Schedules: B-1, B-2

Explanation: Complete the following schedule of all taxes other than income. For all allocations, provide description of allocation and calculations.

(1)	(2)	(3)	(4)	(5)	(6)	
No.	Line Description	Regulatory Assessment Fees (RAFs)	Payroll Taxes	Real Estate & Personal Property	Other	Total
<b>WATER</b>						
1	Test Year Per Books	\$ 88,536	\$ 37,286	\$ 150,682	\$ 2,277	\$ 278,781
Adjustments to Test Year (Explain)						
2	Payroll Tax for added employees		7,327			7,327
3						-
4						-
5						-
6	Total Test Year Adjustments	-	7,327	-	-	7,327
7	Adjusted Test Year	88,536	44,613	150,682	2,277	286,108
8	RAFs Assoc. with Revenue Increase	48,480	-	-	-	48,480
9	Total Balance	<u>\$ 137,016</u>	<u>\$ 44,613</u>	<u>\$ 150,682</u>	<u>\$ 2,277</u>	<u>\$ 334,588</u>
<b>SEWER</b>						
10	Test Year Per Books					
Adjustments to Test Year (Explain)						
11	Increase in tangible tax per B-3					-
12	Payroll Tax for added employees		-			-
13	RAFs assoc. with annualized revenue	-				-
14			-	-	-	-
15	Total Test Year Adjustments	-	-	-	-	-
16	Adjusted Test Year	-	-	-	-	-
17	RAFs Assoc. with Revenue Increase	-	-	-	-	-
18	Total Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 Historic [X] or Projected [ ]

Schedule: B-15(B)  
 Page 1 of 1  
 Preparer: CJN & W  
 Recap Schedules: B-1, B-2

Explanation: Complete the following schedule of all taxes other than income. For all allocations, provide description of allocation and calculations.

(1)	(2)	(3)	(4)	(5)	(6)	
No.	Line Description	Regulatory Assessment Fees (RAFs)	Payroll Taxes	Real Estate & Personal Property	Other	Total
<b>WATER</b>						
1	Test Year Per Books	\$ 80,825	\$ 33,664	\$ 129,409	\$ 2,277	\$ 246,175
Adjustments to Test Year (Explain)						
2	RAFs assoc. with annualized revenue	2,446				2,446
3	Proforma per Order (see B-3)		1,449			1,449
4						
5						
6	<b>Total Test Year Adjustments</b>	<u>2,446</u>	<u>1,449</u>	<u>-</u>	<u>-</u>	<u>3,895</u>
7	<b>Adjusted Test Year</b>	83,271	35,113	129,409	2,277	250,070
8	<b>RAFs Assoc. with Revenue Increase</b>	<u>5,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,922</u>
9	<b>Total Balance</b>	<u>\$ 89,193</u>	<u>\$ 35,113</u>	<u>\$ 129,409</u>	<u>\$ 2,277</u>	<u>\$ 255,992</u>
<b>SEWER</b>						
10	Test Year Per Books	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to Test Year (Explain)						
11	RAFs assoc. with annualized revenue	-				-
12						
13						
14						
15	<b>Total Test Year Adjustments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
16	<b>Adjusted Test Year</b>	0	0	0	0	0
17	<b>RAFs Assoc. with Revenue Increase</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
18	<b>Total Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Reconciliation of Total Income Tax Provision

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Packet No.: 010503-WU  
 Test Year Ended: December 31, 2001  
 Interim [ ] Final [X]  
 Historic [ ] or Projected [X]

Schedule: C-1(A)  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a reconciliation between the total operating income tax provision and the currently payable income taxes on operating income for the test year.

Line No.	Description	Ref.	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Current Tax Expense	C-2(a)					
2	Deferred Income Tax Expense	C-5(a)	111,064	(61,500)	49,564	49,564	
3	ITC Realized This Year	C-8					
4	ITC Amortization	C-8					
5	(3% ITC and IRC 46(f)(2))						
6	Parent Debt Adjustment	C-9	-	-	-	-	-
7	Total Income Tax Expense		<u>\$ 111,064</u>	<u>\$ (61,500)</u>	<u>\$ 49,564</u>	<u>\$ 49,564</u>	<u>\$ -</u>

Supporting Schedules: C-2, C-5, C-8, C-9  
 Recap Schedules: B-1, B-2

Reconciliation of Total Income Tax Provision

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000 & 2001  
 Interim  Final   
 Historic  or Projected

Schedule: C-1(B)  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a reconciliation between the total operating income tax provision and the currently payable income taxes on operating income for the test year.

Line No.	Description	Ref.	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Current Tax Expense	C-2(a)					
2	Deferred Income Tax Expense	C-5(a)	207,181	(173,521)	33,660	33,660	
3	ITC Realized This Year	C-8					
4	ITC Amortization	C-8					
5	(3% ITC and IRC 46(f)(2))						
6	Parent Debt Adjustment	C-9	-	-	-	-	-
7	Total Income Tax Expense		<u>\$ 207,181</u>	<u>\$ (173,521)</u>	<u>\$ 33,660</u>	<u>\$ 33,660</u>	<u>\$ -</u>

Supporting Schedules: C-2, C-5, C-8, C-9  
 Recap Schedules: B-1, B-2

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2001  
 Interim [ ] Final [X]  
 Historic [ ] or Projected [X]

Schedule: C-2 (A)  
 Page 1 of 2  
 Preparer: CJN & W

Explanation: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income taxes and investment tax credits generated.

Line No.		Total Per Books	Utility Adjustments(1)	Utility Adjusted	Water	Sewer
1	Net Utility Operating Income (Sch. B-1 & B-2)	\$ 199,624	\$ (34,415)	\$ 165,209	\$ 165,209	\$ -
2	Add: Income Tax Expense Per Books (Sch. B-1)	-	-	-	-	-
3	Subtotal	199,624	(34,415)	165,209	165,209	-
4	Less: Interest Charges (Sch. C-3)	1,033,238	(995,271)	37,967	37,967	-
5	Taxable Income Per Books	(833,614)	960,856	127,242	127,242	-
Schedule M Adjustments:						
6	Permanent Differences (From Sch. C-4)	-	-	-	-	-
7	Timing Differences (From Sch. C-5)	295,147	(163,433)	131,714	131,714	-
8	Total Schedule M Adjustments	295,147	(163,433)	131,714	131,714	-
9	Taxable Income Before State Taxes	(1,128,761)	1,124,289	(4,472)	(4,472)	-
10	Less: State Income Tax Exemption (\$5,000)	5,000	-	5,000	5,000	-
11	State Taxable Income	(1,133,761)	1,124,289	(9,472)	(9,472)	-
12	State Income Tax (5.5% of Line 11)*	-	-	-	-	-
13	Emergency Excise Tax	-	-	-	-	-
14	Credits	-	-	-	-	-
15	Current State Income Taxes	-	-	-	-	-
16	Federal Taxable Income (Line 9 - Line 15)	(1,133,761)	1,124,289	(9,472)	(9,472)	-
17	Federal Income Tax Rate	0.34	0.34	0.34	0.34	0.34
18	Federal Income Taxes (Line 16 x Line 17)	-	-	-	-	-
19	Less: Investment Tax Credit Realized This Year (Sch. C-8)	-	-	-	-	-
20	Current Federal Inc. Taxes (Line 18 - Line 19)	-	-	-	-	-
Summary:						
21	Current State Income Taxes (Line 15)	-	-	-	-	-
22	Current Federal Income Taxes (Line 20)	-	-	-	-	-
23	Total Current Income Tax Expense (To C-1)	\$ -	\$ -	\$ -	\$ -	\$ -

24 Note (1): Adjustments to test year operating income are shown on Schedules B-1, B-2, B-3 and C-5.

Supporting Schedules: B-1,B-2,C-3,C-4,C-5,C-8

Recap Schedules: C-1

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2000 & 2001  
 Interim  Final   
 Historic  or Projected

Schedule: C-2 (B)  
 Page 2 of 2  
 Preparer: CJN & W

Explanation: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income taxes and investment tax credits generated.

Line No.		Total Per Books	Utility Adjustments(1)	Utility Adjusted	Water	Sewer
1	Net Utility Operating Income (Sch. B-1 & B-2)	\$ 102,120	\$ 37,535	\$ 139,654	\$ 139,654	\$ -
2	Add: Income Tax Expense Per Books (Sch. B-1)	34,072	-	34,072	34,072	-
3	Subtotal	136,192	37,535	173,726	173,726	-
4	Less: Interest Charges (Sch. C-3)	751,336	(722,018)	29,318	29,318	-
5	Taxable Income Per Books	(615,144)	759,553	144,408	144,408	-
Schedule M Adjustments:						
6	Permanent Differences (From Sch. C-4)	-	-	-	-	-
7	Timing Differences (From Sch. C-5(a))	550,574	(461,124)	89,450	89,450	-
8	Total Schedule M Adjustments	550,574	(461,124)	89,450	89,450	-
9	Taxable Income Before State Taxes (2)	(1,165,718)	1,220,677	54,958	54,958	-
10	Less: State Income Tax Exemption (\$5,000)	5,000	-	5,000	5,000	-
11	State Taxable Income (2)	(1,170,718)	1,220,677	49,958	49,958	-
12	State Income Tax (5.5% of Line 11)*					
13	Emergency Excise Tax					
14	Credits					
15	Current State Income Taxes	-	-	-	-	-
16	Federal Taxable Income (Line 9 - Line 15)	(1,170,718)	1,220,677	49,958	49,958	-
17	Federal Income Tax Rate	0.34	0.34	0.34	0.34	0.34
18	Federal Income Taxes (Line 16 x Line 17) (2)					
19	Less: Investment Tax Credit Realized This Year (Sch. C-8)	-	-	-	-	-
20	Current Federal Inc. Taxes (Line 18 - Line 19)	-	-	-	-	-
Summary:						
21	Current State Income Taxes (Line 15)	-	-	-	-	-
22	Current Federal Income Taxes (Line 20)	-	-	-	-	-
23	Total Current Income Tax Expense (To C-1)	\$ -	\$ -	\$ -	\$ -	\$ -

24 Note (1). Adjustments to test year operating income for interim rates are shown on Schedules B-1(a), B-2(a) and B-3(a)

25 (2) Because no current tax is due on a total company basis, no current tax is calculated for the Seven Springs water division

Supporting Schedules: B-1,B-2,C-3,C-4,C-5,C-8

Recap Schedules: C-1



Schedule of Interest In Tax Expense Calculation

Florida Public Service Commission

Schedule: C-3 (A)

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Page 1 of 1

Docket No.: 010503-WU

Preparer: CJN & W

Schedule Year Ended: December 31, 2001

Historic [ ] or Projected [X]

Explanation: Provide the amount of interest expense used to calculate income taxes on Schedule No. C-2. Explain any changes in interest expense in detail giving amount of change and reason for change. If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income taxes payable, the differing bases should be clearly identified.

Line No.	Description	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Interest on Long-Term Debt	\$ 831,040	\$ (809,939)	\$ 21,101	\$ 21,101	
2	Amortization of Debt Premium, Disc. and Expense Net	-		-		
3	Interest on Short-Term Debt			-		
4	Other Interest Expense	33,732	(16,866)	16,866	16,866	
5	AFUDC	168,466	(168,466)	-		
6	ITC Interest Synchronization (IRC 46(f)(2) only - See below)	N/A				
7	Total Used For Tax Calculation	<u>\$ 1,033,238</u>	<u>\$ (995,271)</u>	<u>\$ 37,967</u>	<u>\$ 37,967</u>	<u>\$ -</u>

8 Note: Utility adjustments to remove interest related to other Aloha divisions

Calculation of ITC Interest Synchronization Adjustment

ONLY for Option 2 companies (See Sch. C-8, pg. 4)

	Balances From Schedule D-1	Amount	Ratio	Cost	Total Weighted Cost	Debt Only Weighted Cost
9	Long-Term Debt	\$ -	-	This Schedule is not applicable		
10	Short-Term Debt	-				
11	Preferred Stock	-				---
12	Common Equity	-				---
13	Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
14	ITCs (from D-1, Line 7)					
15	Weighted Debt Cost (From Line 12)	-				
16	Interest Adjustment (To Line 6)	<u>\$ -</u>				

Supporting Schedules: D-1,C-8

Recap Schedules: C-2

Schedule of Interest In Tax Expense Calculation

Florida Public Service Commission

Schedule: C-3 (B)

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Page 1 of 1

Docket No.: 010503-WU

Preparer: CJN & W

Schedule Year Ended: December 31, 2000

Historic [X] or Projected [ ]

Explanation: Provide the amount of interest expense used to calculate income taxes on Schedule No. C-2. Explain any changes in interest expense in detail giving amount of change and reason for change. If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income taxes payable, the differing bases should be clearly identified.

Line No.	Description	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Interest on Long-Term Debt	\$ 672,134	\$ (666,371)	\$ 5,763	\$ 5,763	
2	Amortization of Debt Premium, Disc. and Expense Net	-		-		
3	Interest on Short-Term Debt			-		
4	Other Interest Expense	31,194	(15,597)	15,597	15,597	
5	AFUDC	48,008	(40,050)	7,958	7,958	
6	ITC Interest Synchronization (IRC 46(f)(2) only - See below)	N/A				
7	Total Used For Tax Calculation	<u>\$ 751,336</u>	<u>\$ (722,018)</u>	<u>\$ 29,318</u>	<u>\$ 29,318</u>	<u>\$ -</u>

8 Note: Utility adjustments to remove interest related to other Aloha divisions

Calculation of ITC Interest Synchronization Adjustment

ONLY for Option 2 companies (See Sch. C-8, pg. 4)

Balances From Schedule D-1	Amount	Ratio	Cost	Total Weighted Cost	Debt Only Weighted Cost
9 Long-Term Debt	\$ -	This Schedule is not applicable			
10 Short-Term Debt	-				
11 Preferred Stock	-				---
12 Common Equity	-	-	-	-	---
13 Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
14 ITCs (from D-1, Line 7)					
15 Weighted Debt Cost (From Line 12)	-				
16 Interest Adjustment (To Line 6)	<u>\$ -</u>				

Supporting Schedules: D-1,C-8

Recap Schedules: C-2

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: C-4

Docket No.: 010503-WU

Page 1 of 1

Schedule Year Ended: December 31, 2000 & 2001

Preparer: CJK & W

Historic  or Projected

Explanation: Provide the description and amount of all book/tax differences accounted for as permanent differences. This would include any items accounted for on a flow through basis.

---

Line

No.

1 There are no permanent book/tax differences

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001  
 -historic [ ] or Projected [X]

Schedule: C-5 (A)  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

Line No.	Description	Total Per Books	Utility Adjustments(1)	Utility Adjusted	Water	Sewer
1	Timing Differences:					
2	Tax Depreciation and Amortization	\$ 797,903	\$ (558,620)	\$ 239,283	\$ 239,283	
3	Book Depreciation and Amortization	466,903	(395,187)	71,716	71,716	
4	Difference	331,000	(163,433)	167,567	167,567	-
5	Other Timing Differences (Itemize):					
6	Taxable meter fees	(35,853)		(35,853)	(35,853)	
7				-	-	
				-	-	
				-	-	
8	Total Timing Differences (To C-2)	295,147	(163,433)	131,714	131,714	-
9	State Tax Rate	0.055	0.055	0.055	0.055	0.055
10	State Deferred Taxes ( Line 8 x Line 9) (Limited by NOL)	16,233	(8,989)	7,244	7,244	-
		-	-	-	-	-
11	Timing Differences For Federal Taxes					
12	(Line 8 - Line 10)	278,914	(154,444)	124,470	124,470	-
13	Federal Tax Rate	0.34	0.34	0.34	0.34	0.34
14	Federal Deferred Taxes (Line 11 x Line 12)	94,831	(52,511)	42,320	42,320	-
15	Add: State Deferred Taxes (Line 10)	16,233	(8,989)	7,244	7,244	-
16	Total Deferred Tax Expense (To C-1)	\$ 111,064	\$ (61,500)	\$ 49,564	\$ 49,564	\$ -

17 Note (1): Adjustment to remove other operating divisions not involved in this rate case.

Supporting Schedules: None  
 Recap Schedules: C-2

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 historic  or Projected  ]

Schedule: C-5 (B)  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

Line No.	Description	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Timing Differences:					
2	Tax Depreciation and Amortization	\$ 1,019,272	\$ (811,130)	\$ 208,142	\$ 208,142	
3	Book Depreciation and Amortization	422,710	(350,006)	72,704	72,704	
4	Difference	596,562	(461,124)	135,438	135,438	-
5	Other Timing Differences (Itemize):					
6	Taxable meter fees	(45,988)		(45,988)	(45,988)	
7				-	-	
				-	-	
				-	-	
8	Total Timing Differences (To C-2)	550,574	(461,124)	89,450	89,450	-
9	State Tax Rate	0.055	0.055	0.055	0.055	0.055
10	State Deferred Taxes ( Line 8 x Line 9) (Limited by NOL)	30,282	(25,362)	4,920	4,920	-
		-	-	-	-	-
11	Timing Differences For Federal Taxes					
12	(Line 8 - Line 10)	520,292	(435,762)	84,530	84,530	-
13	Federal Tax Rate	0.34	0.34	0.34	0.34	0.34
14	Federal Deferred Taxes (Line 11 x Line 12)	176,899	(148,159)	28,740	28,740	-
15	Add: State Deferred Taxes (Line 10)	30,282	(25,362)	4,920	4,920	-
16	Total Deferred Tax Expense (To C-1)	\$ 207,181	\$ (173,521)	\$ 33,660	\$ 33,660	\$ -

Note (1): Adjustment to remove other operating divisions not involved in this rate case.

Supporting Schedules: None  
 Recap Schedules: C-2

Accumulated Deferred Income Taxes - Summary

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2000 & 2001  
 Historic [X] Projected [X]

Schedule: C-6  
 Page 1 of 3  
 Preparer: CJN & W

Explanation: For each of the accumulated deferred tax accounts provide a summary of the ending balances as reported on pages 2 & 3 of this schedule. The same annual balances should be shown.

Line No.	Year	Account No. 190.0001			Account No. 281.0001			Net Deferred Income Taxes		
		State	Federal	Total	State	Federal	Total	State	Federal	Total
1	<u>Seven Springs Water</u>									
2	Dec 2000	149,853	875,789	1,025,642	(19,982)	(145,560)	(165,542)	129,871	730,229	860,100
3	Dec 2001	146,502	856,212	1,002,714	(23,876)	(168,303)	(192,179)	122,626	687,909	810,535
4	<u>Total Company</u>									
5	Dec 2000 (1)	340,778	1,992,274	2,333,052	(86,441)	(569,290)	(655,731)	254,337	1,422,984	1,677,321
6	Dec 2001	328,344	1,919,819	2,248,163	(90,241)	(591,486)	(681,727)	238,103	1,328,333	1,566,436
7	Note (1): Balances as established in Order No. PSC-01-1374-PAA-WS									

Supporting Schedules: C-7, Pg 2 & 3  
 Recap Schedules: A-18,A-19,D-2

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2000 & 2001  
 Historic [X] Projected [X]

Schedule: C-6  
 Page 2 of 3  
 Preparer: CJN & W

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Line No.	Year	Account No. 190.0001 Deferred Tax Debits				Account No. 281.001 (Deferred Tax Credits)					
		Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1	<u>Seven Springs Water</u>										
2	Dec 2000					149,853					(19,982)
3	Dec 2001	149,853	(3,351)			146,502	(19,982)	(3,894)			(23,876)
4	<u>Total Company</u>										
5	Dec 2000 (1)					340,778	-				(86,441)
6	Dec 2001	340,778	(12,434)			328,344	(86,441)	(3,800)			(90,241)
7	Note (1): Balances as established in Order No. PSC-01-1374-PAA-WS										

Supporting Schedules: None  
 Recap Schedules: C-6

Accumulated Deferred Income Taxes - Federal

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Schedule Year Ended: December 31, 2000 & 2001  
 Historic [X] Projected [X]

Schedule: C-6  
 Page 3 of 3  
 Preparer: CJN & W

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Line No.	Year	Account No. 190.0001 Deferred Tax Debits				Account No. 281.001 (Deferred Tax Credits)					
		Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1	<u>Seven Springs Water</u>										
2	Dec 2000					875,789					(145,560)
3	Dec 2001	875,789	(19,577)			856,212	(145,560)	(22,743)			(168,303)
4	<u>Total Company</u>										
5	Dec 2000 (1)					1,992,274	-				(569,290)
6	Dec 2001	1,992,274	(72,455)			1,919,819	(569,290)	(22,196)			(591,486)
7	Note (1): Balances as established in Order No. PSC-01-1374-PAA-WS										

Supporting Schedules: None  
 Recap Schedules: C-6



Investment Tax Credits - Analysis

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: C-7

Docket No.: 010503-WU

Page 1 of 4

Test Year Ended: December 31, 2001

Preparer: CJN & W

Explanation: Provide an analysis of accumulated tax credits generated and amortized on an annual basis beginning with the test year in the last rate case to the end of the current test year. Amounts provided by the Revenue Act of 1971 and subsequent acts should be shown separately from amounts applicable to prior laws. Identify progress payments separately.

Line No.	Year	3% ITC						4% ITC						
		Amount Realized			Amortization			Amount Realized			Amortization			
		Beginning Balance	Current Year	Prior Year Adjust.	Current Year	Prior Year Adjust.	Ending Balance	Beginning Balance	Current Year	Prior Year Adjust.	Current Year	Prior Year Adjust.	Ending Balance	
1														

Supporting Schedules: None  
 Recap Schedules: C-2, C-3, C-10, D-2, A-18, A-19

Investment Tax Credits - Analysis

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001

Schedule: C-7  
 Page 2 of 4  
 Preparer: CJN & W

Explanation: Provide an analysis of accumulated tax credits generated and amortized on an annual basis beginning with the test year in the last rate case to the end of the current test year. Amounts provided by the Revenue Act of 1971 and subsequent acts should be shown separately from amounts applicable to prior laws. Identify progress payments separately.

Line No.	Year	8% ITC						10% ITC						
		Amount Realized		Amortization		Ending Balance	Amount Realized		Amortization		Ending Balance			
		Beginning Balance	Current Year	Prior Year Adjust.	Current Year		Prior Year Adjust.	Beginning Balance	Current Year	Prior Year Adjust.		Current Year	Prior Year Adjust.	
1														
		-				-	-							-
		-				-	-							-
		-				-	-							-
		-				-	-							-

Supporting Schedules: None  
 Recap Schedules: C-2, C-3, C-10, D-2, A-18, A-19

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: C-7

Docket No.: 010503-WU

Page 3 of 4

Test Year Ended: December 31, 2001

Preparer: CJK & W

Explanation: Explain accounting policy as to method of amortization for both progress payment and other ITC. Explanation should include at least a description of how the time period for amortization is determined, when it begins, under what circumstances it changes, etc. If there are unused ITC, supply a schedule showing year generated, amount generated, total amount used and remaining unused portion.

---

Line  
No.

- 1 There were no unused investment tax credits at December 31, 2000 or 2001. The last available ITC was used
- 2 in 1987 and the Company fell under the general rule of Section 46(f). Therefore, this schedule is not
- 3 applicable.

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: C-7

Docket No.: 010503-WU

Page 4 of 4

Test Year Ended: December 31, 2001

Preparer: CJN & W

Explanation: Provide a copy of the election made under Section 46(f), Internal Revenue Code.

---

Line  
No.

1 The Company has not filed a Section 46(f) investment tax credit election.

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: C-8

Docket No.: 010503-WU

Page 1 of 1

Schedule Year Ended: December 31, 2001

Preparer: CJN & W

Explanation: Provide the information required to adjust income tax expense by the interest expense of the parent(s) that may be invested in the equity of the applicant. If a year-end rate base is used, provide on both a year-end and an average basis. Amounts should be parent only.

Line No.	Description	Parent's Name:		None	Weighted Cost
		Amount	% of Total	Cost Rate	
1	Long-Term Debt	N/A	%	%	%
2	Short-Term Debt				
3	Preferred Stock				
4	Common Equity - Common Stock				
5	Retained Earnings - Parent Only				
6	Deferred Income Tax				
7	Other Paid in Capital				-
8	<b>Total</b>	<u>\$ -</u>	<u>- %</u>		<u>- %</u>
9	<b>Weighted Cost Parent Debt X 37.63% (or applicable consolidated tax rate)</b>				
10	<b>X Equity of Subsidiary (To C-1)</b>				
11	Aloha Utilities, Inc., is neither the parent or subsidiary of any Company; therefore, this Schedule is not applicable				

Supporting Schedules: None  
 Recap Schedules: C-3

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: C-9

Docket No.: 010503-WU

Page 1 of 1

Schedule Year Ended: December 31, 2000

Preparer: CJK & W

**Explanation:** Provide a copy of the most recently filed federal income tax return, state income tax return and most recent final IRS revenue agent's report for the applicant or consolidated entity (whichever type of return is filed). A statement of when and where the returns and reports are available for review may be provided in lieu of providing the returns and reports.

---

**Line  
No.**

- 1 Copies of the tax returns and other information will be made available when requested at the offices of Cronin,
- 2 Jackson, Nixon and Wilson, CPA's, Clearwater, Florida.

**Miscellaneous Tax Information**

**Florida Public Service Commission**

**Company: Aloha Utilities, Inc.; Seven Springs Water Division**  
**Docket No.: 010503-WU**  
**Test Year Ended: December 31, 2001**

**Schedule: C-10**  
**Page 1 of 1**  
**Preparer: CJN & W**

**Explanation: Provide answers to the following questions with respect to the applicant or its consolidated entity.**

---

- (1) What tax years are currently open with the Internal Revenue Service? 1998 and 1999**
- (2) Is the treatment of customer deposits at issue with the IRS? No**
- (3) Is the treatment of contributions in aid of construction at issue with the IRS? No**
- (4) Is the treatment of unbilled revenues at issue with the IRS? No**





Schedule of Requested Cost of Capital  
Thirteen Month Average

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2001  
Schedule Year Ended: December 31, 2001  
Historic [ ] or Projected [X]

Schedule: D-1  
Page 1 of 2  
Preparer: CJN & W

Subsidiary [ ] or Consolidated [ ]

Explanation: Provide a schedule which calculates the requested Cost of Capital on a 13-month average basis. If a year-end basis is used, submit an additional schedule reflecting year-end calculations.

Line No.		(1) Total Capital	(2) Ratio	(3) Cost Rate	(4) Weighted Cost
1	Long-Term Debt	1,023,313	56.18 %	9.03 %	5.07 %
2	Short-Term Debt			-	
3	Preferred Stock	174,134	9.56	9.93	0.95
4	Customer Deposits	163,206	8.96	6.00	0.54
5	Common Equity	460,837	25.30	9.93	2.51
6	Tax Credits - Zero Cost				
7	Accumulated Deferred Income Tax				
8	Other (Explain)				
9	Total	<u>1,821,490</u>	<u>100.00 %</u>		<u>9.07 %</u>

Schedule of Requested Cost of Capital  
Thirteen Month Average

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2000  
Schedule Year Ended: December 31, 2000  
Historic [X] or Projected [ ]

Schedule: D-1  
Page 2 of 2  
Preparer: CJK & W

Subsidiary [ ] or Consolidated [ ]

Explanation: Provide a schedule which calculates the requested Cost of Capital on a 13-month average basis. If a year-end basis is used, submit an additional schedule reflecting year-end calculations.

Line No.		(1) Total Capital	(2) Ratio	(3) Cost Rate	(4) Weighted Cost
1	Long-Term Debt	805,591	53.82 %	10.10 %	5.44 %
2	Short-Term Debt			-	
3	Preferred Stock	136,361	9.11	8.93	0.81
4	Customer Deposits	118,100	7.89	6.00	0.47
5	Common Equity	436,774	29.18	8.93	2.61
6	Tax Credits - Zero Cost				
7	Accumulated Deferred Income Tax				
8	Other (Explain)				
9	<b>Total</b>	<u>\$ 1,496,826</u>	<u>100.00 %</u>		<u>9.33 %</u>

Reconciliation of Capital Structure to Requested Rate Base  
Thirteen Month Average

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2001  
Schedule Year Ended: December 31, 2001  
Historic [ ] Projected [X]

Schedule: D-2  
Page 1 of 2  
Preparer: CJN & W

Explanation: Provide a reconciliation of the 13-month average capital structure to requested rate base. Explain all adjustments. Submit an additional schedule if a year-end basis is used.

Line No.	(1) Class of Capital	(2) Test Year Per Books	(4) Reconciliation Adjustments		(6) Reconciled To Requested Rate Base
			(3) Specific	(5) Prorata % Prorata Amount	
1	Long-Term Debt	\$ 3,525,036		56.18 % (2,501,723)	1,023,313
2	Short-Term Debt	0			
3	Preferred Stock	600,000		9.56 (425,866)	174,134
4	Common Equity	1,587,440		25.30 (1,126,603)	460,837
5	Customer Deposits	562,205		8.96 (398,999)	163,206
6	Tax Credits - Zero Cost				
7	Tax Credits - Wtd. Cost				
8	Accum. Deferred Income Tax				
9	Accum. Deferred Income Tax				
10	(Debits)(Note 2)				
11	Total	\$ 6,274,681	\$ -	100.00 % \$ (4,453,191)	\$ 1,821,490

12 \* List corresponding adjustments to rate base below:

13	Description	Amount
----	-------------	--------

Supporting Schedules: A-19,C-7,C-8,D-3,D-4,D-5,D-7  
Recap Schedules: D-1

Reconciliation of Capital Structure to Requested Rate Base  
Thirteen Month Average (Interim Rates)

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2000  
Schedule Year Ended: December 31, 2000  
Historic [X] Projected [ ]

Schedule: D-2  
Page 2 of 2  
Preparer: CJN & W

Explanation: Provide a reconciliation of the 13-month average capital structure to requested rate base. Explain all adjustments. Submit an additional schedule if a year-end basis is used.

Line No.	(1) Class of Capital	(2) Test Year Per Books	(4) Reconciliation Adjustments			(6) Reconciled To Requested Rate Base
			(3) Specific	(4) Prorata %	(5) Prorata Amount	
1	Long-Term Debt	\$ 3,545,866		53.82 %	(2,740,275)	805,591
2	Short-Term Debt	0				
3	Preferred Stock	600,000		9.11	(463,639)	136,361
4	Common Equity	1,922,544		29.18	(1,485,770)	436,774
5	Customer Deposits	519,905		7.89	(401,805)	118,100
6	Tax Credits - Zero Cost					
7	Tax Credits - Wtd. Cost					
8	Accum. Deferred Income Tax					
9	Accum Deferred Income Tax					
10	(Debits)(Note 2)					
11	Total	\$ 6,588,315	\$ -	100.00 %	\$ (5,091,489)	\$ 1,496,826

12 \* List corresponding adjustments to rate base below:

13	Description	Amount
----	-------------	--------

Supporting Schedules: A-19,C-7,C-8,D-3,D-4,D-5,D-7  
Recap Schedules: D-1

Preferred Stock Outstanding

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001  
 Utility  or Parent   
 Historic  or Projected

Explanation: Provide data as specified on preferred stock on a 13-month average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

Schedule: D-3(A)  
 Page 1 of 1  
 Preparer: CJN & W

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
			Call	Principal		(Discount)	(Discount)	Issuing	Issuing		Rate	Dollar	
Line	Description, Coupon	Issue Date	Provis.,	Amount	Principal	or Premium	or Premium	Expense	Expense	Net Proceeds	(Contract	Dividend	Effective
No.	Rate, Years of Life		Special	(Face	Amount	on Principal	With	Associated	Associated	(5)-(9)+(7)	Rate on	On Face Value	Cost Rate
			Restrict.	Value)	Outstanding	Amount Sold	Col (5)	With Col(4)	With Col(5)		Face	(11)x(5)	(12)/(10)
1	Cumulative 15 5%	5/1/82	None	\$ 600,000	\$ 600,000					\$ 600,000	9.93%	\$ 59,580	9.93%

2 Note: Per Order No. PSC-99-1917-PAA-WS, Issued September 02, 1999, The cost rate is reduced to the most current leverage graph rate of return.

75

Preferred Stock Outstanding

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 Utility  or Parent   
 Historic  or Projected

Explanation: Provide data as specified on preferred stock on a 13-month average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

Schedule: D-3(B)  
 Page 1 of 1  
 Preparer: CJN & W

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Line No.	Description, Coupon Rate, Years of Life	Issue Date	Call Provis., Special Restrict.	Principal Amount Sold (Face Value)	Principal Amount Outstanding	(Discount) or Premium on Principal Amount Sold	(Discount) or Premium Associated With Col (5)	Issuing Expense Associated With Col(4)	Issuing Expense Associated With Col(5)	Net Proceeds (5)-(9)+(7)	Rate (Contract Rate on Face Value)	Dollar Dividend On Face Value (11)x(5)	Effective Cost Rate (12)/(10)
1	Cumulative 15 5%	5/1/82	None	\$ 600,000	\$ 600,000					\$ 600,000	9.93%	\$ 59,580	9.93%

2 Note Per Order No PSC-99-1917-PAA-WS, Issued September 02, 1999, The cost rate is reduced to the most current leverage graph rate of return.

**13-Month Average Cost of Short-Term Debt**

**Florida Public Service Commission**

**Company: Aloha Utilities, Inc.; Seven Springs Water Division**

**Schedule: D-4**

**Docket No.: 010503-WU**

**Page 1 of 1**

**Test Year Ended: December 31, 2000 & 2001**

**Preparer: CJN & W**

**Utility [X] or Parent [ ]**

**Historic [X] or Projected [X]**

**Explanation: Provide the following information on a 13-month average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.**

Line No.	Lender	(1) Total Interest Expense	(2) Maturity Date	(3) 13-month Average Amt. Outstanding	(4) Effective Cost Rate
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- 1 Note. There is no short term debt for the test years ending December 31, 2000 or December 31, 2001;
- 2 therefore, this schedule is not applicable

Cost of Long-Term Debt  
Thirteen Month Average

Florida Public Service Commission

Schedule: D-5(A)

Page 1 of 1

Preparer: CJN & W

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Docket No.: 010503-WU

Test Year Ended: December 31, 2001

Utility  or Parent

Historic  or Projected

Explanation: Provide the specified data on long-term debt issues on a 13-Month average basis for the test year. Arrange by type of issue (i.e., first mortgage bonds). If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information on the parent level.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Line No.	Description, Coupon Rate, Years of Life	Issue Date-Maturity Date	Principal Amount Sold (Face Value)	13-month Average Principal Amount Outstanding	Amount Outstanding Within One Year	Unamortized Discount (Premium) Associated With Col(4)	Unamortized Issuing Expense Associated With Col(4)	Annual Amortization of Discount (Premium) on Principal Outstanding	Annual Amort. of Issuing Expense on Principal Outstanding	Interest Cost (Coupon Rate) x Col (4)	Total Interest Cost (8)+(9)+(10)	Effective Cost Rate (11)/((4)-(6)-(7))
1	Bank of America	7/30/99 -										
2	9.00%, 15 years	8/30/14	\$ 5,200,000	\$ 5,108,717	\$ 5,058,179		\$ 51,399		\$ 5,984	\$ 459,785	\$ 465,769	9.21%
3	Vehicle Notes.											
4	86420, 86421,											
5	86422, 86423	5/13/99 -										
6	4.90%, 3 years	5/12/02	63,153	20,252	2,018					992	992	4.90%
7	Vehicle Note:	5/13/99 -										
8	88399, 9.25%, 3 yea	5/12/02	19,690	7,704	995					713	713	9.25%
9	Bank of America	10/30/00 -										
10	(Office building)	7/30/14	612,000	606,270	594,271					54,564	54,564	9.00%
11	L.L. Speer (Line of	7/24/95										
12	P+3, 30 years	7/24/25	3,042,000	2,983,159	2,955,863		13,773		562	261,026	261,588	8.81%
13	L.L. Speer (DOT)	2/12/96	715,144	541,877	536,919					47,414	47,414	8.75%
14	P+3, 30 Years	2/17/26										
15	<b>Total</b>		<u>\$ 9,651,987</u>	<u>\$ 9,267,979</u>	<u>\$ 9,148,245</u>	<u>-</u>	<u>65,172</u>	<u>-</u>	<u>6,546</u>	<u>\$ 824,494</u>	<u>\$ 831,040</u>	<u>9.03 %</u>

Supporting Schedules: D-6

Recap Schedules: A-19,D-2



Cost of Long-Term Debt  
Thirteen Month Average

Florida Public Service Commission

Schedule: D-5(B)

Page 1 of 1

Preparer: CJN & W

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Docket No.: 010503-WU

Test Year Ended: December 31, 2000

Utility  or Parent

Historic  or Projected

Explanation: Provide the specified data on long-term debt issues on a 13-month average basis for the test year. Arrange by type of issue (i.e., first mortgage bonds). If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information on the parent level.

Line No.	Description, Coupon Rate, Years of Life	(2) Issue Date-Maturity Date	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			Principal Amount Sold (Face Value)	13-month Average Principal Amount Outstanding	Amount Outstanding Within One Year	Unamortized Discount (Premium) Associated With Col(4)	Unamortized Issuing Expense Associated With Col(4)	Annual Amortization of Discount (Premium) on Principal Outstanding	Annual Amort. of Issuing Expense on Principal Outstanding	Interest Cost (Coupon Rate) x Col (4)	Total Interest Cost (8)+(9)+(10)	Effective Cost Rate (11)/((4)-(6)-(7))
1	Bank of America											
2	(Construction Loan)	7/30/99 -										
3	9.00%, 15 years	8/30/14	\$ 5,200,000	\$ 2,982,200	\$ 5,108,717		\$ 57,383		\$ 5,984	\$ 268,398	\$ 274,382	9.38%
4	Vehicle Notes:											
5	86420, 86421,											
6	86422, 86423	5/13/99 -										
7	4.90%, 3 years	5/12/02	63,153	42,615	20,252					2,088	2,088	4.90%
8	Vehicle Note	5/13/99 -										
9	88399, 9.25%, 3 yea	5/12/02	19,690	13,086	7,704					1,210	1,210	9.25%
10	Bank of America	10/30/00										
11	(Office building)	7/30/14	612,000	141,231	606,270					12,711	12,711	9.00%
12	L.L. Speer (Line of	7/24/95										
13	P+3, 30 years	7/24/25	\$ 3,042,000	\$ 3,000,787	\$ 2,984,589		\$ 14,335		\$ 562	322,585	323,147	10.82%
14	L.L. Speer (DOT)	2/12/96	715,144	545,079	542,137					58,596	58,596	10.75%
15	P+3, 30 Years	2/17/26										
16	<b>Total</b>		<u>\$ 9,651,987</u>	<u>\$ 6,724,998</u>	<u>\$ 9,269,669</u>	<u>\$ -</u>	<u>\$ 71,718</u>	<u>\$ -</u>	<u>\$ 6,546</u>	<u>\$ 665,588</u>	<u>\$ 672,134</u>	<u>10.10 %</u>

Supporting Schedules: D-6

Recap Schedules: A-19,D-2

Cost of Variable Rate Long-Term Debt  
Thirteen Month Average

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2001  
Utility  or Parent   
Historic  or Projected

Schedule: D-6(A)  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide the specified data on variable cost long-term debt issues on a 13-month average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Line No	Description, Coupon Rate, Years of Life	Issue Date-Maturity Date	Principal	13-month	Amount Outstanding Within One Year	Unamortized	Unamortized	Annual	Annual	Basis of Variable Rate (i.e Prime + 2%)	Interest	Total Interest Cost	Effective Cost Rate
			Amount Sold (Face Value)	Average Principal Amount Outstanding		Discount (Premium) Associated With Col(4)	Issuing Expense Associated With Col(4)	Amortization of Discount (Premium) on Principal Outstanding	Amort. of Issuing Expense on Principal Outstanding		Cost (Test Year Cost Rate x Col (4))		
1	L.L. Speer (Line of Credit)	7/24/95											
2	P+3, 30 years	7/24/25	\$ 3,042,000	\$ 2,983,159	\$ 2,955,863		\$ 13,773		\$ 562	8.75%	\$ 261,026	\$ 261,588	8.81%
3	L.L. Speer (DOT)	2/12/96	715,144	541,877	536,919					8.75%	47,414	47,414	8.75%
4	P+3, 30 Years	2/17/26											
5			<u>\$ 3,757,144</u>	<u>\$ 3,525,036</u>	<u>\$ 3,492,782</u>	<u>\$ -</u>	<u>\$ 13,773</u>	<u>\$ -</u>	<u>\$ 562</u>		<u>\$ 308,440</u>	<u>\$ 309,002</u>	<u>8.80 %</u>

6 Note (1): Interest on L.L. Speer notes @ prime + 2% in prior rate proceedings.

Supporting Schedules: None

Recap Schedules: A-19,D-2

Cost of Variable Rate Long-Term Debt  
Thirteen Month Average

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2000  
Utility  or Parent   
Historic  or Projected

Schedule: D-6(B)  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide the specified data on variable cost long-term debt issues on a 13-month average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Line No.	Description, Coupon Rate, Years of Life	Issue Date- Maturity Date	Principal	13-month	Unamortized	Unamortized	Annual	Annual	Basis of	Interest	Total	Effective	
			Amount	Average									Amount
			Sold	Principal	Outstanding	(Premium)	Expense	(Premium)	Expense on	Rate	(Test Year	Cost	Cost Rate
			(Face	Amount	Within	Associated	Associated	on Principal	Principal	(i.e. Prime	Cost Rate x	Cost	Cost Rate
			Value)	Outstanding	One Year	With Col(4)	With Col(4)	Outstanding	Outstanding	+ 2%)	Col (4)]	(8)+(9)+(11)	(12)/((4)-(6)-(7))
1	L.L. Speer (Line of Credit)	7/24/95											
2	P+3, 30 years	7/24/25	\$ 3,042,000	\$ 3,000,787	\$ 2,984,589		\$ 14,335		\$ 562	10.75%	\$ 322,585	\$ 323,147	10.82%
3	L.L. Speer (DOT)	2/12/96	715,144	545,079	542,137					10.75%	58,596	58,596	10.75%
4	P+3, 30 Years	2/17/26											
5			\$ 3,757,144	\$ 3,545,866	\$ 3,526,726	\$ -	\$ 14,335	\$ -	\$ 562		\$ 381,181	\$ 381,743	10.81 %

6 Note (1): Interest on L.L. Speer notes @ prime + 2% in prior rate proceedings.

Supporting Schedules: None  
Recap Schedules: A-19,D-2

Schedule of Customer Deposits

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001  
 Utility  or Parent   
 Historic  or Projected

Schedule: D-7(A)  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a schedule of customer deposits on a 13-month average balance

Line No.	(1) For the Period Ended	(2) Beginning Balance	(3) Deposits Received	(4) Deposits Refunded	(5) Ending Balance (2+3-4)
1	December, 2000	575,712	17,216	29,514	563,414
2	January	563,414	29,668	9,503	583,579
3	February	583,579	17,390	9,005	591,964
4	March	591,964	22,022	10,134	603,852
5	April	603,852	31,412	10,519	624,745
6	May	624,745	20,959	114,615	531,089
7	June	531,089	21,580	10,211	542,458
8	July	542,458	22,456	21,846	543,068
9	August	543,068	22,456	21,846	543,678
10	September	543,678	22,456	21,846	544,288
11	October	544,288	22,456	21,846	544,898
12	November	544,898	22,456	21,846	545,508
13	December, 2001	545,508	22,456	21,846	546,118
14	<b>Total</b>	<u>\$ 575,712</u>	<u>\$ 294,983</u>	<u>\$ 324,577</u>	<u>\$ 546,118</u>
15	<b>13-month Average Balance</b>				<u>\$ 562,205</u>

16 Note: The deposits shown above are for the total Company

Recap Schedules: A-19, D-2

Schedule of Customer Deposits

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: D-7(B)

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2000

Preparer: CJN & W

Utility  or Parent

Historic  or Projected

Explanation: Provide a schedule of customer deposits on a 13-month average balance

Line No.	(1) For the Period Ended	(2) Beginning Balance	(3) Deposits Received	(4) Deposits Refunded	(5) Ending Balance (2+3-4)
1	December, 1999	530,859	34,190	106,291	458,758
2	January, 2000	458,759	14,676	8,722	464,713
3	February	464,713	21,309	10,087	475,935
4	March	475,934	23,776	10,245	489,465
5	April	489,465	16,814	8,935	497,344
6	May	497,344	23,491	11,732	509,103
7	June	509,103	24,537	15,717	517,923
8	July	517,922	18,973	8,447	528,448
9	August	528,448	31,279	11,969	547,758
10	September	547,758	18,977	9,037	557,698
11	October	557,698	24,695	9,901	572,492
12	November	572,492	13,704	10,484	575,712
13	December, 2000	575,712	17,216	29,514	563,414
<b>14</b>	<b>Total</b>	<u>\$ 530,859</u>	<u>\$ 283,637</u>	<u>\$ 251,081</u>	<u>\$ 563,414</u>
<b>15</b>	<b>13-month Average Balance</b>				<u>\$ 519,905</u>

16 Note. The deposits shown above are for the total Company, for water and wastewater only. The balances on the  
 17 Balance Sheets contain non-utility deposits in certain months and do not agree with the ending water and wastewater  
 18 deposits shown above.

Recap Schedules: A-19, D-2



Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001  
 Water [X] or Sewer [ ]

Schedule: E-1  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a schedule of present and proposed rates. State residential sewer cap, if one exists.

Line No	(1) Class/Meter Size	(2)		(3)	(4)		(6)
		Test Year Rates (1)	Test Year Rates (2)	Present Rates (3)	Proposed Rates		Final
					Interim		
1	Residential						
2	Base facility charge:						
3	5/8" x 3/4" (3,000 gallons minimum)	\$ 7.12	\$ 7.17	\$ 7.32	\$ 7.85		9.23
4	Gallonge Charge (per 1000 gallons						
5	in excess of minimum)	1.27	1.28	1.32	1.42		
6	Gallonge charge per 1,000 gallons:						
7	Up to 10,00 gallons						2.24
8	Over 10,000 gallons						2.81
9	General Service						
10	5/8" x 3/4" (3,000 gallons minimum)	7.12	7.17	7.32	7.85		9.23
11	1" (8,000 gallons minimum)	18.94	19.06	19.46	20.86		23.08
12	1 1/2" (15,000 gallons minimum)	35.52	35.75	36.49	39.12		46.15
13	2" (24,000 gallons minimum)	57.24	57.61	58.80	63.03		73.84
14	3" (48,000 gallons minimum)	113.73	114.46	116.83	125.24		147.68
15	4" (75,000 gallons minimum)	178.00	179.14	182.85	196.02		230.75
16	6" (150,000 gallons minimum)	275.27	227.03	282.76	303.12		461.50
17	8" (240,000 gallons minimum)	562.36	565.96	577.67	619.26		738.40
18	10" (345,000 gallons minimum)	-	824.55	841.62	902.22		1,338.35
19	Gallonge Charge (per 1000 gallons						
20	in excess of minimum)	1.27	1.28	1.32	1.42		2.24
21	Notes: (1) Rates per 1995 Index, Effective November 5, 1996						
22							
23	(2) Test year rates per 1999 Index Adjustment effective 1/18/00 and implemented 2/10/00						
24	(3) Present rates per 2001 Index, Effective July 24, 2001						
25	(4) The vacation rate is one-half of the base rate for 5/8" meter						
26	(5) Proposed gallonge charges eliminate the minimum gallonge charges included in the base facility charge						

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 Water [ ] or Sewer [X]

Schedule: E-2  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

Line No.	(1) Class/Meter Siz	(2) 1/1-2/15 Bills	(3) 1/1-2/15 Gallons	(4) 1/1-2/15 Rates	(5) 1/1-2/15 Revenue	(6) 2/16-12/31 Bills	(7) 2/16-12/31 Gallons	(8) 2/16-12/31 Rates	(9) 2/16-12/31 Revenue	(10) Test Year Revenue
1	Residential									
2	Vacation	0		\$ 3.56	\$ -	1,141		\$ 3.59	\$ 4,096	\$ 4,096
3	5/8" x 3/4"	15,483		7.12	110,239	92,387		7.17	662,415	772,654
4	M Gallons		90,616	1.27	115,082		553,613	1.28	708,625	823,707
5	Total Residential	15,483	90,616		\$ 225,321	93,528	553,613		\$ 1,375,136	\$1,600,457
6	Average Bill				\$ 14.55				\$ 14.70	\$ 29.25
7	General Service									
8	5/8" X 3/4"	126		7.12	\$ 897	1,505		7.17	\$ 10,791	\$ 11,688
9	M Gallons		378	1.27	480		18,965	1.28	24,275	24,755
10	1"	39		18.94	739	511		19.06	9,740	10,479
11	M Gallons		257	1.27	326		6,742	1.28	8,630	8,956
12	1 1/2"	16		35.52	568	168		35.75	6,006	6,574
13	M Gallons		240	1.27	305		6,745	1.28	8,634	8,939
14	2"	23		57.24	1,317	273		57.61	15,728	17,045
15	M Gallons		552	1.27	701		30,594	1.28	39,160	39,861
16	3"	1		113.73	114	11		114.46	1,259	1,373
17	M Gallons		48	1.27	61		877	1.28	1,123	1,184
18	4"	2		178.00	356	26		179.14	4,658	5,014
19	M Gallons		150	1.27	191		476	1.28	609	800
20	6"	4		275.27	1,101	57		277.03	15,791	16,892
21	M Gallons		600	1.27	762		11,761	1.28	15,054	15,816
22	Total Gen. Serv.	211	2,225		\$ 7,918	2,551	76,160		\$ 161,458	\$ 169,376
23	Average Bill				\$ 37.53				\$ 63.29	\$ 100.82
24	Miscellaneous service revenues				2,587				18,113	20,700
25	Interest Income				1,267				8,872	10,139
26	Total miscellaneous income				3,854				26,985	30,839
27	Total Annualized Revenue				\$ 237,093				\$ 1,563,579	1,800,672
28	Total revenue per books/required									1,794,660
29	Immaterial difference									\$ 6,012



Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 Water [X] or Sewer [ ]

Schedule: E-2(a)  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

Line No.	(1) Class/Meter Size	(2) Total Bills	(3) Total Gallons	(4) Present Rates (1)	(5) Annualized Revenue
1	Residential				
2	Vacation	1,141		\$ 3.66	\$ 4,176
3	5/8" x 3/4"	107,870		7.32	789,608
4	M Gallons		644,229	1.32	850,382
5	Total Residential	109,011	644,229		\$ 1,644,166
6	Average Bill				\$ 15.08
7	General Service				
8	5/8" X 3/4"	1,631		7.32	\$ 11,939
9	M Gallons		19,343	1.32	25,533
10	1"	550		19.46	10,703
11	M Gallons		6,999	1.32	9,239
12	1 1/2"	184		36.49	6,714
13	M Gallons		6,985	1.32	9,220
14	2"	296		58.80	17,405
15	M Gallons		31,146	1.32	41,113
16	3"	12		116.83	1,402
17	M Gallons		925	1.32	1,221
18	4"	28		182.85	5,120
19	M Gallons		626	1.32	826
20	6"	61		282.76	17,248
21	M Gallons		12,361	1.32	16,317
22	Total Gen Serv	2,762	78,385		\$ 174,000
23	Average Bill				\$ 63.00
24	Miscellaneous service revenues				20,700
25	Interest Income				10,139
26	Total miscellaneous income				30,839
27	Total Annualized Revenue				1,849,005
28	Per 2001 Indexed Rate Adjustment, effective July 24, 2001				

Customer Monthly Billing Schedule

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 Water  or Sewer

Schedule: E-3  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a schedule of monthly customers billed or served by class.

Line No.	(1) Month/ Year	(2) Residential	(3) General Service	(4) Multi-Family Dwelling	(6) Other Unmetered (1)	(7) Total
1	January, 2000	9,064	215			9,279
2	February, 2000	9,061	214			9,275
3	March, 2000	9,083	219			9,302
4	April, 2000	9,023	219			9,242
5	May, 2000	9,083	223			9,306
6	June, 2000	9,095	241			9,336
7	July, 2000	9,152	245			9,397
8	August, 2000	9,146	246			9,392
9	September, 2000	9,132	249			9,381
10	October, 2000	9,144	249			9,393
11	November, 2000	9,138	255			9,393
12	December, 2000	9,303	250			9,553
13	Total	109,424	2,825	-	-	112,249

Miscellaneous Service Charges

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: E-4

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2001

Preparer: CJN & W

Water  or Sewer

Explanation: Provide a schedule of present and proposed miscellaneous service charges. If an increase is proposed (or new charges), provide a schedule of derivation of charges, unless the charges are pursuant to the latest Staff Advisory Bulletin #13.

Line No	(1) Type Charge	(2) Present		(3) Proposed	
		Bus. Hrs.	After Hrs.	Bus. Hrs.	After Hrs.
1	Initial Connection	\$ 15	\$ 15	\$ 15	\$ 15
2	Normal Reconnection	15	15	15	15
3	Violation Reconnection	15	15	15	15
4	Premises Visit	10	10	10	10

Miscellaneous Service Charge Revenues

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 Water  or Sewer

Schedule: E-5  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a schedule of test year miscellaneous charges received by type. Provide an additional schedule for proposed charges, if applicable.

Line No.	(1) Initial Connection	(2) Normal Reconnect	(3) Violation Reconnect	(4) Premises Visit	(5) Other Charges	(6) Total
1	\$ 4,275	\$ 16,425				\$ 20,700

Public Fire Hydrants Schedule

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: E-6

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2000

Preparer: CJN & W

Explanation: Provide a schedule of public fire hydrants (including standpipes, etc.) by size. This schedule is not required for a sewer only rate application.

(1) Line No.		(2) Size	(3) Type	(4) Quantity
1	12/31/2000	6"	Standard	478
Total				<u>478</u>

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: E-7

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2000

Preparer: CJN & W

Explanation: Provide a schedule of private fire protection service by size of connection. This schedule is not required for a sewer only rate application.

(1) Line No.	(2) Size	(3) Type	(4) Quantity
1	Aloha does not have a private fire protection charge; therefore, this Schedule is not applicable		
<b>Total</b>			-

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Schedule Year Ended: December 31, 2000

Schedule: E-8  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide a list of all outstanding contracts or agreements having rates or conditions different from those on approved tariffs. Describe with whom, the purpose and the elements of each contract shown.

(1) Line No.	(2) Type	(3) Description
1		The Company has no outstanding contracts or agreements with rates or conditions different than those in
2		approved tariffs; therefore, this Schedule is not applicable.

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: E-9

Docket No.: 010503-WU

Page 1 of 1

Schedule Year Ended: December 31, 2000

Preparer: CJN & W

Explanation: Provide a schedule of state, municipal, city or county franchise taxes or fees paid (or payable). State the type of agreement (i.e. contract, tax).

Line No.	(1) Type Tax or Fee	(2) To Whom Paid	(3) Amount	(4) How Collected From Customers	(5) Type Agreement
----------	------------------------	---------------------	---------------	-------------------------------------	-----------------------

1	The Utility does not collect or pay any tax or franchise fees; therefore, this schedule is not applicable.				
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Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 Water [X] or Sewer [ ]

Schedule: E-10  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide a schedule of present and proposed service availability charges. (See Rule 25-20.580,F.A.C.) If no change is proposed, then this schedule is not required.

(1) Type Charge	(2) Present Charges	(3) Proposed Charges (1)
<b>System Capacity Charge</b>		
Residential-per ERC ( ___ GPD )		
All others-per Gallon/Day		
<b>Plant Capacity Charge</b>		
Residential-per ERC ( 270 GPD )	\$ 163.80	\$ 472.00
All others-per Gallon/Day	0.606	1.745
<b>Main Extension Charge</b>		
Residential-per ERC ( ___ GPD )		
or-per Lot		
Multifamily - Per Unit		
All others-per Gallon/Day		
or-per Front Foot		
<b>Meter Installation Charge</b>		
5/8" x 3/4"	50.00	50.00
1"	Actual Cost	Actual Cost
1-1/2"	Actual Cost	Actual Cost
2"	Actual Cost	Actual Cost
Over 2"	Actual Cost	Actual Cost
<b>Meter Box</b>		
Single	25.80	25.80
Double	53.00	53.00
<b>Back Flow Preventor Installation Charge</b>		
5/8" x 3/4"		
1"		
1-1/2"		
2"		
Etc.		
<b>Plan Review Charge</b>		
<b>Inspection Charge</b>		
<b>Guaranteed Revenue Charge</b>		
<b>With prepayment of Serv. Avail. Charges</b>		
Residential-per ERC ( ___ GPD)/Month		
All others-per Gallon/Month		
<b>Without prepayment of Serv. Avail. Charges</b>		
Residential-per ERC ( ___ GPD)/Month		
All others-per Gallon/Month		
<b>Allowance for Funds Prudently Invested (AFPI)</b>		
Provide a table of payments by month and years.		

Note (1). Proposed charges per Service Availability case in progress: Docket No. 991643-SU

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: E-11

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2000

Preparer: CJN & W

Water  or Sewer

Historic  or Projected

Explanation: Provide copies of all guaranteed revenue contracts with a schedule of billing and receipts on an annual basis by class.

Line No.	(1) For the Year Ended	(2) Residential	(3) General Service	(4) Other	(5) Total
----------	------------------------------	--------------------	---------------------------	--------------	--------------

1 The Company does not collect any guaranteed revenue; therefore, this Schedule is not applicable

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: E-12

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2000

Preparer: CJN & W

Water  or Sewer

Explanation: All Class A utilities whose service classes include industrial customers, whose utilization exceeds an average of 350,000 GPD, shall provide a fully allocated class cost of service study showing customer, base (commodity), and extra capacity (demand) components under present and proposed rates. This study shall include rate of return by class and load (demand) research studies used in the cost allocation. The analysis shall be based upon the AWWA Manual No. 1 and shall comply with current AWWA procedures and standard industrial practices for utilities providing water and sewer service.

---

Line  
No.

- 1 The Company does not serve any industrial customers; therefore, this Schedule is not applicable.

Projected Test Year Revenue Calculation (Present Rates)

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule: E-13

Docket No.: 010503-WU

Page 1 of 2

Test Year Ended: December 31, 2001

Preparer: CJN & W

Water [X] or Sewer [ ]

Explanation: If a projected test year is used, provide a schedule of historical and projected bills and consumption by classification. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable.

Line No	(1) Class/Meter Size	(2) Historical Year Bills	(3) Proj Factor	(4) Proj Test Year Bills	(5) Test Year Consumption (000)	(6) Proj. Factor (1)	(7) Project. TY Consumption (000)	(8) Present Rates	(9) Projected TY Revenue
1	Residential								
	Vacation	1,141					\$ 3.66		
2	5/8" x 3/4"	107,870	1.04688	112,927			7.32	\$ 826,626	
3	M Gallons				644,229	1.08473	698,815	1.32	922,436
4	Total Residential	109,011		112,927	644,229		698,815		1,749,062
5	Average Bill								\$15.49
6	General Service								
7	5/8" X 3/4"	1,631	1.04688	1,707			7.32	12,485	
8	M Gallons				19,343	1.08473	20,982	1.32	27,696
9	1"	550	1.04688	576			19.46	11,209	
10	M Gallons				6,999	1.08473	7,592	1.32	10,021
11	1 1/2"	184	1.04688	193			36.49	7,043	
12	M Gallons				6,985	1.08473	7,577	1.32	10,002
13	2"	296	1.04688	310			58.80	18,228	
14	M Gallons				31,146	1.08473	33,785	1.32	44,596
15	3"	12	1.04688	13			116.83	1,519	
16	M Gallons				925	1.08473	1,003	1.32	1,324
17	4"	28	1.04688	29			182.85	5,303	
18	M Gallons				626	1.08473	679	1.32	896
19	6"	61	1.04688	64			282.76	18,097	
20	M Gallons				12,361	1.08473	13,408	1.32	17,699
23	Total Gen. Serv.	2,762		2,892	78,385		85,026		186,128
24	Average Bill								\$ 64.36
25	Miscellaneous service revenues								
26	Miscellaneous fees	\$ 20,700	1.04688	\$ 21,670					\$ 21,670
27	Interest income	10,139	1.04688	10,614					10,614
28		\$ 30,839		\$ 32,284					32,284
29	Total Annualized Revenue								\$ 1,967,474
30	Note (1) The projection factor for gallons is calculated as follows:								
31	Total projected 2001 gallons sold based on 500 gpd per engineers								
32	estimate (See G-9) (000)						1,105,068		
33	Divide by 2000 test year gallons						1,018,746		
34	Projection factor for gallons						1.08473		

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2001  
 Water [X] or Sewer [ ]

Schedule: E-13  
 Page 2 of 2  
 Preparer: CJN & W

Explanation: If a projected test year is used, provide a schedule of historical and projected bills and consumption by classification. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Line No	Class/Meter Size	Historical Year Bills	Proj Factor	Proj Test Year Bills	Test Year Consumption (000)	Proj. Factor (1)	Project TY Consumption (000)	Proposed Rates	Proj. Rev Requirement
1	Residential								
2	5/8" x 3/4"	109,011	1.04688	114,121				\$9.23	\$1,053,337
	Tier 1 Gallons (1)				632,792	1.029956	651,748	2.24	1,459,916
3	Tier 2 Gallons (1)				293,124	1.029956	301,905	2.81	848,353
4	Total Residential	109,011		114,121	925,916		953,653		3,361,605
5	Average Bill								\$29.46
6	General Service								
7	5/8" X 3/4"	1,631	1.04688	1,707				9.23	15,756
8	M Gallons (1)				22,713	1.084164	24,625	2.24	55,160
9	1"	550	1.04688	576				23.08	13,294
10	M Gallons (1)				10,314	1.084164	11,182	2.24	25,048
11	1 1/2"	184	1.04688	193				46.15	8,907
12	M Gallons (1)				8,605	1.084164	9,546	2.24	21,383
13	2"	295	1.04688	310				73.84	22,890
14	M Gallons (1)				36,425	1.084164	39,491	2.24	88,460
15	3"	12	1.04688	13				147.68	1,920
16	M Gallons (1)				1,501	1.084164	1,627	2.24	3,644
17	4"	28	1.04688	29				230.75	6,692
18	M Gallons (1)				2,197	1.084164	2,382	2.24	5,336
19	6"	61	1.04688	64				461.50	29,536
20	M Gallons (1)				17,785	1.084164	19,282	2.24	43,192
23	Total Gen. Serv.	2,762		2,892	99,740		108,135		\$ 341,217
24	Average Bill								\$ 123.54
25	Miscellaneous service revenues								
26	Miscellaneous fees	\$ 20,700	1.04688	\$ 21,670					21,670
27	Interest income	10,139	1.04688	10,614					10,614
28		\$ 30,839		\$ 32,284					32,284
29	Total Revenue								3,735,106
30	Total revenue required								3,044,811
31	Difference								690,295
32	Less: Additional predicted revenue decrease per SWFWMD conservation rate model								(401,377)
33	Net expected difference to be used for conservation programs								\$288,918

	Gen. Serv.	Residential
34	Note (1). The projection factor for gallons is calculated as follows.	
35	Total additional 2001 gallons sold based on 500 gpd per engineers estimate (See G-9) (000)	
36		
37	Total 2000 gallons sold per billing analysis	
38	Total projected 2001 gallons sold	
39	Divide by 2000 gallons sold per billing analysis	
40		
41	General service projection factor	
42		
	Total 2000 residential gallons sold per billing analysis	925,916
	2001 projection factor	1.084164
	Total projected 2001 residential gallons sold	1,003,845
	Factor for 5% repression	0.95
	Repressed 2001 residential gallons sold	953,653
	Divide by 2000 residential gallons per above	925,916
	Residential projection factor	1.029956

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000  
 Water  or Sewer

Schedule: E-14  
 Page 1 of 1  
 Preparer: CJN & W

Customer Class:

Meter Size: all

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons & begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumpt. Level	Number of Bills	Cumulative Bills	Gallons Consumed (1)x(2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)x(6)]+(5)	Percentage of Total

The billing analysis is contained in Volume II



Gallons of Water Pumped, Sold and Unaccounted For  
In Thousands of Gallons

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
Docket No.: 010503-WU  
Test Year Ended: December 31, 2000

Schedule F-1  
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Preparer: CJN & W

Explanation: Provide a schedule of gallons of water pumped, sold and unaccounted for each month of the test year. The gallons pumped should match the flows shown on the monthly operating reports sent to DER. The other uses may include plant use, flushing of hydrants and water and sewer lines, line breakage's and fire flows. Provide all calculations to substantiate the other uses. If unaccounted for water is greater than 10%, provide an explanation as to the reasons why; if less than 10%, Columns 4 & 5 may be omitted.

Month/ Year	(1) Total Gallons Pumped (000)	(2) Gallons Purchased (000)	(3) Gallons Sold (000)	(4) Other Uses (000) (1)	(5) Unaccounted For Water (1)+(2)-(3)-(4)	(6) % Unaccounted For Water
January, 2000	19,963	62,053	71,801	1,734	8,481	10.34 %
February, 2000	31,350	58,012	81,963	6,836	563	0.63
March, 2000	49,675	51,265	87,170	3,409	10,361	10.26
April, 2000	38,796	60,958	88,926	1,264	9,564	9.59
May, 2000	40,507	80,775	94,054	150	27,078	22.33
June, 2000	34,460	76,562	125,520	199	(14,697)	(13.24)
July, 2000	25,120	56,822	68,195	36	13,711	16.73
August, 2000	23,577	49,999	65,165	316	8,095	11.00
September, 2000	23,644	49,883	68,318	348	4,861	6.61
October, 2000	36,330	74,990	76,563	728	34,029	30.57
November, 2000	32,542	66,936	91,088	884	7,506	7.55
December, 2000	22,535	73,105	99,984	329	(4,673)	(4.89)
<b>Total</b>	<u>378,499</u>	<u>761,360</u>	<u>1,018,747</u>	<u>16,233</u>	<u>104,879</u>	<u>9.20 %</u>



Company: Aloha Utilities, Inc.; Seven Springs Water Division  
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Schedule F-3  
 Page 1 of 1  
 Preparer: CJN & W

Explanation: Provide the following information for each water treatment plant. If the system has water plants that are interconnected, the data for these plants may be combined. All flow data must be obtained from the monthly operating reports (MORs) sent to the Department of Environmental Regulation.

	<u>DATE</u>	<u>GPD (000's)</u>
1. Plant Capacity		<u>2 04 mgd</u>
The hydraulic rated capacity. If different from that shown on the DER operating or construction permit, provide an explanation.		
2. Maximum Day	<u>05/30/2000</u>	<u>4,715</u>
The single day with the highest pumpage rate for the test year. Explain, on a separate page, if fire flow, line-breaks or other unusual occurrences affected the flow this day. (There is no record of any unusual occurrences)		
3. Five-Day Max Month	(1) <u>10/30/2000</u>	<u>4,386</u>
	(2) <u>10/16/2000</u>	<u>4,319</u>
	(3) <u>10/26/2000</u>	<u>4,150</u>
	(4) <u>10/19/2000</u>	<u>4,093</u>
	(5) <u>10/25/2000</u>	<u>4,010</u>
	AVERAGE	
The five days with the highest pumpage rate from the month with the highest pumpage rate during the test year. Explain, on a separate page, if fire flow, line-breaks or other unusual occurrences affected the flows on these days. (There is no record of any unusual occurrences)		
4. Five-Day Max Year (1)	(1) <u>05/30/2000</u>	<u>4,715</u>
	(2) <u>05/21/2000</u>	<u>4,289</u>
	(3) <u>05/17/2000</u>	<u>4,197</u>
	(4) <u>05/24/2000</u>	<u>4,108</u>
	(5) <u>05/22/2000</u>	<u>4,084</u>
	AVERAGE	
The five days with the highest pumpage rate from any one month in the test year. Provide an explanation if fire flow, line-breaks or other unusual occurrences affected the flows on these days. (There is no record of any unusual occurrences)		
5. Average Daily Flow		<u>2,840</u>
6. Required Fire Flow (gpm for 2 hours)		<u>500 - 1,200</u>
The standards will be those as set by the Insurance Service Organization or by a governmental agency ordinance. Provide documents to support this calculation. (There is no record of any unusual occurrences)		

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
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Schedule F-5  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide all calculations, analyses and governmental requirements used to determine the used and useful per cent of the water treatment plant(s) for the historical test year and the projected test year (if applicable).

---

<u>Line No.</u>		
1	Average Annual Daily Flow	<u>2,840</u> mgd
2	Maximum Day Pumped/Treated	<u>4,715</u>
3	5 Day Maximum Month	<u>4,192</u>
4	Capacity - Treatment Plant	<u>2,040</u> mgd
5	Maximum Average Daily Use per Consumptive Use Permit (CUP)	<u>2,040</u> mgd
6	Because average annual maximum day and 5-day maximum month flows exceed the treatment plant	
7	capacity and CUP limitations, the treatment plant is 100% used and useful.	

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
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Schedule F-7  
Page 1 of 1  
Preparer: CJN & W

Explanation: Provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water distribution and wastewater collection systems for the historical and the projected test year (if applicable). The capacity should be in terms of ability to serve a designated number of connections. It should then be related to actual connected density for historical year calculations. Explain all assumptions for projected calculations. If the distribution and collection systems are entirely contributed or built-out, this schedule

---

<u>Line No.</u>	
1	The Seven Springs Water Transmission and Distribution System has been contributed by developers,
2	except for certain line relocations (Little Road and State Route 54) paid for by the Company. Such
3	line relocations were minor in relation to the cost of the total distribution system and have been
4	considered 100% used and useful in previous Commission Dockets. Thus, the transmission and
5	distribution system is 100% used and useful.

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule F-8

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Page 1 of 1

Test Year Ended: December 31, 2000

Preparer: CJK & W

Explanation: If a margin reserve is requested, provide all calculations and analyses used to determine the amount of margin reserve for each portion of used and useful plant.

---

Line  
No.

- 1 The water source, treatment and transmission and distribution systems are 100% used and useful;
- 2 therefore, a margin of reserve calculation is not applicable.

Equivalent Residential Connections - Water

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
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Schedule F-9  
 Page 1 of 2  
 Preparer: CJN & W

Explanation: Provide the following information in order to calculate the average growth in ERC's for the last five years, including the test year. If the utility does not have single-family residential (SFR) customers, the largest customer class should be used as a substitute.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Year	SFR Customer ERC's			SFR Gallons Sold	Gallons/ERC (5)/(4)	Total Gallons Sold	Total ERCs (7)/(6)	Annual % Incr. in ERCs
1	1995	7,652	7,875	7,764	696,980	90	730,584	8,118	---
2	1996	7,875	8,185	8,030	760,991	95	797,333	8,393	3.388 %
3	1997	8,185	8,463	8,324	807,086	97	857,122	8,836	5.278
4	1998	8,463	8,803	8,633	830,111	96	893,379	9,306	5.319
5	1999	8,803	8,966	8,885	897,334	101	993,310	9,835	5.655
6	2000	8,966	9,303	9,135	919,669	101	1,018,747	10,087	2.562
7	Average Growth Through 5-Year Period (Col. 8)								4.4464%

8 Note: The Utility believes that linear regression analysis produces a more accurate growth rate and  
 9 prediction of customer growth, and is shown on page 2 of this Schedule.

10 The projected growth rate based on linear regression is as follows:

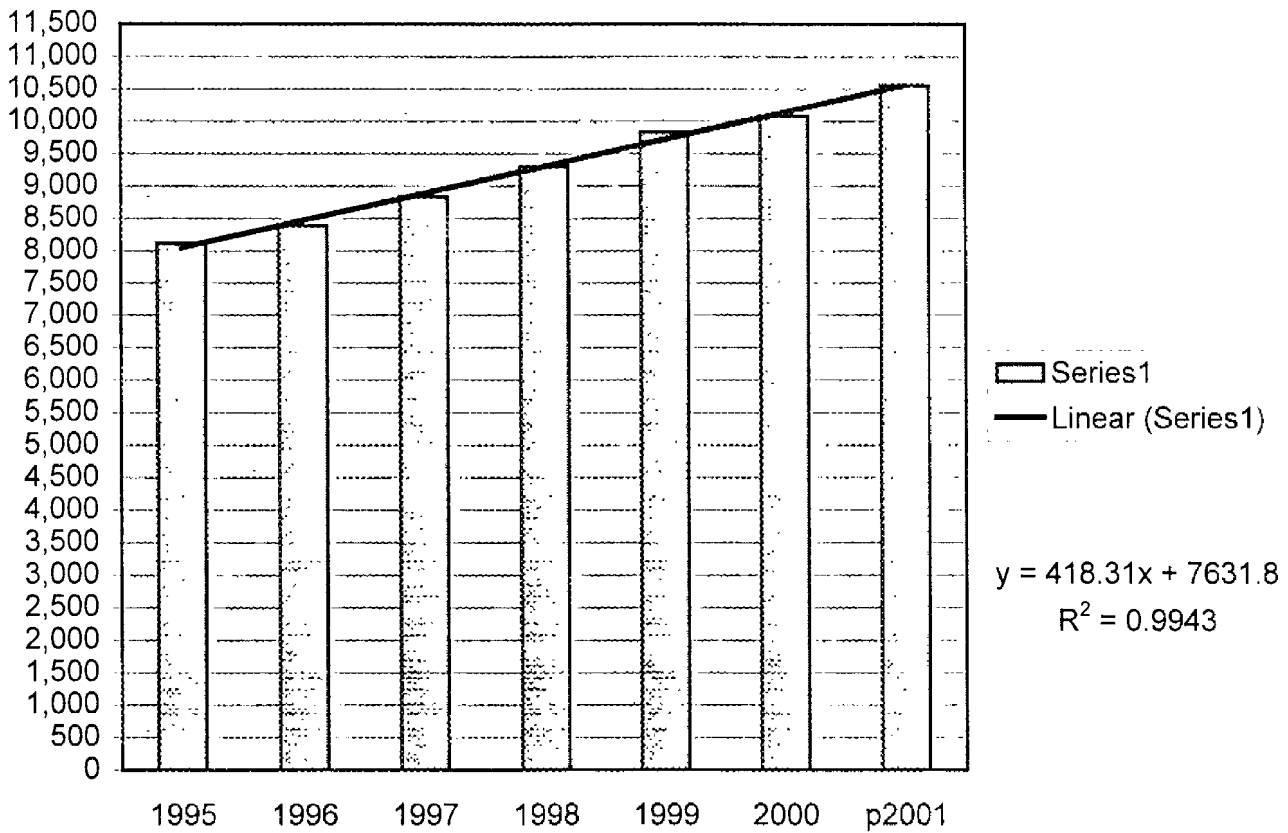
11	Projected ERC's at 12/31/01	10,560
12	Historic test year ERC's	<u>10,087</u>
13	Projected increase	<u>- 473</u>
14	Projected growth rate	<u>4.688 %</u>

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Schedule F-9  
 Page 2 of 2  
 Preparer: CJN & W

Data:	Year	Flow ( X1000)	ERC (X1000)	% Increase
	1995	696,980	8,118	N/A
	1996	760,991	8,393	3.388
	1997	807,086	8,836	5.278
	1998	830,111	9,306	5.319
	1999	897,334	9,835	5.685
	2000	919,669	10,087	2.562
	p2001		10,560	

Historical ERCs



Average Yearly % Increase (by linear regression) = 5.15287

Projected 2001 (end of year) projected ERCs = 10,560



Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule G-1

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Test Year Ended: December 31, 2001

Preparer: CJN&amp;W

Line No.			
1		The projected test year ending December 31, 2001, was based on six-months of actual data for the	
2		period ended June 30, 2001. The remaining six-month period, July 1 through December 31, 2001 was	
3		projected based on the following estimates and assumptions:	
4	(A)	<u>Utility Plant in Service</u>	
5		No additions to utility plant were projected except for expected property contributions in aid of	
6		construction (CIAC). Such contributions were deemed to be water transmission and distribution mains	
7		The amount (\$159,300) was based on actual property received during the first six-months of the test	
8		year. This amount was then spread evenly to each month in the projected period	
9		Total property received 1/1/01 through 6/30/01 \$159,300.	
10		Projected evenly each month to account 331.4, transmission and distribution mains \$26,550	
11		See Schedule G-13 for detailed calculation	
12	(B)	<u>AFUDC</u>	
13		No assets were added to plant during the projection period. Thus, no AFUDC is included in the	
		projected test year.	
14	(C)	<u>Depreciation and Accumulated Depreciation</u>	
15		These items were projected based on actual plant balances at June 30, 2001 and the projected plant	
16		additions (CIAC as described above), using Commission guideline rates and the half-year convention.	
17		Detailed depreciation workpapers will be furnished to the Commission auditors during the course of the	
		audit.	
18	(D)	<u>CIAC and Accumulated Amortization of CIAC</u>	
19	1.)	The Company collects plant capacity charges, meter fees and receives contributed property.	
20		Contributed property was projected as discussed in (A) above.	
21		Plant capacity charges and meter fees consist of actual collections in the period January - June	
22		2001, and projected amounts for the six-months ended December 31, 2001.	
23		Plant capacity charges and meter fees were based on the current approved tariff charges and	
24		the additional ERC's to be added to the system in the projection period.	
25		Additional connections in the projected period were based on projected growth of 473 ERC's	
26		(per F-9) less actual additions of 239.42 ERC's in the first six-months. This resulted in 233.58	
27		ERC's forecast to be added during the projection period. Projected CIAC was then determined as	
		follows:	
28		<u>Capacity Charge</u>	<u>Meter Fees</u>
29	Number of new connections	233.58	233.58
30	Approved charge	\$ 163.80	\$ 75.80
31	Projected Totals	<u>\$ 38,260.00</u>	<u>\$ 17,705.00</u>



Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule G-1

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Test Year Ended: December 31, 2001

Preparer: CJN&amp;W

Line No.	
1	The total amounts were allocated to each month based on the ratio of each months activity
2	(ERC additions) in the previous six-months.
3	Currently, Aloha collects an interim plant capacity charge of \$500. The difference between the
4	interim charge and its current approved charge is deposited in an escrow account (\$336.20). The
5	projected change to the escrow account balance was based on 233.58 additional ERC's multiplied
6	by the difference in charges discussed above, resulting in a projected increase of \$78,530 (233.58
7	x \$336.20). This total amount was allocated to each projected month on the same basis discussed
8	above for capacity charges and meter fees.
9	See Schedule G-13 for detailed calculations of projected CIAC and CIAC escrow account
10	balances.
11	2.) Accumulated amortization was projected using the actual and projected CIAC balances
12	discussed above, and the Commissions guideline depreciation rates for specific account groups of
13	property. Cash capacity charges were amortized using the composite depreciation rate for non-
14	contributed assets. Detailed workpapers will be furnished to the Commission auditors during the
15	course of the audit.
16	(E) <u>Working Capital</u>
17	Working capital is based on the balance sheet method utilizing the actual and projected balance
18	sheets discussed in greater detail below. Cash was included in the computation, even though the
19	account earns interest, since interest income has been included as above the line operating revenue
20	(Schedule B-4). Working capital was allocated among the four utility divisions based on projected 2001
21	O&M expenses. The O&M expense for Aloha Gardens water and sewer was based on O&M expense
22	established in order No. PSC-01-1245-PAA-WS plus inflation of 2.5% (GNP price deflator for 2001).
23	Seven Springs sewer O&M was based on 2001 O&M per the 2000 annual report plus projected growth
24	of 4.688% (F-10) and inflation of 2.5%. No growth rate was used for the Aloha Gardens systems since
25	they are built-out. The detailed calculations of O&M expense and working capital are shown on
26	Schedule A-17(A).
27	(F) <u>Long-Term Debt</u>
28	Long-term debt was projected based on the notes in existence during the historic test year and
29	monthly principal amortization schedules. Those notes are as follows:
30	1.) Bank of America, \$5,812,000 mortgage note, 15-year term, fixed interest rate of 9%, effective
31	interest rate of 9.70%.
32	2.) Notes payable, L. Speer, \$3,545,866, 30-year amortization, interest rate of prime plus 2%
33	(currently 8.75%). These notes are subordinated to Bank of America note.
34	3.) Several small vehicle notes are detailed on Schedule D-5(A).

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule G-2

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Test Year Ended: December 31, 2001

Preparer: CJN&amp;W

Line  
No.

1 Balance Sheets

2 The monthly projected balance sheets were based upon the historic test year balances and projected  
3 activity thereafter as disclosed below. The Company's historic ending balances beginning June 30, 2001,  
4 were increased to reflect the projected balances of utility plant in service, accumulated depreciation, CIAC  
5 and accumulated amortization of CIAC, and the projected balances of long-term debt after reduction for  
6 principal payments. The basis of projection for these accounts is disclosed above.

7 Other balance sheet accounts were projected as follows:

8 1.) Assets

9 Assets were projected for the period 7/31/01 through 12/31/01, by multiplying the balance in the  
10 same month of the historic year by the customer growth rate of 4.688%.

11 a) Cash and customer accounts receivable As previously noted, the growth factor is based on  
12 the linear regression analysis shown on Schedule F-9. This approach is reasonable since each  
13 new customer billed will provide an incremental increase in cash and receivables to the  
14 Company and follows historic monthly variations to these accounts. See Schedule G-6.

15 b) Accounts Not Changed The following accounts were projected for each month in the period  
16 7/31/01 through 12/31/01 using the actual balances at June 30, 2001, without any change:

17	1.) Non-utility property (office building)	\$ 218,222
18	2.) Special deposits (electric & chlorine cylinders)	2,450
19	3.) Petty cash	400
20	4.) Other accounts receivable	74,385
21	5.) Prepayments	140,938
22	6.) Prepaid income taxes (deposits)	16,905
23	7.) Allowance for bad debts	(6,900)
24	8.) Construction work in progress	160,787
25	9.) Common stock	500
26	10.) Preferred stock	600,000
27	11.) Additional paid in capital	41,600

28 c) PSC Escrow Projected for the period 7/31/01 through 12/31/01 as discussed above and  
29 detailed on Schedule G-12.

30 d) Unamortized debt discount and expense was projected by amortizing the historic deferred  
31 balance at 6/30/01 on a monthly basis, over the life of the related loans. See Schedule G-6.

32 e) Other miscellaneous deferred debits represent various deferred expenses (utility and non-  
33 utility amounts). The balances were projected using monthly amortization as applicable for the  
34 deferred expense. All non-utility expense was removed from the balance sheet working capital  
35 computation. See Schedule G-6 for detailed projection.

36

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule G-2

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Test Year Ended: December 31, 2001

Preparer: CJN&W

Line  
No.

1 Balance Sheets

2 1.) Assets

3 f) Deferred rate case expense - includes deferred water quality costs, purchased water limited  
4 proceeding and costs related to this proceeding

5 Certain non-utility costs were removed in June, 2001. The deferred water quality costs were  
6 not amortized since Order No. PSC-01-1374-PAA-WS was not issued until June 27, 2001, and  
7 is still subject to a settlement agreement pending before the Commission.

8 Only \$242 per month was amortized related to the limited proceeding. See G-6 for detailed  
9 projection.

10 g) Deferred tax assets (accumulated deferred income taxes) were based on actual  
11 computations for the test years ending December 31, 2000 and 2001, and relate primarily to  
12 taxable CIAC. See Schedule G-6. Although these entries are made at year-end, the change for  
13 2001 was spread evenly to each month in the test year ended 12/31/01.

Line No.	
1	<u>Balance Sheets (continued)</u>
2	2.) <u>Liabilities</u>
3	a) <u>Accounts Payable - Trade</u> were projected for the period 7/31/01 through 12/31/01 by multiplying the
4	balance in the same month of the historic test year by the customer growth rate of 4.688%. This approach
5	is reasonable since each new customer adds an incremental increase to operating expenses and payables.
6	See Schedule G-6.
7	b) <u>Customer deposits</u> were projected for the period 7/31/01 through 12/31/01 using the most recent historic
8	19-month average of receipts and refunds. See Schedule G-6 for the detailed calculation.
9	c) <u>Accrued taxes</u> Accrued taxes were projected for the period 7/31/01 through 12/31/01 as follows:
10	1.) 2000 real estate and personal property taxes were accrued at the 2000 monthly amount of \$24,976,
11	with payment of \$392,774 made in November 2001. The year 2000 taxes were used since they
12	represent actual amounts billed and 2001 taxes (not billed until 11/01) are not expected to differ
13	materially.
14	2.) 2000 intangible taxes were accrued at a monthly amount of \$1,605. 2001 intangible taxes are
15	expected to remain approximately the same as 2000 taxes.
16	3.) Regulatory assessment fees were accrued at the same level experienced in the first six-months of
17	2001. Such accruals were based on 4.5% of gross revenue.
18	See Schedule G-13 for computation of the monthly accrual amounts.
19	d) <u>Miscellaneous current and accrued liabilities</u> This account represents the liability for the PSC escrow-
20	account. The period July 31, 2000, through December 31, 2001 was projected using the projected monthly
21	escrow account additions discussed in G-1 (D) (above), and set forth on Schedule G-12.
22	e) <u>Accumulated deferred tax liabilities</u> were based on the depreciation tax timing differences for existing and
23	projected plant and CIAC additions in 2000 and 2001. Although tax entries are made at year-end, the
24	change to this account was spread equally to each month of the 2001 test year. Detailed workpapers will be
25	provided to the auditors. See Schedule G-6.
26	f.) <u>Contributed taxes</u> were projected by annual amortization using an amortization rate of 2.61% per Order
27	No. PSC-01-1374-PAA-WS. This account represents gross-up received to pay income tax on taxable CIAC
28	received between 1/1/87 and 6/12/96. The amortization is included as above the line income on schedule B-
29	1. See Schedule G-6.
30	Although tax entries are made at year-end, 2001 amortization was spread evenly to each month of the
31	2001 test year. Detailed workpapers will be provided to the auditors.
32	g.) <u>Retained Earnings</u>
33	Retained earnings were projected each month by increasing or decreasing the account balance for the
34	net effect of the projected activity posted to all other balance sheet accounts. This approach is based on the
35	assumption that the net effect of all transactions is reflected in net income or loss, and flows to retained
36	earnings.

Company: Aloha Utilities, Inc.; Seven Springs Water Division

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Test Year Ended: December 31, 2001

Schedule G-4

Page 1 of 1

Preparer: CJN&amp;W

Line  
No.Projected Revenues, Customers and Usage1 (A) Projected Increase in Customers

2 The projected increase in customers is based on historic 5-year average growth using regression  
3 analysis. This technique predicts 473 additional customers for the year ending December 31, 2001.  
4 The 5-year linear regression analysis indicates a historic growth rate of 4.688%. The Utility believes this  
5 is in line with actual experience and knows of no source of extraordinary growth from new developments  
6 in its service area. See Schedule F-9.

7 (B) Projected Water Use

8 Projected water use assumed that each new customer added in 2001 would use an average of 500  
9 gpd. This is much higher than the average for all customers. Higher usage was based on the  
10 assumption that new customers have larger homes and lots, and are in a younger and more affluent  
11 demographic class. The 500 gpd was based on an analysis by the Company's engineer, David W.  
12 Porter, P.E. See G-9.

13 (B) Projected Revenues

14 Projected revenues were based on the consolidated billing analysis for the historic test year,  
15 increased for the customer growth and additional water consumption discussed above. The projected  
16 billing analysis was then applied to the current rates for water service to determine projected test year  
17 revenues. The calculation of projected revenue is shown on Schedule E-13. In addition, miscellaneous  
18 service revenues of \$21,670 and interest income of \$10,614 were projected by increasing historic test  
19 year amounts by 4.688%.

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Schedule G-5  
 Page 1 of 2  
 Preparer: CJN&W

Line  
 No.

1 Operations and Maintenance Expenses

2 The following assumptions were used to project December 31, 2001, test year operating and  
 3 maintenance expenses on a monthly basis. As noted above, January through June is based on actual  
 4 expenses. The detailed calculation for each account is shown on Schedule G-7

5

6 1.) Salaries and Wages (Account 601) Salaries of existing employees as of July 9, 2001, were used  
 7 to determine the monthly expense for the months of July through December 2001. The total payroll  
 8 and allocated amounts are shown on Schedule G-8. The positions indicated as open are the basis  
 9 for the proforma adjustment to salaries shown on Schedule B-2(A). The detailed monthly projections  
 10 are shown on Schedule G-7.

11

12 2.) Salaries and Wages - Officers (Account 603) were decreased by \$15,744 to reflect the amount of  
 13 officers salary approved in Order No. PSC-01-1374-PAA-WS in 2000. The adjusted balance was  
 14 projected by month in 2001 with no increase. See Schedule G-7 for detailed computation

15

16 3.) Employee Benefits (Account 604) were increased for benefits related to salaries at 7/9/01 as  
 17 discussed above and shown on Schedule G-8. See Schedule G-7 for detailed computations. Also  
 18 note that benefits were decreased by \$3,538 in 12/00 to reflect allowed amounts related to the  
 19 officer's salary adjustment noted above

20

21 4.) The following accounts were projected for the months 7/01 through 12/01 by applying the 2000  
 22 GNP Price Deflator Index and the customer growth factor of 1.04688 (Schedule F-9). Chemicals  
 23 (618), Materials and Supplies (620), Contract Services-Other (636), Rental of Equipment (642), and  
 24 Miscellaneous Expense (675). This approach was used for variable expenses on the assumption that  
 25 these expenses increase incrementally with each new customer added to the system. The inflation  
 26 factor covers the anticipated increase in prices using the Commission's Inflation Index approved for  
 27 index adjustments on 2000 expenses. See Schedule G-7 for detailed computations.

28

29 5.) Purchased Power (715) was projected for customer growth only (4.688%). No inflation factor was  
 30 applied because of the stability of electric prices and any increases can be passed through. See  
 31 Schedule G-7 for detailed computations

32

33 6.) Contract Services - Accounting (632) was projected at the same amount incurred during the  
 34 historic test year 2000. See Schedule G-7 for detailed computations.

35

36 7.) Contract Services - Legal (633) was projected at the same amount incurred during the historic  
 37 2000 test year without increase in projected the year. See Schedule G-7 for detailed computations

38

39 8.) Contractual Services - Engineering (631) was projected at the same amount incurred in the historic  
 40 2000 test year without increase in the projected year. See Schedule G-7 for detailed computations

41

42 9.) Contract Services - Testing (634) and Transportation (660) - were projected for inflation only as  
 43 these expenses are not expected to vary with customer growth in the short run. See G-7 for detailed  
 44 computations.

45

46 10.) Insurance - Vehicle (656) and Insurance - General Liability (657) were projected based on the  
 47 insurance contract amounts for the year ended 12/31/01. See G-7 for detailed computations

48

49 11.) Insurance - Workmans Compensation (658) was projected based on projected salaries for 2001  
 50 and the historic test year Comp. Rate of 3.08%. See detailed computation of Schedule G-7.

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 Line  
 No.

- 1 Operations and Maintenance Expenses (continued)
- 2 12.) Regulatory Commission Expense (667) - This account was projected based on approved
- 3 amortization pursuant to Orders PSC-99-1917-PAA-WS and PSC-01-1245-PAA-WS. See Schedule
- 4 G-7 for detailed computation. Note that additional approved amortization related to Order No. PSC-
- 5 01-1374-PAA-WS issued 6/27/01 was too late to be included in the projection and has been treated
- 6 as a proforma adjustment on Schedules B-1 and B-3.
- 7
- 8 13.) Purchased Water - was projected based on the estimated water required for sale in 2001 as
- 9 determined by the Company's engineer, David W. Porter, P.E. The amount needed was reduced by
- 10 expected pumpage from the Company's own wells. The balance needed for July through December
- 11 2001, was allocated to each source based on gallons purchased during the first half of 2001 (actual).
- 12 No purchases were assumed to be made from Pasco County. The detailed calculation of purchased
- 13 water is shown on Schedule G-9.
- 14
- 15 14.) Rate Case Expense Projected rate case expense was based upon input from the accounting,
- 16 engineering, and legal consultants involved in preparing this case. The estimate of total expense is
- 17 through formal hearing. The Company will amortize this expense over four years.
- 18
- 19 15.) Regulatory Assessment Fees Regulatory Assessment Fees were based on a rate of 4.5% of the
- 20 respective test year revenues.
- 21
- 22 16.) Payroll Taxes Projected payroll taxes were based on the annual salaries and wages discussed
- 23 above, a FICA rate of 7.65%, FUTA of .80%, and SUTA of 1.80%. Detailed calculation of payroll tax
- 24 is shown on Schedule G-10.
- 25
- 26 17.) Property Taxes Real estate and personal property taxes were projected based on net book value,
- 27 application of the calculated actuarial percentage, and the Pasco County millage rate of 20.977 mills.
- 28 The detailed computation is shown on Schedule G-11.
- 29
- 30 18.) Amortization As previously noted, contributed taxes are amortized into income using an
- 31 amortization rate of 2.61%. \$30,691 of amortization was projected for 2001. See B-1 (A).

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Schedule G-6  
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Line No.	Adjustments and Projected Balances	Cash (1)	
		TYE 12/31/00	TYE 12/31/01
1	<u>Historic/Projected Year Ending 12/31</u>		
2	Historic balance 12/31	\$ 157,770	\$ 173,683
3	Historic monthly change	107,703	625,947
4	Historic balance 01/31	265,473	799,630
5	Historic monthly change	189,647	(12,742)
6	Historic balance 02/28	455,120	786,888
7	Historic monthly change	(137,542)	(240,973)
8	Historic balance 03/31	317,578	545,915
9	Historic monthly change	(76,559)	113,728
10	Historic balance 04/30	241,019	659,643
11	Historic monthly change	144,332	53,027
12	Historic balance 05/31	385,351	712,670
13	Historic monthly change	15,319	(9,163)
14	Historic balance 06/30	400,670	703,507
15	Historic/projected monthly change	224,016	(49,536)
16	Historic/projected balance 07/31 (1)	624,686	653,971
17	Historic/projected monthly change	6,871	7,193
18	Historic/projected balance 08/31 (1)	631,557	661,164
19	Historic/projected monthly change	51,570	53,987
20	Historic/projected balance 09/30 (1)	683,127	715,151
21	Historic/projected monthly change	204,740	214,338
22	Historic/projected balance 10/31 (1)	887,867	929,489
23	Historic/projected monthly change	(689,714)	(722,047)
24	Historic/projected balance 11/30 (1)	198,153	207,442
25	Historic/projected monthly change	(24,470)	(25,617)
26	Historic/projected balance 12/31 (1)	<u>\$ 173,683</u>	<u>\$ 181,825</u>
27	Thirteen Month Average	<u>\$ 417,081</u>	<u>\$ 594,691</u>
28	Note (1): The historic balance in the same month of the prior year is multiplied by the growth rate of 1.04688		
29	(Schedule F-9). This method more accurately follows the historic timing of cash outflows for planned major		
30	expenditures (Gross Receipts Taxes and Real Estate Taxes).		



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Line No.	Adjustments and Projected Balances	Accounts Receivable - Water and Sewer (1)	
		TYE 12/31/00	TYE 12/31/01
1	<u>Historic/Projected Year Ending 12/31</u>		
2	Historic balance 12/31	\$ 803,811	\$ 898,548
3	Historic monthly change	107,784	(60,245)
4	Historic balance 01/31	911,595	838,303
5	Historic monthly change	63,590	(23,715)
6	Historic balance 02/28	975,185	814,588
7	Historic monthly change	(178,087)	(42,472)
8	Historic balance 03/31	797,098	772,116
9	Historic monthly change	72,056	(40,581)
10	Historic balance 04/30	869,154	731,535
11	Historic monthly change	(71,177)	(62,628)
12	Historic balance 05/31	797,977	668,907
13	Historic monthly change	(2,254)	(93,344)
14	Historic balance 06/30	795,723	575,563
15	Historic/projected monthly change	(52,252)	202,761
16	Historic/projected balance 07/31 (1)	743,471	778,324
17	Historic/projected monthly change	(69,000)	(72,234)
18	Historic/projected balance 08/31 (1)	674,471	706,090
19	Historic/projected monthly change	105,091	110,017
20	Historic/projected balance 09/30 (1)	779,562	816,107
21	Historic/projected monthly change	42,060	44,032
22	Historic/projected balance 10/31 (1)	821,622	860,139
23	Historic/projected monthly change	(12,574)	(13,164)
24	Historic/projected balance 11/30 (1)	809,048	846,975
25	Historic/projected monthly change	89,500	93,696
26	Historic/projected balance 12/31 (1)	<u>\$ 898,548</u>	<u>\$ 940,671</u>
27	Thirteen Month Average	<u>\$ 821,328</u>	<u>\$ 788,297</u>
28	Note (1): The historic balance in the same month of the prior year is multiplied by the growth rate of 1.04688		
29	(Schedule F-9). This method more accurately follows the historic timing for the cyclical nature of Accounts		
30	Receivable.		

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Line No.	Adjustments and Projected Balances	Unamortized Debt Expense (1)	
		TYE 12/31/00	TYE 12/31/01
1	<u>Calculation of monthly amortization</u>		
2	Loan Cost - Bank of America	\$ 63,370	\$ 63,370
3	Term of loan	15	15
4	Annual amortization	4,225	4,225
5	Monthly amortization	352	352
6	LL Speer annual amortization	562	562
7	Monthly amort.	47	47
8	Total monthly amortization	<u>\$ 399</u>	<u>\$ 399</u>
9	<u>Historic/Projected Year Ending 12/31</u>		
10	Historic balance 12/31	\$ 75,945	\$ 71,156
11	Historic monthly change	(399)	(399)
12	Historic balance 01/31	75,546	70,757
13	Historic monthly change	(399)	5,721
14	Historic balance 02/28	75,147	76,478
15	Historic monthly change	(400)	(399)
16	Historic balance 03/31	74,747	76,079
17	Historic monthly change	(398)	(400)
18	Historic balance 04/30	74,349	75,679
19	Historic monthly change	(399)	(398)
20	Historic balance 05/31	73,950	75,281
21	Historic monthly change	(399)	(399)
22	Historic balance 06/30	73,551	74,882
23	Historic/projected monthly change	(400)	(399)
24	Historic/projected balance 07/31 (1)	73,151	74,483
25	Historic/projected monthly change	(399)	(399)
26	Historic/projected balance 08/31 (1)	72,752	74,084
27	Historic/projected monthly change	(399)	(399)
28	Historic/projected balance 09/30 (1)	72,353	73,685
29	Historic/projected monthly change	(398)	(399)
30	Historic/projected balance 10/31 (1)	71,955	73,286
31	Historic/projected monthly change	(399)	(399)
32	Historic/projected balance 11/30 (1)	71,556	72,887
33	Historic/projected monthly change	(400)	(399)
34	Historic/projected balance 12/31 (1)	<u>\$ 71,156</u>	<u>\$ 72,488</u>
35	Thirteen Month Average	<u>\$ 73,551</u>	<u>\$ 73,940</u>

36 Note (1): Deferred and unamortized debt expense balances were projected by amortizing the historic  
 37 deferred balance at December 31, 2000 by the monthly amounts based on the life of the related loans. The  
 38 original deferred expense of the Speer loans was \$16,860, amortized over 30 years.

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Line No.	Adjustments and Projected Balances	Other Miscellaneous Deferred Debits (1)	
		TYE 12/31/00	TYE 12/31/01
1	<u>Historic/Projected Year Ending 12/31</u>		
2	Historic balance 12/31	\$ 237,060	\$ 573,201
3	Historic monthly change	16,572	19,899
4	Historic balance 01/31	253,632	593,100
5	Historic monthly change	36,916	(901)
6	Historic balance 02/28	290,548	592,199
7	Historic monthly change	(6,405)	(244)
8	Historic balance 03/31	284,143	591,955
9	Historic monthly change	(6,404)	(2,573)
10	Historic balance 04/30	277,739	589,382
11	Historic monthly change	(6,403)	6,760
12	Historic balance 05/31	271,336	596,142
13	Historic monthly change	6,991	(58,779)
14	Historic balance 06/30	278,327	537,363
15	Historic/projected monthly change	(3,667)	(16,871)
16	Historic/projected balance 07/31 (1)	274,660	520,492
17	Historic/projected monthly change	30,430	(16,871)
18	Historic/projected balance 08/31 (1)	305,090	503,621
19	Historic/projected monthly change	(5,581)	(16,871)
20	Historic/projected balance 09/30 (1)	299,509	486,750
21	Historic/projected monthly change	30,241	(16,871)
22	Historic/projected balance 10/31 (1)	329,750	469,879
23	Historic/projected monthly change	(5,851)	(16,871)
24	Historic/projected balance 11/30 (1)	323,899	453,008
25	Historic/projected monthly change	249,302	(16,871)
26	Historic/projected balance 12/31 (1)	<u>\$ 573,201</u>	<u>\$ 436,137</u>
27	Thirteen Month Average	<u>\$ 307,607</u>	<u>\$ 534,095</u>
28	Note (1) Monthly amortization is calculated as follows:		
29		Amount	Amort Period
30			Amortization
31	Def audit fees (PSC-01-1917-PAA-WS)	\$ 32,018	5 \$ 6,404
32	Def audit fees (PSC-01-1245-PAA-WS)	38,450	4 9,613
33	Operations manual (PSC-01-0326-FOF-WS)	30,955	4 7,739
34	Service availability (991643-SU)	24,619	Open
35	Water permit modification - SS-W	5,165	5 1,033
36	Rate case expense - SS-S (PSC-01-0326-FOF-WS)	426,676	4 106,669
37	Rules challenge (non-utility)	390,462	5.5 70,993
38			202,451
39	Divide by 12 months		12
40	Monthly amortization		<u>\$ 16,871</u>
41	All non-utility amounts were removed to calculate the working capital allowance on Schedule A-17.		

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Line No.	Adjustments and Projected Balances	Deferred Rate Case Expense (1)	
		TYE 12/31/00	TYE 12/31/01
1	<u>Historic/Projected Year Ending 12/31</u>		
2	Historic balance 12/31	\$ 210,233	\$ 328,677
3	Historic monthly change	(19,756)	11,070
4	Historic balance 01/31	190,477	339,747
5	Historic monthly change	53,196	15,665
6	Historic balance 02/28	243,673	355,412
7	Historic monthly change	50,086	19,914
8	Historic balance 03/31	293,759	375,326
9	Historic monthly change	450	-
10	Historic balance 04/30	294,209	375,326
11	Historic monthly change	44,865	9,494
12	Historic balance 05/31	339,074	384,820
13	Historic monthly change	57,393	-
14	Historic balance 06/30	396,467	384,820
15	Historic/projected monthly change	35,732	(30,615)
16	Historic/projected balance 07/31 (1)	432,199	354,205
17	Historic/projected monthly change	38,816	(242)
18	Historic/projected balance 08/31 (1)	471,015	353,963
19	Historic/projected monthly change	7,119	(242)
20	Historic/projected balance 09/30 (1)	478,134	353,721
21	Historic/projected monthly change	134,307	(242)
22	Historic/projected balance 10/31 (1)	612,441	353,479
23	Historic/projected monthly change	48,003	(242)
24	Historic/projected balance 11/30 (1)	660,444	353,237
25	Historic/projected monthly change	(331,767)	(242)
26	Historic/projected balance 12/31 (1)	<u>\$ 328,677</u>	<u>\$ 352,995</u>
27	Thirteen Month Average	<u>\$ 380,831</u>	<u>\$ 358,902</u>
28	Note (1) Monthly amortization is calculated as follows:		
29		Amount	Amort Period
30	Ltd Proc-Purch Water (PSC-01-1242-PAA-WS)	\$ 11,632	4
31	Water Quality (PSC-01-1374-PAA-WS)	331,823	Open
32	Water Rate Case (010503-WU)	10,992	Open
33			2,908
34	Divide by 12 months		12
35	Monthly amortization		<u>\$ 242</u>

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Line No.	Adjustments and Projected Balances	Accumulated Deferred Income Taxes (Assets) (1)	
		TYE 12/31/00	TYE 12/31/01
1	<u>Historic/Projected Year Ending 12/31</u>		
2	Historic balance 12/31	\$ 2,150,795	\$ 2,333,232
3	Historic monthly change	-	(7,089)
4	Historic balance 01/31	2,150,795	2,326,143
5	Historic monthly change	-	(7,089)
6	Historic balance 02/28	2,150,795	2,319,054
7	Historic monthly change	-	(7,089)
8	Historic balance 03/31	2,150,795	2,311,965
9	Historic monthly change	-	(7,089)
10	Historic balance 04/30	2,150,795	2,304,876
11	Historic monthly change	-	(7,089)
12	Historic balance 05/31	2,150,795	2,297,787
13	Historic monthly change	-	(7,089)
14	Historic balance 06/30	2,150,795	2,290,698
15	Historic/projected monthly change	-	(7,089)
16	Historic/projected balance 07/31 (1)	2,150,795	2,283,609
17	Historic/projected monthly change	-	(7,089)
18	Historic/projected balance 08/31 (1)	2,150,795	2,276,520
19	Historic/projected monthly change	-	(7,089)
20	Historic/projected balance 09/30 (1)	2,150,795	2,269,431
21	Historic/projected monthly change	-	(7,089)
22	Historic/projected balance 10/31 (1)	2,150,795	2,262,342
23	Historic/projected monthly change	-	(7,089)
24	Historic/projected balance 11/30 (1)	2,150,795	2,255,253
25	Historic/projected monthly change	182,437	(7,089)
26	Historic/projected balance 12/31 (1)	<u>\$ 2,333,232</u>	<u>\$ 2,248,164</u>
27	Thirteen Month Average	<u>\$ 2,164,829</u>	<u>\$ 2,290,698</u>

28 Note (1) Accumulated deferred income taxes (assets) are related to taxable CIAC and other tax assets offset  
 29 by contributed taxes in the rate making process. Tax entries are made on an annual basis. Therefore, the  
 30 beginning balances for 2000 did not change until the last month of the year. Projected 2001 charges have been  
 31 spread evenly to each month. The decreases represent the tax effect for the timing difference of CIAC  
 32 amortization per books and zero amortization for tax on CIAC included as taxable income during the period  
 33 January 1, 1987, through June 12, 1996. Workpapers showing the computations will be furnished to the PSC  
 34 Auditors. The adjustments are calculated in total as follows:

35	2000 - Total timing difference = \$484,817 X 37.63% =	<u>\$ 182,437</u>
36	2001 - Total timing difference = \$226,067 X 37.63% =	<u>\$ 85,069</u>

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Line No.	Adjustments and Projected Balances	Contributed Taxes (1)	
		TYE 12/31/00	TYE 12/31/01
1	<u>Historic/Projected Year Ending 12/31</u>		
2	Historic balance 12/31	\$ 2,340,416	\$ 2,238,802
3	Historic monthly change		(6,407)
4	Historic balance 01/31	2,340,416	2,232,395
5	Historic monthly change	-	(6,407)
6	Historic balance 02/28	2,340,416	2,225,988
7	Historic monthly change		(6,407)
8	Historic balance 03/31	2,340,416	2,219,581
9	Historic monthly change		(6,407)
10	Historic balance 04/30	2,340,416	2,213,174
11	Historic monthly change		(6,407)
12	Historic balance 05/31	2,340,416	2,206,767
13	Historic monthly change		(6,407)
14	Historic balance 06/30	2,340,416	2,200,360
15	Historic/projected monthly change		(6,407)
16	Historic/projected balance 07/31 (1)	2,340,416	2,193,953
17	Historic/projected monthly change		(6,407)
18	Historic/projected balance 08/31 (1)	2,340,416	2,187,546
19	Historic/projected monthly change		(6,407)
20	Historic/projected balance 09/30 (1)	2,340,416	2,181,139
21	Historic/projected monthly change		(6,407)
22	Historic/projected balance 10/31 (1)	2,340,416	2,174,732
23	Historic/projected monthly change		(6,407)
24	Historic/projected balance 11/30 (1)	2,340,416	2,168,325
25	Historic/projected monthly change	(101,614)	(6,407)
26	Historic/projected balance 12/31 (1)	<u>\$ 2,238,802</u>	<u>\$ 2,161,918</u>
27	Thirteen Month Average	<u>\$ 2,332,600</u>	<u>\$ 2,200,360</u>

28 Note (1): Contributed taxes are gross-up amounts collected from Contributors of CIAC between 1/1/87 and  
 29 6/12/96. Such amounts were used to pay income taxes. Contributed tax entries are made on an annual basis  
 30 with other tax entries and adjustments. Therefore, the beginning balances for 2000 did not change until the last  
 31 month of the year. Contributed taxes are amortized into income at the rates established in Docket No. 000737-  
 32 WS 2001 activity has been spread evenly to each month.

	Contributed taxes	Rate	Amortization
34	Seven Springs Water	\$ 1,175,890	2.61%
35	Seven Springs Wastewater	1,544,861	2.99%
36		<u>\$ 2,720,751</u>	76,882
37	Divide by 12 months		12
38	Monthly amortization		<u>\$ 6,407</u>

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Line No.	Adjustments and Projected Balances	Accounts Payable - Trade (1)	
		TYE 12/31/00	TYE 12/31/01
1	<u>Historic/Projected Year Ending 12/31</u>		
2	Historic balance 12/31	\$ 478,508	\$ 727,551
3	Historic monthly change	(154,399)	(133,414)
4	Historic balance 01/31	324,109	594,137
5	Historic monthly change	(211)	73,948
6	Historic balance 02/28	323,898	668,085
7	Historic monthly change	12,397	(171,903)
8	Historic balance 03/31	336,295	496,182
9	Historic monthly change	(102,745)	(3,168)
10	Historic balance 04/30	233,550	493,014
11	Historic monthly change	60,237	53,912
12	Historic balance 05/31	293,787	546,926
13	Historic monthly change	85,800	(113,847)
14	Historic balance 06/30	379,587	433,079
15	Historic/projected monthly change	47,470	13,998
16	Historic/projected balance 07/31 (1)	427,057	447,077
17	Historic/projected monthly change	11,444	11,980
18	Historic/projected balance 08/31 (1)	438,501	459,057
19	Historic/projected monthly change	143,118	149,828
20	Historic/projected balance 09/30 (1)	581,619	608,885
21	Historic/projected monthly change	(81,058)	(84,858)
22	Historic/projected balance 10/31 (1)	500,561	524,027
23	Historic/projected monthly change	114,313	119,672
24	Historic/projected balance 11/30 (1)	614,874	643,699
25	Historic/projected monthly change	112,677	117,959
26	Historic/projected balance 12/31 (1)	<u>\$ 727,551</u>	<u>\$ 761,658</u>
27	Thirteen Month Average	<u>\$ 435,377</u>	<u>\$ 569,491</u>
28	Note (1): The historic balance in the same month of the prior year is multiplied by the growth rate of 1.04688		
29	(Schedule F-9). This method more accurately follows the historic timing for the cyclical nature of Accounts		
30	Payable.		

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
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Schedule G-6  
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Line No.	Adjustments and Projected Balances	Accumulated Deferred Income Taxes (Liabilities) (1)	
		TYE 12/31/00	TYE 12/31/01
1	<u>Historic/Projected Year Ending 12/31</u>		
2	Historic balance 12/31	\$ 565,933	\$ 655,731
3	Historic monthly change	-	2,166
4	Historic balance 01/31	565,933	657,897
5	Historic monthly change	-	2,166
6	Historic balance 02/28	565,933	660,063
7	Historic monthly change	-	2,166
8	Historic balance 03/31	565,933	662,229
9	Historic monthly change	-	2,166
10	Historic balance 04/30	565,933	664,395
11	Historic monthly change	-	2,166
12	Historic balance 05/31	565,933	666,561
13	Historic monthly change	-	2,166
14	Historic balance 06/30	565,933	668,727
15	Historic/projected monthly change	-	2,166
16	Historic/projected balance 07/31 (1)	565,933	670,893
17	Historic/projected monthly change	-	2,166
18	Historic/projected balance 08/31 (1)	565,933	673,059
19	Historic/projected monthly change	-	2,167
20	Historic/projected balance 09/30 (1)	565,933	675,226
21	Historic/projected monthly change	-	2,167
22	Historic/projected balance 10/31 (1)	565,933	677,393
23	Historic/projected monthly change	-	2,167
24	Historic/projected balance 11/30 (1)	565,933	679,560
25	Historic/projected monthly change	89,798	2,167
26	Historic/projected balance 12/31 (1)	<u>\$ 655,731</u>	<u>\$ 681,727</u>
27	Thirteen Month Average	<u>\$ 572,841</u>	<u>\$ 668,728</u>

28 Note (1) Accumulated deferred income taxes (liabilities) represent book - tax depreciation timing differences.  
 29 Tax entries are made on an annual basis. Therefore, the beginning balances for 2000 did not change until the  
 30 last month of the year. 2001 activity has been spread evenly to each month. Workpapers showing the  
 31 computations will be furnished to the PSC Auditors. The adjustments are calculated in total as follows:

32	2000 - Total timing difference = \$238,634 X 37.63% =	<u>\$ 89,798</u>
33	2001 - Total timing difference = \$ 69,104 X 37.63% =	<u>\$ 25,996</u>



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Line No.	For the Period Ended	Projection of Customer Deposits			Ending Balance
		Beginning Balance	Deposits Received	Deposits Refunded	
1	December, 1999	530,859	34,190	106,291	458,758
2	January, 2000	458,758	14,676	8,722	464,712
3	February	464,712	21,309	10,087	475,934
4	March	475,934	23,776	10,245	489,465
5	April	489,465	16,814	8,935	497,344
6	May	497,344	23,491	11,732	509,103
7	June	509,103	24,537	15,717	517,923
8	July	517,923	18,973	8,447	528,449
9	August	528,449	31,279	11,969	547,759
10	September	547,759	18,977	9,037	557,699
11	October	557,699	24,695	9,901	572,493
12	November	572,493	13,704	10,484	575,713
13	December, 2000	575,713	17,216	29,514	563,415
14	January	563,415	29,668	9,503	583,580
15	February	583,580	17,390	9,005	591,965
16	March	591,965	22,022	10,134	603,853
17	April	603,853	31,412	10,519	624,746
18	May	624,746	20,959	114,615	531,090
19	June	531,090	21,580	10,211	542,459
20	July	542,459	22,456	21,846	543,069
21	August	543,069	22,456	21,846	543,679
22	September	543,679	22,456	21,846	544,289
23	October	544,289	22,456	21,846	544,899
24	November	544,899	22,456	21,846	545,509
25	December, 2001	545,509	22,456	21,846	546,119
26	<b>Total</b>	<b>\$ 530,859</b>	<b>\$ 561,404</b>	<b>\$ 546,144</b>	<b>\$ 563,415</b>

27 Notes Deposit receipts are from both new and existing connections. When a resident moves away and a new resident  
 28 occupies a dwelling, a deposit is collected. A new connection also requires a deposit. Therefore, projected deposit  
 29 receipts are calculated using the simple average of the previous 19 months (December, 1999 through June, 2001).  
 30 Deposit refunds were similarly treated. Deposits are refunded to customers that satisfy the statutory 23-month requirement.  
 31 Deposits are also refunded to customers who terminate their service.

32 Projected amounts were determined as follows:

	Receipts	Refunds
34 Total 12/99 through 6/01	\$ 426,668	\$ 415,068
35 Divide by 19 months	<u>19</u>	<u>19</u>
36 Monthly projected amounts	\$ 22,456	\$ 22,456

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Line No.	Account and Description	Actual						Projected						Annual
		01/01	02/01	03/01	04/01	05/01	06/01	07/01	08/01	09/01	10/01	11/01	12/01	
1	Note: Except where otherwise noted, allocation of projected amounts based on historic activity achieved in the test year ended December 31, 2000, and is shown for clarity.													
2	<u>601 - Salaries and Wages - Employees</u>													
	Salaried and hourly employees													
3	Actual 7/00 - 12/00	\$ 14,350	\$ 19,896	\$ 21,173	\$ 36,762	\$ 21,181	\$ 19,561	\$ 16,671	\$ 17,907	\$ 21,405	\$ 20,613	\$ 35,353	\$ 28,350	\$ 273,222
4	Actual 1/01 - 6/01	\$ 16,850	\$ 21,965	\$ 23,042	\$ 24,800	\$ 40,685	\$ 25,686							153,028
5	Projected 7/01 - 12/01							20,138	21,631	25,856	24,900	42,705	34,245	169,475
6	Total	\$ 16,850	\$ 21,965	\$ 23,042	\$ 24,800	\$ 40,685	\$ 25,686	\$ 20,138	\$ 21,631	\$ 25,856	\$ 24,900	\$ 42,705	\$ 34,245	\$ 322,503
7	Note See Schedule G-8 for total payroll projected for year 2001													
8	Total salaries at new rates - annual													
9	(effective July 9, 2001)			338,949										
10	Factor for 1/2 year			0.50										
11	Total salaries 7/01 - 12/01			169,475										
12	Note Salaries are based on the rate of pay that went into effect on July 9, 2001. Meter readers are removed and recalculated below because their pay calculation is not based upon hours worked													
13	<u>Meter readers</u>													
14	Actual 7/00 - 12/00	\$ 1,707	\$ 1,529	\$ 1,724	\$ 1,922	\$ 1,912	\$ 1,903	\$ 1,814	\$ 1,841	\$ 1,970	\$ 1,853	\$ 1,850	\$ 2,632	\$ 22,657
15	Actual 1/01 - 6/01	\$ 1,687	\$ 1,818	\$ 1,987	\$ 1,935	\$ 1,914	\$ 1,917							\$ 11,258
16	Projected 7/01 - 12/01							\$ 1,890	\$ 1,918	\$ 2,053	\$ 1,931	\$ 1,928	\$ 2,742	12,462
17	Total	\$ 1,687	\$ 1,818	\$ 1,987	\$ 1,935	\$ 1,914	\$ 1,917	\$ 1,890	\$ 1,918	\$ 2,053	\$ 1,931	\$ 1,928	\$ 2,742	\$ 23,720
18	(A) Test Year Ended 12/31/00			\$ 22,657						\$ 11,258				
19	Projected Growth Factor (Schedule F-10)			1.04688						23,719				
20	Total projected 2001			\$ 23,719						\$ 12,461				
21	Note: Meter readers are paid on a per meter read basis at varying rates for each meter reader, therefore, it is appropriate to calculate the annualized wage based on the projected growth factor													
22	<u>Total Salaries and Wages - Employees</u>													
23	Actual 7/00 - 12/00	\$ 16,057	\$ 21,425	\$ 22,897	\$ 38,684	\$ 23,093	\$ 21,464	\$ 18,485	\$ 19,748	\$ 23,375	\$ 22,466	\$ 37,203	\$ 30,982	\$ 295,879
24	Actual 1/01 - 6/01	\$ 18,537	\$ 23,783	\$ 25,029	\$ 26,735	\$ 42,599	\$ 27,603							\$ 164,286
25	Projected 7/01 - 12/01							\$ 22,028	\$ 23,549	\$ 27,909	\$ 26,831	\$ 44,633	\$ 36,987	181,937
26	Total	\$ 18,537	\$ 23,783	\$ 25,029	\$ 26,735	\$ 42,599	\$ 27,603	\$ 22,028	\$ 23,549	\$ 27,909	\$ 26,831	\$ 44,633	\$ 36,987	\$ 346,223
27	<u>603 - Salaries and Wages - Officers</u>													
28	Actual 1/01 - 6/01	\$ 4,623	\$ 6,426	\$ 6,426	\$ 6,426	\$ 9,585	\$ 6,474							\$ 39,960
29	Projected 7/01 - 12/01							\$ 4,458	\$ 4,458	\$ 4,458	\$ 4,458	\$ 4,458	\$ 4,457	26,747
30	Total	\$ 4,623	\$ 6,426	\$ 6,426	\$ 6,426	\$ 9,585	\$ 6,474	\$ 4,458	\$ 4,458	\$ 4,458	\$ 4,458	\$ 4,458	\$ 4,457	\$ 66,707
31	Salaries paid through 6/30/01													
32	Allowed salaries per last Order			\$ 39,960										
33	Salaries 7/01 - 12/01			\$ 26,747										
34	Note Officers salaries are allocated evenly to the remaining months of 2001, based on the allowed amount per the last Order													

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Line No.	Account and Description	Actual						Projected						Annual
		01/01	02/01	03/01	04/01	05/01	06/01	07/01	08/01	09/01	10/01	11/01	12/01	
1	Note: Except where otherwise noted, allocation of projected amounts based on historic activity achieved in the test year ended December 31, 2000, and is shown for clarity.													
2	<b>604 - Employee Benefits</b>													
3	Actual 1/01 - 6/01	\$ 3,768	\$ 3,722	\$ 4,684	\$ 4,213	\$ 4,011	\$ 4,705							\$ 25,103
4	Projected 7/01 - 12/01							\$ 3,215	\$ 3,410	\$ 3,962	\$ 3,837	\$ 6,164	\$ 5,058	25,646
5	Total	\$ 3,768	\$ 3,722	\$ 4,684	\$ 4,213	\$ 4,011	\$ 4,705	\$ 3,215	\$ 3,410	\$ 3,962	\$ 3,837	\$ 6,164	\$ 5,058	\$ 50,749
6	(A) Test Year Ended 12/31/01 - Salaries							\$ 25,103						\$ 412,930
7	Employee			\$ 346,223				204,246						12.29%
8	Officer			66,707				12.29%						50,749
9	Total projected 2001			\$ 412,930										25,103
10														\$ 25,646
11	Note: Employee benefits were assigned to each month on the ratio of monthly salaries paid in the projected 6 months													
12	<b>610 - Purchased Water</b>													
13	Actual 1/01 - 6/01	\$ 77,190	\$ 87,486	\$ 12,888	\$ 12,286	\$ 14,824	\$ 13,013							\$ 217,687
14	Projected 7/01 - 12/01							\$ 9,313	\$ 8,917	\$ 7,906	\$ 12,359	\$ 14,556	\$ 63,211	116,261
15	Total	\$ 77,190	\$ 87,486	\$ 12,888	\$ 12,286	\$ 14,824	\$ 13,013	\$ 9,313	\$ 8,917	\$ 7,906	\$ 12,359	\$ 14,556	\$ 63,211	\$ 333,948
16	Note. See purchased water on Schedule G-9													
17	<b>615 - Purchased Power</b>													
18	Test Year Ended 12/31/00	\$ 5,276	\$ 7,258	\$ 5,389	\$ 1,222	\$ 7,091	\$ 4,479	\$ 6,735	\$ 6,718	\$ 8,719	\$ 6,207	\$ 8,916	\$ 12,703	\$ 80,713
19	Actual 1/01 - 6/01	\$ 759	\$ 11,898	\$ 9,288	\$ 11,609	\$ 13,498	\$ 7,543							\$ 54,595
20	Projected 7/01 - 12/01							\$ 4,028	\$ 4,018	\$ 5,215	\$ 3,712	\$ 5,332	\$ 7,597	29,902
21	Total	\$ 759	\$ 11,898	\$ 9,288	\$ 11,609	\$ 13,498	\$ 7,543	\$ 4,028	\$ 4,018	\$ 5,215	\$ 3,712	\$ 5,332	\$ 7,597	\$ 84,497
22	(A) Test Year Ended 09/30/99 - Purchased Power				\$ 80,713									\$ 54,595
23	Projected Growth Factor (Schedule F-10)				1.04688									84,497
24	Total projected 2001				\$ 84,497									\$ 29,902
25	Note This account was not increased for inflation due to the stability of electric rates.													
26	<b>618 - Chemicals</b>													
27	Test Year Ended 12/31/00	\$ 8,052	\$ 8,768	\$ 10,677	\$ 3,430	\$ 11,823	\$ 5,509	\$ 8,771	\$ 7,228	\$ 2,590	\$ 7,373	\$ 11,623	\$ 3,500	\$ 89,344
28	Actual 1/01 - 6/01	\$ 840	\$ 4,830	\$ 5,250	\$ 13,993	\$ 11,568	\$ 4,550							\$ 41,031
29	Projected 7/01 - 12/01							\$ 11,707	\$ 9,648	\$ 3,457	\$ 9,841	\$ 15,514	\$ 4,672	54,840
30	Total	\$ 840	\$ 4,830	\$ 5,250	\$ 13,993	\$ 11,568	\$ 4,550	\$ 11,707	\$ 9,648	\$ 3,457	\$ 9,841	\$ 15,514	\$ 4,672	\$ 95,871
31	(A) Test Year Ended 12/31/00				\$ 89,344									\$ 41,031
32	Projected Growth Factor (Schedule F-10)				1.04688									95,871
33	Inflation Factor (Schedule B-8)				1.02500									54,840
34	Total projected 2001				\$ 95,871									\$ 54,840

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Line No.	Account and Description	Actual						Projected						Annual
		01/01	02/01	03/01	04/01	05/01	06/01	07/01	08/01	09/01	10/01	11/01	12/01	
1	Note: Except where otherwise noted, allocation of projected amounts based on historic activity achieved in the test year ended December 31, 2000, and is shown for clarity.													
2	<b>620 - Materials and Supplies</b>													
3	Test Year Ended 12/31/00	\$ 10,355	\$ 10,740	\$ 17,160	\$ 12,836	\$ 15,941	\$ 10,551	\$ 12,404	\$ 14,192	\$ 5,033	\$ 9,961	\$ 9,718	\$ 20,137	\$ 149,028
4	Actual 1/01 - 6/01	\$ 7,844	\$ 24,795	\$ 6,861	\$ 16,126	\$ 10,767	\$ 22,056							\$ 88,449
5	Projected 7/01 - 12/01							\$ 12,408	\$ 14,196	\$ 5,034	\$ 9,964	\$ 9,721	\$ 20,143	71,466
6	Total	\$ 7,844	\$ 24,795	\$ 6,861	\$ 16,126	\$ 10,767	\$ 22,056	\$ 12,408	\$ 14,196	\$ 5,034	\$ 9,964	\$ 9,721	\$ 20,143	\$ 159,915
7	(A) Test Year Ended 12/31/00				\$ 149,028						\$ 88,449			
8	Projected Growth Factor (Schedule F-10)				1 04688						159,915			
9	Inflation Factor (Schedule B-8)				1 02500						\$ 71,466			
10	Total projected 2001				\$ 159,915									
11	<b>631 - Contract Services - Engineering</b>													
12	Test Year Ended 12/31/00	\$ 450	\$ 300	\$ -	\$ 11,151	\$ 3,959	\$ 8,398	\$ 741	\$ 1,613	\$ -	\$ (7,122)	\$ 300	\$ 2,550	\$ 22,340
13	Actual 1/01 - 6/01	\$ 1,871	\$ 1,365	\$ 1,130	\$ 1,382	\$ 724	\$ 2,352							\$ 8,824
14	Projected 7/01 - 12/01							\$ 1,925	\$ 4,189	\$ -	\$ -	\$ 779	\$ 6,623	13,516
15	Total	\$ 1,871	\$ 1,365	\$ 1,130	\$ 1,382	\$ 724	\$ 2,352	\$ 1,925	\$ 4,189	\$ -	\$ -	\$ 779	\$ 6,623	\$ 22,340
16	Note No projected increase to engineering costs projected for the Test Year Ended 12/31/01													
17	<b>632 - Contract Services - Accounting</b>													
18	Test Year Ended 12/31/00	\$ -	\$ (1,578)	\$ -	\$ -	\$ 18,449	\$ 1,649	\$ -	\$ 1,128	\$ -	\$ 1,110	\$ -	\$ 2,001	\$ 22,759
19	Actual 1/01 - 6/01	\$ 5,007	\$ 4,145	\$ 3,643	\$ 5,471	\$ 6,029	\$ 5,665							\$ 29,960
20	Projected 7/01 - 12/01							\$ (1,200)	\$ (1,200)	\$ (1,200)	\$ (1,200)	\$ (1,201)	\$ (1,200)	(7,201)
21	Total	\$ 5,007	\$ 4,145	\$ 3,643	\$ 5,471	\$ 6,029	\$ 5,665	\$ (1,200)	\$ (1,200)	\$ (1,200)	\$ (1,200)	\$ (1,201)	\$ (1,200)	\$ 22,759
22	12/31/2000 accounting expenses				22,759									
23	Accounting expense 1/01/2001 - 6/30/2001				29,960									
24	Adjustment				\$ (7,201)									
25	<b>633 - Contract Services - Legal</b>													
26	Test Year Ended 12/31/00	\$ (3,138)	\$ 2,671	\$ 688	\$ 82	\$ 28,481	\$ (29,649)	\$ 10,591	\$ 3,537	\$ 4,257	\$ 4,704	\$ 1,688	\$ 2,626	\$ 26,538
27	Actual 1/01 - 6/01	\$ 7,009	\$ 12,783	\$ 6,418	\$ 8,023	\$ 6,955	\$ 4,000							\$ 45,188
28	Projected 7/01 - 12/01							\$ (8,702)	\$ (2,906)	\$ (3,498)	\$ -	\$ (1,387)	\$ (2,158)	(18,651)
29	Total	\$ 7,009	\$ 12,783	\$ 6,418	\$ 8,023	\$ 6,955	\$ 4,000	\$ (8,702)	\$ (2,906)	\$ (3,498)	\$ -	\$ (1,387)	\$ (2,158)	\$ 26,537
30	Note No increased legal expenses projected for the test year ended 12/31/01 The decreases are for the removal of legal costs deferred or expensed below the line, per B-3(c)													

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Line No.	Account and Description	Actual						Projected						Annual
		01/01	02/01	03/01	04/01	05/01	06/01	07/01	08/01	09/01	10/01	11/01	12/01	
1	Note: Except where otherwise noted, allocation of projected amounts based on historic activity achieved in the test year ended December 31, 2000, and is shown for clarity.													
2	<u>635 - Contract Services - Testing</u>													
3	Test Year Ended 12/31/00	\$ 351	\$ 252	\$ 293	\$ -	\$ -	\$ -	\$ -	\$ 364	\$ 692	\$ 2,621	\$ 252	\$ 252	\$ 5,077
4	Actual 1/01 - 6/01	\$ 243	\$ 243	\$ 280	\$ 252	\$ 471	\$ 252							\$ 1,741
5	Projected 7/01 - 12/01							\$ -	\$ 301	\$ 573	\$ 2,171	\$ 209	\$ 209	3,463
6	Total	\$ 243	\$ 243	\$ 280	\$ 252	\$ 471	\$ 252	\$ -	\$ 301	\$ 573	\$ 2,171	\$ 209	\$ 209	\$ 5,204
7	(A) Test Year Ended 12/31/00				\$ 5,077						\$ 1,741			
8	Inflation Factor (Schedule B-8)				1 02500						5,204			
9	Total projected 2001				\$ 5,204						\$ 3,463			
10	Note: The calculation excludes the customer growth factor, since the amount of testing is not directly related to customer growth													
11	<u>635 - Contract Services - Other</u>													
12	Test Year Ended 12/31/00	\$ 4,784	\$ 6,808	\$ 3,434	\$ 2,993	\$ 5,981	\$ 9,629	\$ 7,078	\$ 4,355	\$ 5,580	\$ 5,871	\$ 3,224	\$ 2,885	\$ 62,622
13	Actual 1/01 - 6/01	\$ 4,657	\$ 8,463	\$ 9,024	\$ 11,215	\$ 4,428	\$ 5,552							\$ 43,339
14	Projected 7/01 - 12/01							\$ 5,824	\$ 3,584	\$ 4,592	\$ 4,831	\$ 2,653	\$ 2,375	23,859
15	Total	\$ 4,657	\$ 8,463	\$ 9,024	\$ 11,215	\$ 4,428	\$ 5,552	\$ 5,824	\$ 3,584	\$ 4,592	\$ 4,831	\$ 2,653	\$ 2,375	\$ 67,198
16	(A) Test Year Ended 12/31/00				\$ 62,622						\$ 43,339			
17	Projected Growth Factor (Schedule F-10)				1 04688						67,197			
18	Inflation Factor (Schedule B-8)				1 02500						23,858			
19	Total projected 2001				\$ 67,197									
20	Note: The increase for customer growth and inflation was assigned to each month on the same basis disclosed above for other expenses, using the monthly expense incurred in the test year													
21	<u>642 - Rental of Equipment</u>													
22	Test Year Ended 12/31/00	\$ -	\$ 33	\$ 51	\$ -	\$ 235	\$ -	\$ 493	\$ 654	\$ -	\$ 51	\$ 67	\$ 341	\$ 1,925
23	Actual 1/01 - 6/01	\$ 51	\$ 16	\$ 782	\$ 471	\$ 309	\$ 245							\$ 1,874
24	Projected 7/01 - 12/01							\$ 59	\$ 78	\$ -	\$ 6	\$ 8	\$ 41	192
25	Total	\$ 51	\$ 16	\$ 782	\$ 471	\$ 309	\$ 245	\$ 59	\$ 78	\$ -	\$ 6	\$ 8	\$ 41	\$ 2,066
26	(A) Test Year Ended 12/31/00				\$ 1,925						\$ 1,874			
27	Projected Growth Factor (Schedule F-10)				1 04688						2,066			
28	Inflation Factor (Schedule B-8)				1 02500						192			
29	Total projected 2001				\$ 2,066									

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Line No.	Account and Description	Actual						Projected						Annual
		01/01	02/01	03/01	04/01	05/01	06/01	07/01	08/01	09/01	10/01	11/01	12/01	
1	Note: Except where otherwise noted, allocation of projected amounts based on historic activity achieved in the test year ended December 31, 2000, and is shown for clarity.													
2	<u>650 - Transportation</u>													
3	Test Year Ended 12/31/00	\$ 400	\$ 2,063	\$ 4,398	\$ 4,608	\$ 497	\$ 3,840	\$ 5,546	\$ 2,812	\$ 4,889	\$ 4,043	\$ 3,293	\$ 5,399	\$ 41,788
4	Actual 1/01 - 6/01	\$ 3,381	\$ 7,372	\$ 3,254	\$ 6,023	\$ 7,819	\$ 1,435							\$ 29,284
5	Projected 7/01 - 12/01							\$ 2,892	\$ 1,466	\$ 2,549	\$ 2,108	\$ 1,717	\$ 2,817	13,549
6	Total	\$ 3,381	\$ 7,372	\$ 3,254	\$ 6,023	\$ 7,819	\$ 1,435	\$ 2,892	\$ 1,466	\$ 2,549	\$ 2,108	\$ 1,717	\$ 2,817	\$ 42,833
7	Test Year Ended 12/31/00				\$ 41,788					\$ 29,284				
8	Inflation Factor (Schedule B-8)				1 02500					42,833				
9	Total projected 2001				\$ 42,833					\$ 13,549				
10	Note: Transportation expense was increased only for inflation since this expense is not expected to vary with new customers													
11	<u>656 - Insurance - Vehicle</u>													
12	Actual 1/01 - 6/01	-	-	-	-	-	-	\$ 4,284						\$ 4,284
13	Projected 7/01 - 12/01							714	714	714	714	714	714	4,284
14	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,998	\$ 714	\$ 714	\$ 714	\$ 714	\$ 714	\$ 8,568
15	Note: Vehicle insurance is adjusted to the contract amount for the year ended 2001. Reclassification from general liability insurance for the first half of year was recorded in July													
16	<u>657 - Insurance - General Liability</u>													
17	Actual 1/01 - 6/01	3,005	94	(9)	3,129	-	-	\$ (4,284)						\$ 1,935
18	Projected 7/01 - 12/01							323	323	323	323	323	323	1,938
19	Total	\$ 3,005	\$ 94	\$ (9)	\$ 3,129	\$ -	\$ -	\$ (3,961)	\$ 323	\$ 323	\$ 323	\$ 323	\$ 323	\$ 3,873
20	Note: General liability insurance is adjusted to the contract amount for the year ended 2001. Reclassification of vehicle insurance for the first half of year was recorded in July													
21	<u>658 - Insurance - Workers Compensation</u>													
22	Actual 1/01 - 6/01	902	467	467	2,039	2,198	989							\$ 7,062
23	Projected 7/01 - 12/01							718	759	877	848	1,331	1,123	5,656
24	Total	\$ 902	\$ 467	\$ 467	\$ 2,039	\$ 2,198	\$ 989	\$ 718	\$ 759	\$ 877	\$ 848	\$ 1,331	\$ 1,123	\$ 12,718
25	(A) Total salaries 12/31/00				378,330									
26	Workers compensation 12/31/00				11,641									
27	Workers compensation rate				<u>3.0800%</u>									
28														
29														
30	Allocation of the projected workers compensation is based on the projected salaries and wages to be paid in the last half of 2001.													

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Line No.	Account and Description	Actual						Projected						Annual
		01/01	02/01	03/01	04/01	05/01	06/01	07/01	08/01	09/01	10/01	11/01	12/01	
1	Note: Except where otherwise noted, allocation of projected amounts based on historic activity achieved in the test year ended December 31, 2000, and is shown for clarity.													
2	<b>667 - Regulatory Commission Expense</b>													
3	Test Year Ended 12/31/00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,342	\$ 2,342
4	Actual 1/01 - 6/01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Projected 7/01 - 12/01							\$ 1,124	\$ 1,124	\$ 1,124	\$ 1,124	\$ 1,123	\$ 1,123	6,742
6	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,124	\$ 1,124	\$ 1,124	\$ 1,124	\$ 1,123	\$ 1,123	\$ 6,742
7	Note: Since no Amortization of Regulatory Commission Expense has been recorded in the first half of 2001, it is allocated to the last 6 months of 2001													
8	Amortization of Order No. PSC-99-1917-PAA-WS				2,342								6,742	
9	Amortization of Order No. PSC-01-1245-PAA-WS				4,400								6	
10					6,742								1,124	
11	<b>670 - Bad Debts</b>													
12	Test Year Ended 12/31/00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,229	\$ 3,229
13	Actual 1/01 - 6/01	\$ -	\$ -	\$ (144)	\$ -	\$ 69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (75)
14	Projected 7/01 - 12/01							\$ 551	\$ 551	\$ 551	\$ 551	\$ 550	\$ 550	3,304
15	Total	\$ -	\$ -	\$ (144)	\$ -	\$ 69	\$ -	\$ 551	\$ 551	\$ 551	\$ 551	\$ 550	\$ 550	\$ 3,229
16	Note: Amortization of Regulatory Commission Expense is limited to the amounts from the test year. Since none has been recorded in the first half of 2001, it is allocated to the last 6 months of 2001													
17	(A) Total Bad debts expense - 2000				\$ 3,229								\$ 3,304	
18	Total Bad debts expense - 01/01 - 06/01				(75)								6	
19	Projected 07/01 - 12/01				\$ 3,304								\$ 551	
30	<b>675 - Miscellaneous Expense</b>													
31	Test Year Ended 12/31/00	\$ 8,744	\$ 2,548	\$ 4,709	\$ 1,611	\$ 1,172	\$ 628	\$ 3,591	\$ 540	\$ 1,135	\$ 1,204	\$ 775	\$ 3,404	\$ 30,061
32	Actual 1/01 - 6/01	\$ 2,074	\$ 4,423	\$ 2,115	\$ 1,495	\$ 1,035	\$ 1,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,246
33	Projected 7/01 - 12/01							\$ 6,748	\$ 1,015	\$ 2,133	\$ 2,262	\$ 1,456	\$ 6,396	20,010
34	Total	\$ 2,074	\$ 4,423	\$ 2,115	\$ 1,495	\$ 1,035	\$ 1,104	\$ 6,748	\$ 1,015	\$ 2,133	\$ 2,262	\$ 1,456	\$ 6,396	\$ 32,256
35	Test Year Ended 12/31/00				\$ 30,061								\$ 12,246	
36	Projected Growth Factor (Schedule F-10)				1,04688								32,257	
37	Inflation Factor (Schedule B-8)				1,02500								20,011	
38	Total				\$ 32,257									

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Line No.	Employee Name	Present	Annualized	Allocations			Proforma Allocations		
		Salary (1)	Salary (2)	SS-W	Method (3)	Others	SS-W	Method (3)	Others
1	Brandie Allen	\$7 54	\$ 15,683	\$ 5,881	A	\$ 9,802			
2	Sylvia Ruiz-Torres	8.32	17,306	6,490	A	10,816			
3	Maria Turner	9.18	19,094	7,160	A	11,934			
4	Marion Vinyard	16 47	34,258	12,847	A	21,411			
5	Susan Wilkins	8 32	17,306	6,490	A	10,816			
6	Theresa Benton	8 32	17,306	6,490	A	10,816			
7	Kate Gavalas	12 00	24,960	9,360	A	15,600			
8	Jennifer Wilkowski	8 00	16,640	6,240	A	10,400			
9	Open	7 54	15,683				5,881	A, P	\$ 9,802
10	Pam Yacobelli	11 00	22,880	8,580	A	14,300			
11	Mike Brault	7 92	16,474	8,237	SS	8,237			
12	David Parker	7 92	16,474	16,474	S	-			
13	Melissa Yacobelli	7 92	16,474	16,474	S	-			
14	Marilyn Salehi (4)	7.92	8,237	8,237	S	-			
15	Virgil Brock	7.92	16,474	16,474	S	-			
16	Frank Feistel	7 92	16,474	16,474	S	-			
17	New Employee	7 92	16,474				16,474	S, P	-
18	Open	7 92	16,474				16,474	S, P	-
19	Ronnie Santiago	8 74	18,179	6,817	A	11,362			
20	David Lee	8 74	18,179	18,179	S	-			
21	Rick Sands	8 74	18,179	6,817	A	11,362			
22	Scott Lent	8.74	18,179	6,817	A	11,362			
23	Jeff Pruitt	9.50	19,760	7,410	A	12,350			
24	Open	8 74	18,179				6,817	A, P	11,362
25	Open	10 12	21,050				7,894	A, P	13,156
26	Open	11 18	23,254				8,720	A, P	14,534
27	Mike McDonald	10.12	21,050	10,525	SS	10,525			
28	Jim Clifford	10 12	21,050	7,894	A	13,156			
29	Open	11 74	24,419				9,157	A, P	15,262
30	Open	10 64	22,131				8,299	A, P	13,832
31	Open	10 64	22,131				8,299	A, P	13,832
32	Tony Cardinal	11 74	24,419	18,314	W	6,105			
33	Pete Marchisio	12 00	24,960	-	S	24,960			
34	Keith Schneider	12 50	26,000	-	S	26,000			
35	Matt Musgrave	11.74	24,419	-	S	24,419			
36	Sam Vandunk	11.74	24,419	-	S	24,419			
37	Joe Palazolo	15.00	31,200	-	S	31,200			
38	Steve Drake	15 00	31,200	-	S	31,200			
39	Allen Clark	15.00	31,200	11,700	A	19,500			
40	Pete Gavalas	16.01	33,301	12,488	A	20,813			
41	Jack Burke	19.08	39,686	14,882	A	24,804			
42	Charles Painter	16.36	34,029	34,029	A	-			
43	Sally Ferrell	19 77	41,122	15,421	A	25,701			
44	Connie Kurish	20 19	41,995	15,748	A	26,247			
45	Open	25 43	52,894				19,835	A, P	33,059
46			\$ 1,051,255	338,949		\$ 479,617	\$ 107,850		\$ 124,839
47		<u>Rate per</u>							
48		<u>Meter Read</u>							
49	Donald McDowell	0 20							
50	Esther Tucker	0 20							
51	Gwen Devault	0 18							
52	Marilyn Salehi (4)	0 24							
53	Total per G-7 (pg 1)			23,719					
54	Total annual salaries			\$ 362,668					

55 (1) Present salaries Effective July 9, 2001 Salaries for positions open reported at the minimum rate for the position

56 (2) Annualized salaries based upon a standard 40 hour week (2,080 hours annual)

57 (3) Allocation methods

- 58 A - based upon the rate of 37.5% each for Seven Springs water and wastewater and 12.5% each for Aloha Gardens water and wastewater
- 59 S - These employees have been specifically identified as working exclusively within the Seven Springs water or sewer division
- 60 W - These employees work in the water division only, 75% allocated to Seven Springs and 25% allocated to Aloha Gardens
- 61 SS - These employees work in the Seven Springs division only, allocated 50% each to water and sewer
- 62 P - Employees to be hired in future, proforma adjusted into salaries

63 (4) Employee is part-time (20 hours per week) and is a meter reader the rest of the time



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Line No.	Employee Name	Job Title	Job Code	Job Description
1	Brandie Allen	Customer Service Specialist I	N17	Responsible for clerical and public contact
2				
3	Sylvia Ruiz-Torres	Customer Service Specialist II	N19	Responsible for advanced clerical and public contact
4				
5	Maria Turner	Customer Service Specialist III	N21	Responsible for advanced clerical and public contact. Duties include lead worker responsibility
6				
7	Marion Vinyard	Accountant II	P16	Responsible accounting and administrative work in coordinating financial management activities.
8				
9	Susan Wilkins	Data Entry Operator	N19	Extensive keying to maintain accurate up-to-date customer account information
10				
11	Theresa Benton	Data Entry Operator	N19	Extensive keying to maintain accurate up-to-date customer account information
12				
13	Kate Gavalas	Data Entry Supervisor	P09	Supervisory data entry work for the accurate entry of data to a computer
14				
15	Jennifer Wilkowski	Clerk	N17	Moderately complex clerical work which requires typing skill
16	Open	Clerk	N17	Moderately complex clerical work which requires typing skill
17	Pam Yacobelli	Administrative Secretary	N24	Responsible for advanced clerical work which includes administration responsibility
18				
19	Mike Brault	Utility Worker I	N18	Unskilled to limited semiskilled work assisting in the installation, repair, and maintenance of the water distribution systems and wastewater collection systems
20				
21	David Parker	Utility Worker I	N18	Unskilled to limited semiskilled work assisting in the installation, repair, and maintenance of the water distribution systems and wastewater collection systems
22				
23	Melissa Yacobelli	Utility Worker I	N18	Unskilled to limited semiskilled work assisting in the installation, repair, and maintenance of the water distribution systems and wastewater collection systems.
24				
25	Marilyn Salehi (4)	Utility Worker I	N18	Unskilled to limited semiskilled work assisting in the installation, repair, and maintenance of the water distribution systems and wastewater collection systems
26				
27	Virgil Brock	Utility Worker I	N18	Unskilled to limited semiskilled work assisting in the installation, repair, and maintenance of the water distribution systems and wastewater collection systems
28				
29	Frank Feistel	Utility Worker I	N18	Unskilled to limited semiskilled work assisting in the installation, repair, and maintenance of the water distribution systems and wastewater collection systems
30				
31	New Employee	Utility Worker I	N18	Unskilled to limited semiskilled work assisting in the installation, repair, and maintenance of the water distribution systems and wastewater collection systems
32				
33	Open	Utility Worker I	N18	Unskilled to limited semiskilled work assisting in the installation, repair, and maintenance of the water distribution systems and wastewater collection systems.
34				
35	Ronnie Santiago	Utility Worker II	N20	Semi-skilled to varying degrees of skilled work in installing, maintaining, and repairing water distribution systems and wastewater collection systems
36				
37	David Lee	Utility Worker II	N20	Semi-skilled to varying degrees of skilled work in installing, maintaining, and repairing water distribution systems and wastewater collection systems.
38				
39	Rick Sands	Utility Worker II	N20	Semi-skilled to varying degrees of skilled work in installing, maintaining, and repairing water distribution systems and wastewater collection systems
40				
41	Scott Lent	Utility Worker II	N20	Semi-skilled to varying degrees of skilled work in installing, maintaining, and repairing water distribution systems and wastewater collection systems.
42				
43	Jeff Pruitt	Utility Worker II	N20	Semi-skilled to varying degrees of skilled work in installing, maintaining, and repairing water distribution systems and wastewater collection systems
44				
45	Open	Utility Worker II	N20	Semi-skilled to varying degrees of skilled work in installing, maintaining, and repairing water distribution systems and wastewater collection systems.
46				
47	Open	Fleet Maintenance Clerk	N23	Responsible for advanced work in the operation of fleet maintenance.
48				
49	Open	Labor Supervisor	N25	Labor supervisory work with responsibility for supervising the work of a crew engaged in maintenance and construction activities related to water and wastewater collection system
50				
51	Mike McDonald	Plant Mechanic I	N23	Skilled work in the maintenance, fabrication, and repair of electrical and mechanical equipment related to the supply, transmission, and treatment of potable water and wastewater.
52				
53	Jim Clifford	Plant Mechanic I	N23	Skilled work in the maintenance, fabrication, and repair of electrical and mechanical equipment related to the supply, transmission, and treatment of potable water and wastewater.
54				
55	Open	Electronic Technician	N26	Inspect, test, adjust, and repair electric, electronic, mechanical, and pneumatic instruments and system used to indicate, record, and control operations in water and wastewater treatment
56				
57	Open	Plant Trainee	N24	Trainee work in learning the fundamentals of water and/or wastewater treatment plant operation
58				
59	Open	Plant Trainee	N24	Trainee work in learning the fundamentals of water and/or wastewater treatment plant operation
60				
61	Tony Cardinal	Plant "C" Operator W	N26	Specialized work in the operation of a water treatment plant.
62	Pete Marchisio	Plant "C" Operator S	N26	Specialized work in the operation of a sewer treatment plant
63	Keith Schneider	Plant "C" Operator S	N26	Specialized work in the operation of a sewer treatment plant.
64	Matt Musgrave	Plant "C" Operator S	N26	Specialized work in the operation of a sewer treatment plant
65	Sam Vandunk	Plant "C" Operator S	N26	Specialized work in the operation of a sewer treatment plant.
66	Joe Palazolo	Plant "B" Operator	N27	Advanced specialized work in the operation of a sewer treatment plant
67	Steve Drake		N29	Specialized work of a skilled nature involving supervisory responsibilities in the operation and maintenance of wastewater treatment plants.
68		Lead Plant Operator		
69	Allen Clark	Utility Inspector	N27	Responsible inspection work in quality control of public works and/or utility projects to assure compliance
70				

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Line No.	Employee Name	Job Title	Job Code	Job Description
1	Pete Gavalas	Utility Inspector	N27	Responsible inspection work in quality control of public works and/or utility projects to assure compliance
2				
3	Jack Burke	Utility Maintenance Supervisor	M02	Highly responsible work in the administration, planning and directing of the maintenance sections
4				
5	Charles Painter	Utility Operations Supervisor	M02	Highly responsible work in the administration, planning and directing of the operations sections
6				
7	Sally Ferrell	Personnel Manager	M03	Specialized administrative work of an advanced technical nature in the Personnel Department
8	Connie Kurish	Administration Manager	M03	Responsible work in directing the administrative functions of the utility, including directing the development and implementation of all financial, accounting and management functions
9				
10	Open	Utility Director	M07	Highly responsible administrative and management work in the planning, direction, and coordination
11				
12	Donald McDowell	Meter Reader	MRN	Field clerical work in reading water meters and recording water consumption
13	Esther Tucker	Meter Reader	MRN	Field clerical work in reading water meters and recording water consumption
14	Gwen Devault	Meter Reader	MRN	Field clerical work in reading water meters and recording water consumption
15	Marilyn Salehi	Meter Reader	MRN	Field clerical work in reading water meters and recording water consumption

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Schedule G-9  
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 Preparer: D. Porter, PE

Line No.			
1	Demographic Based Water Demand Projection		
2	Seven Springs Water System		
3	1. Total Water Sold to Customers in Subdivisions Created < 10 Years Ago		
4	Period 7/1/00 to 6/30/01		
5	Annual Average Monthly Demand/ERC	15,200	Gallons/Month
6	Annual Average Daily Demand/ERC	500	Gallons/Day
7	2 Total Water Sold To Customers in Subdivisions Created > 10 Years Ago		
8	Period 7/1/00 to 6/30/01		
9	Annual Average Monthly Demand/ERC	5,149	Gallons/Month
10	Annual Average Daily Demand/ERC	169	Gallons/Day
11	3 Total Water Sold To Customers in All Subdivisions		
12	Period 7/1/00 to 6/30/01		
13	Annual Average Monthly Demand/ERC	7,839	Gallons/Month
14	Annual Average Daily Demand/ERC	258	Gallons/Day
15	The data shows that the average water demand per ERC of 258 gallons/day is not representative of the		
16	demands being placed on the system by new customers. This is mainly due to the demographic shift from		
17	retirement households to younger households with children and larger homes with larger lots. The older		
18	retirement households demand far less water (169 gallons/day) than the younger households (500 gallons/day).		
19	This skews the average demand and causes the average demand to be non-representative of going-forward		
20	basis		
21	The majority of future connections to the Seven Springs Water System will be in those subdivisions created		
22	within the last 10 years. Therefore, on a going-forward basis, 500 gallons/ERC should be used when predicting		
23	water demands (Average Annual Daily Demand).		
24	Note: The data shown represents only water sold to customers and does not include additional quantities		
25	needed for treatment loss and system losses which are traditionally 10% of the amount sold to customers.		

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Schedule G-9  
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 Preparer: D. Porter, PE

Line No.		
1	Seven Springs Water System	
2	Calculation of Purchased Water Needs	
3	Data:	
4	Number of Additional ERC for 2001	<u>473</u>
5	Water Demand per ERC (Gallons/Day)	<u>500</u>
6	Additional Water Demanded/Yr. (Gallons)	<u>86,322,500</u>
7	Water Sold in 2000 (Gallons)	<u>1,018,745,467</u>
8	Water Projected To Be Sold in 2001 (Gallons)	<u>1,105,067,967</u>
9	Water Required with Treatment and System Loss (Gallons) (1)	<u>1,227,853,297</u>
10	Water Available Per WUP (2.04MG/Day)	<u>744,600,000</u>
11	Water To Be Purchased (Gallons/Year)	<u>483,253,297</u>
12	Cost of Purchased Water at \$2.20/1000 Gallons (\$/Year) (2)	<u>\$ 1,063,157</u>
13	Notes. (1) Treatment and system water loss estimated at 10%.	
14	(2) Cost of purchased water is estimated and must be verified before use.	

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 Preparer: CJN & W

LINE NO.				
1	(A) Total Projected Gallons Needed (000)			
2	Total 2001 Projected Water Sales Per David Porter, P.E.			1,105,068
3	Divide By Factor For Unaccounted For Water			<u>90%</u>
4	Total 2001 Gallons Needed			1,227,853
5	Less Water Purchases & Pumpage From Own Wells -			
6	January Through June, 2001 Actual:			
7	Water Purchased From Pasco County			(103,056)
8	Water Purchased From Mitchell - Well 1			(125,259)
9	Water Purchased From Wells 2,3,4,6 & 7			(230,972)
10	Water Pumped From Own Wells (8 & 9)			<u>(144,117)</u>
11				<u>624,449</u>
12	(B) Total gallons needed July through December, 2001			
13	gallons purchased/pumped by source for period			
14	January 2000 to June 2001 and percentage of total			
15	as basis to allocate purchases for July through	GALLONS	PERCENT	ALLOCATED
16	December, 2001.	(000)		GALLONS
17	Well 1 - Mitchell	396,918	25.83%	161,295
18	Wells 2,3,4,6 & 7	770,085	50.11%	312,912
19	Own Wells - 8 & 9	<u>369,792</u>	<u>24.06%</u>	<u>150,243</u>
20	Total allocated gallons by source	<u>1,536,795</u>	<u>100.00%</u>	<u>624,449</u>
21	(C) Cost of purchased water for each source.			
22		GALLONS	COST PER	TOTAL
23	Well 1 - Mitchell		1,000	COST
24	Wells 2,3,4,6 & 7	\$ 161,295	\$ 0.10	\$ 16,130
25	Own Wells - 8&9	312,912	0.32	100,132
		<u>150,243</u>		<u>-</u>
26	Total Projected Cost July Thru December, 200	<u>624,449</u>		<u>116,261</u>
27	(D) Allocation To Each Month:			
28				2001
29		2000 COSTS	PERCENT	MONTHLY
30	July, 2001	\$ 12,958	8.01%	\$ 9,313
31	August, 2001	12,395	7.67%	8,917
32	September, 2001	10,996	6.80%	7,906
33	October, 2001	17,189	10.63%	12,359
34	November, 2001	20,236	12.52%	14,556
35	December, 2001	<u>87,919</u>	<u>54.37%</u>	<u>63,211</u>
36	Total	<u>\$ 161,693</u>	<u>100.00%</u>	<u>\$ 116,261</u>

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule G-9

Account No.: 010503-WU

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Test Year Ended: December 31, 2000 and 2001

Preparer: CJN & W

LINE

NO.

1	Calculation of proforma adjustment for purchased water				
2	required to meet Consumptive Use Permit (CUP) limits				
3	Total 2001 projected water needed (000)		1,227,853		
4	Less: Repression adjustment @ 5%		<u>(61,393)</u>		
5	Adjusted total water needed:		1,166,460		
6	Sources of water in compliance with CUP:	<u>Gallons (000)</u>			
7		Maximum	Annual	Cost	Purchased
8		Daily CUP	Max. CUP	Per	Water
9		Pumpage	Pumpage	1000	Cost
10	Well 1 - Mitchell	449	163,885	(163,885) \$ 0.10	\$ 16,389
11	Wells 2,3,4,6 & 7	1,100	401,500	(401,500) 0.32	128,480
12	Wells 8 & 9	<u>491</u>	<u>179,215</u>	(179,215) 0.00	<u>-</u>
13	Total existing sources of 2001 water needs	<u>2,040</u>	<u>744,600</u>		144,869
14	Additional water required to be purchased from Pasco County		<u>421,860</u>	2.20	<u>928,093</u>
15	Total annualized purchased water cost				1,072,961
16	Projected purchased water cost in test year (1)				<u>(333,948)</u>
17	Proforma increase required				<u>\$ 739,013</u>
18	Note (1): Projected for 2001 with utility exceeding CUP limitations.				

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Line No.	Employee Name	Present Salary (1)	Annualized Salary (2)	FICA 0.0765	FUTA 0.0080	SUTA 0.0180	Total Payroll Tax	Allocated Projected Annualized	
								Payroll SS-W	Payroll Tax SSW
1	Brandie Allen	\$ 7.54	\$ 15,683	\$ 1,200	\$ 56	\$ 126	\$ 1,382	\$ 5,881	\$ 518
2	Sylvia Ruiz-Torres	8.32	17,306	1,324	56	126	1,506	6,490	565
3	Mana Turner	9.18	19,094	1,461	56	126	1,643	7,160	616
4	Marion Vinyard	16.47	34,258	2,621	56	126	2,803	12,847	1,051
5	Susan Wilkins	8.32	17,306	1,324	56	126	1,506	6,490	565
6	Theresa Benton	8.32	17,306	1,324	56	126	1,506	6,490	565
7	Kate Gavalas	12.00	24,960	1,909	56	126	2,091	9,360	784
8	Jennifer Wilkowski	8.00	16,640	1,273	56	126	1,455	6,240	546
9	Open	7.54	15,683	1,200	56	126	1,382	-	-
10	Pam Yacobelli	11.00	22,880	1,750	56	126	1,932	8,580	725
11	Mike Brault	7.92	16,474	1,260	56	126	1,442	8,237	721
12	David Parker	7.92	16,474	1,260	56	126	1,442	16,474	1,442
13	Melissa Yacobelli	7.92	16,474	1,260	56	126	1,442	16,474	1,442
14	Marilyn Salehi (4)	7.92	8,237	630	56	126	812	8,237	812
15	Virgil Brock	7.92	16,474	1,260	56	126	1,442	16,474	1,442
16	Frank Feistel	7.92	16,474	1,260	56	126	1,442	16,474	1,442
17	New Employee	7.92	16,474	1,260	56	126	1,442	-	-
18	Open	7.92	16,474	1,260	56	126	1,442	-	-
19	Ronnie Santiago	8.74	18,179	1,391	56	126	1,573	6,817	590
20	David Lee	8.74	18,179	1,391	56	126	1,573	18,179	1,573
21	Rick Sands	8.74	18,179	1,391	56	126	1,573	6,817	590
22	Scott Lent	8.74	18,179	1,391	56	126	1,573	6,817	590
23	Jeff Pruitt	9.50	19,760	1,512	56	126	1,694	7,410	635
24	Open	8.74	18,179	1,391	56	126	1,573	-	-
25	Open	10.12	21,050	1,610	56	126	1,792	-	-
26	Open	11.18	23,254	1,779	56	126	1,961	-	-
27	Mike McDonald	10.12	21,050	1,610	56	126	1,792	10,525	896
28	Jim Clifford	10.12	21,050	1,610	56	126	1,792	7,894	672
29	Open	11.74	24,419	1,868	56	126	2,050	-	-
30	Open	10.64	22,131	1,693	56	126	1,875	-	-
31	Open	10.64	22,131	1,693	56	126	1,875	-	-
32	Tony Cardinal	11.74	24,419	1,868	56	126	2,050	18,314	1,537
33	Pete Marchisio	12.00	24,960	1,909	56	126	2,091	-	-
34	Keith Schneider	12.50	26,000	1,989	56	126	2,171	-	-
35	Matt Musgrave	11.74	24,419	1,868	56	126	2,050	-	-
36	Sam Vandunk	11.74	24,419	1,868	56	126	2,050	-	-
37	Joe Palazolo	15.00	31,200	2,387	56	126	2,569	-	-
38	Steve Drake	15.00	31,200	2,387	56	126	2,569	-	-
39	Allen Clark	15.00	31,200	2,387	56	126	2,569	11,700	963
40	Pete Gavalas	16.01	33,301	2,548	56	126	2,730	12,488	1,024
41	Jack Burke	19.08	39,686	3,036	56	126	3,218	14,882	1,207
42	Charles Painter	16.36	34,029	2,603	56	126	2,785	34,029	2,785
43	Sally Ferrell	19.77	41,122	3,146	56	126	3,328	15,421	1,248
44	Connie Kurish	20.19	41,995	3,213	56	126	3,395	15,748	1,273
45	Open	25.43	52,894	4,046	56	126	4,228	-	-
46			1,051,255	80,421	2,520	5,670	88,611	338,949	28,819
47		Rate per							
48		Meter Read							
49	Donald McDowell	0.20	23,720	1,815	56	126	1,997	23,720	1,997
50	Esther Tucker	0.20							
51	Gwen Devault	0.18							
52	Marilyn Salehi (4)	0.24							
53	Officers		171,686	7,474	1,373	3,090	11,937	66,707	4,638
54	Total		\$ 1,246,661	\$ 89,710	\$ 3,949	\$ 8,886	\$ 102,545	\$ 429,376	\$ 35,454

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000 & 2001

Schedule G-10  
 Page 1 of 2  
 Preparer: CJN & W

Line No.	Employee Name	Present Salary (1)	Annualized Salary (2)	FICA 0.0765	FUTA 0.0080	SUTA 0.0180	Total Payroll Tax	Allocated Proforma	
								Payroll SS-W	Payroll Tax SSW
1	Brandie Allen	\$ 7.54	\$ 15,683	\$ 1,200	\$ 56	\$ 126	\$ 1,382		-
2	Sylvia Ruiz-Torres	8.32	17,306	1,324	56	126	1,506		-
3	Maria Turner	9.18	19,094	1,461	56	126	1,643		-
4	Marion Vinyard	16.47	34,258	2,621	56	126	2,803		-
5	Susan Wilkins	8.32	17,306	1,324	56	126	1,506		-
6	Theresa Benton	8.32	17,306	1,324	56	126	1,506		-
7	Kate Gavalas	12.00	24,960	1,909	56	126	2,091		-
8	Jennifer Wilkowski	8.00	16,640	1,273	56	126	1,455		-
9	Open	7.54	15,683	1,200	56	126	1,382	\$ 5,881	\$ 518
10	Pam Yacobelli	11.00	22,880	1,750	56	126	1,932		-
11	Mike Brault	7.92	16,474	1,260	56	126	1,442		-
12	David Parker	7.92	16,474	1,260	56	126	1,442		-
13	Melissa Yacobelli	7.92	16,474	1,260	56	126	1,442		-
14	Marilyn Salehi (4)	7.92	8,237	630	56	126	812		-
15	Virgil Brock	7.92	16,474	1,260	56	126	1,442		-
16	Frank Feistel	7.92	16,474	1,260	56	126	1,442		-
17	New Employee	7.92	16,474	1,260	56	126	1,442	16,474	1,442
18	Open	7.92	16,474	1,260	56	126	1,442	16,474	1,442
19	Ronnie Santiago	8.74	18,179	1,391	56	126	1,573		-
20	David Lee	8.74	18,179	1,391	56	126	1,573		-
21	Rick Sands	8.74	18,179	1,391	56	126	1,573		-
22	Scott Lent	8.74	18,179	1,391	56	126	1,573		-
23	Jeff Pruitt	9.50	19,760	1,512	56	126	1,694		-
24	Open	8.74	18,179	1,391	56	126	1,573	6,817	590
25	Open	10.12	21,050	1,610	56	126	1,792	7,894	672
26	Open	11.18	23,254	1,779	56	126	1,961	8,720	735
27	Mike McDonald	10.12	21,050	1,610	56	126	1,792		-
28	Jim Clifford	10.12	21,050	1,610	56	126	1,792		-
29	Open	11.74	24,419	1,868	56	126	2,050	9,157	769
30	Open	10.64	22,131	1,693	56	126	1,875	8,299	703
31	Open	10.64	22,131	1,693	56	126	1,875	8,299	703
32	Tony Cardinal	11.74	24,419	1,868	56	126	2,050		-
33	Pete Marchisio	12.00	24,960	1,909	56	126	2,091		-
34	Keith Schneider	12.50	26,000	1,989	56	126	2,171		-
35	Matt Musgrave	11.74	24,419	1,868	56	126	2,050		-
36	Sam Vandunk	11.74	24,419	1,868	56	126	2,050		-
37	Joe Palazolo	15.00	31,200	2,387	56	126	2,569		-
38	Steve Drake	15.00	31,200	2,387	56	126	2,569		-
39	Allen Clark	15.00	31,200	2,387	56	126	2,569		-
40	Pete Gavalas	16.01	33,301	2,548	56	126	2,730		-
41	Jack Burke	19.08	39,686	3,036	56	126	3,218		-
42	Charles Painter	16.36	34,029	2,603	56	126	2,785		-
43	Sally Ferrell	19.77	41,122	3,146	56	126	3,328		-
44	Connie Kurish	20.19	41,995	3,213	56	126	3,395		-
45	Open	25.43	52,894	4,046	56	126	4,228	19,835	1,585
46			1,051,255	80,421	2,520	5,670	88,611	107,850	9,159
47		Rate per							
48		Meter Read							
49	Donald McDowell	0.20	23,720	1,815	56	126	1,997		-
50	Esther Tucker	0.20							-
51	Gwen Devault	0.18							-
52	Marilyn Salehi (4)	0.24							-
53	Officers		171,686	7,474	1,373	3,090	11,937		-
54	Total		\$ 1,246,661	\$ 89,710	\$ 3,949	\$ 8,886	\$ 102,545	\$ 107,850	\$ 9,159



Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule G-11

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2000 and 2001

Preparer: CJN & W

Line No.		Taxable Value	Millage Rate	31-Mar Tax	30-Nov Tax
1	<u>Real Estate Taxes - 2000</u>				
2	Anclote pump house	\$ 32,765	\$ 20.977	\$ 687	\$ 660
3	Easement by storage tank	524	20.977	11	11
4	Pump House-Well #8	28,236	20.977	592	569
5	Pump House-Well #9	33,211	20.977	697	669
6	Total Real Property - Assessed Value	<u>\$ 94,736</u>	20.977	<u>\$ 1,987</u>	<u>\$ 1,908</u>
7	NBV of Real Property - 12/31/99 - Books	<u>\$ 440,430</u>			
8	Actuarial percentage (\$94,736 / \$440,430)	<u>0.21510</u>			
9	NBV of Real Property - 12/31/2000	<u>\$ 347,351</u>			
10	Projected Real Estate Tax - 2001	<u>\$ 74,715</u>	20.977	<u>\$ 1,567</u>	<u>\$ 1,505</u>
11	<u>Tangible Tax - 2000</u>				
12	Water and Sewer Property - Assessed Value	<u>\$ 17,871,372</u>	20.977	<u>\$ 374,888</u>	<u>\$ 359,892</u>
13	NBV of Tangible Property - 2000 per books				
14	Water Property	\$ 6,167,500			
15	Sewer Property	<u>11,096,653</u>			
16	Total	<u>\$ 17,264,153</u>			
17	Actuarial percentage	<u>1.03517</u>			
18	NBV of Tangible Property - 12/31/2001				
19	Water Property	7,156,084			
20	Sewer Property	<u>15,711,450</u>			
21	Total	<u>\$ 22,867,534</u>			
22	Projected Tangible Tax - 2001 Assessed Value				
23	Water Property	\$ 7,407,763	20.977	\$ 155,393	\$ 149,177
24	Sewer Property	<u>16,264,022</u>	20.977	<u>341,170</u>	<u>327,524</u>
25	Tangible Property Tax - 2001	<u>\$ 23,671,785</u>	20.977	<u>\$ 496,563</u>	<u>\$ 476,701</u>
26	Total Tangible and Real Property Taxes projected				<u>\$ 478,206</u>

Company: Aloha Utilities, Inc.; Seven Springs Water Division

Schedule G-12

Docket No.: 010503-WU

Page 1 of 1

Test Year Ended: December 31, 2000 & 2001

Preparer: CJN & W

Line No.	Total 1/1 - 6/31	January 2001	February 2001	March 2001	April 2001	May 2001	June 2001
1	<u>CIAC Additions</u>						
2	\$ 9,079	\$ 2,994	\$ 551	\$ 3	\$ 1,915	\$ 3,199	\$ 418
3	159,299	-	-	-	99,331	-	59,968
4	18,148	2,149	3,972	2,691	3,971	2,560	2,805
5	<u>\$ 186,526</u>	<u>\$ 5,143</u>	<u>\$ 4,523</u>	<u>\$ 2,694</u>	<u>\$ 105,217</u>	<u>\$ 5,759</u>	<u>\$ 63,190</u>
6	Total	January	February	March	April	May	June
7	1/1 - 6/31	2001	2001	2001	2001	2001	2001
8	<u>ERC Additions 01/01/2001 - 06/31/2001 based on meter fees</u>						
9	239,415	28,354	52,394	35,506	52,387	33,774	37,000
10	<u>Projected ERC's (MFR Schedule F-10)</u>						
11	<u>Based on Meter Fees Collected</u>						
12	239	28,35	52,39	35,51	52,39	33,77	37,00
13	234	27,66	51,12	34,64	51,11	32,95	36,10
14	<u>473</u>	<u>56</u>	<u>104</u>	<u>70</u>	<u>103</u>	<u>67</u>	<u>73</u>
15	Total	July	August	September	October	November	December
16		2001	2001	2001	2001	2001	2001
17	<u>Projected Cash CIAC</u>						
18	\$ 38,260	\$ 4,531	\$ 8,373	\$ 5,674	\$ 8,372	\$ 5,397	\$ 5,913
19	17,705	2,097	3,875	2,626	3,874	2,498	2,736
20	<u>\$ 55,966</u>	<u>\$ 6,627</u>	<u>\$ 12,248</u>	<u>\$ 8,300</u>	<u>\$ 12,246</u>	<u>\$ 7,895</u>	<u>\$ 8,650</u>
21	Projection is based upon the difference of the total predicted ERC's calculated on Schedule F-10 of the						
22	MFR's and the ERC's connected through June 30, 2001. The amount is allocated to each month based						
23	on the activity in the previous 6 months. It is assumed that all remaining ERC's will pay both a meter						
24	fee and a capacity fee.						
25	Total	July	August	September	October	November	December
26		2001	2001	2001	2001	2001	2001
27	<u>Additional Capacity Fees to Escrow</u>						
28	78,530	9,299	17,187	11,646	17,183	11,078	12,137
29	Aloha collects \$500 capacity in its Seven Springs water system, pursuant to an Order by the PSC. The						
30	difference between the 163.80 and \$500 is held in escrow pending final approval of Service Availability						
31	Fees, and the amount of a refund, if any.						
32	<u>Contributed Property</u>						
33	159,300	26,550	26,550	26,550	26,550	26,550	26,550
34	Contributed property based on the same level of collections as the period 01/01 - 06/30, allocated evenly						
35	through the period 07/01 - 12/31						

Company: Aloha Utilities, Inc.; Seven Springs Water Division  
 Docket No.: 010503-WU  
 Test Year Ended: December 31, 2000 & 2001

Schedule G-13  
 Page 1 of 1  
 Preparer: CJN & W

Line No.	Description	Total Company			Seven Springs Water		
		2001	2001 Monthly	2001	2001	2001 Monthly	2001
1	<u>Real Estate Taxes</u>						
2	2000 Real Estate taxes paid	\$ 23,329		\$ 23,329	\$ 884		\$ 884
3	Accrued through 6/30/00	<u>15,246</u>		<u>-</u>	<u>578</u>		<u>-</u>
4	Remaining accrual	<u>8,083</u>	<u>\$ 1,347</u>	<u>23,329</u>	<u>306</u>	<u>\$ 51</u>	<u>884</u>
5	<u>Tangible Taxes</u>						
6	2000 Tangible Taxes paid	369,444		369,444	128,525		128,525
7	Accrued through 6/30/00	<u>221,670</u>		<u>-</u>	<u>77,116</u>		<u>-</u>
8	Remaining accrual	<u>147,774</u>	<u>24,629</u>	<u>369,444</u>	<u>51,409</u>	<u>8,568</u>	<u>128,525</u>
9	<u>Intangible Taxes</u>						
10	2000 Intangible Taxes paid	9,631		9,631	1,348		1,348
11	Accrued through 6/30/00	<u>-</u>		<u>-</u>	<u>-</u>		<u>-</u>
12	Remaining accrual	<u>9,631</u>	<u>1,605</u>	<u>9,631</u>	<u>1,348</u>	<u>225</u>	<u>1,348</u>
13	<u>Regulatory Assessment Fees</u>						
14	Accrued through 6/30/00	163,099			40,100		
15	Annualization Factor	<u>2</u>			<u>2</u>		
16	Calculated RAF's	326,198		326,198	80,200		80,200
17	Accrued through 6/30/00	<u>163,099</u>		<u>-</u>	<u>40,100</u>		<u>-</u>
18	Remaining accrual	<u>163,099</u>	<u>27,183</u>	<u>326,198</u>	<u>40,100</u>	<u>6,683</u>	<u>80,200</u>
19	Total Taxes Accrued	<u>\$ 328,587</u>	<u>\$ 54,764</u>	<u>\$ 728,602</u>	<u>\$ 93,163</u>	<u>\$ 15,527</u>	<u>\$ 210,957</u>



ALOHA UTILITIES, INC.  
Docket No. 010503-WU

Affidavit

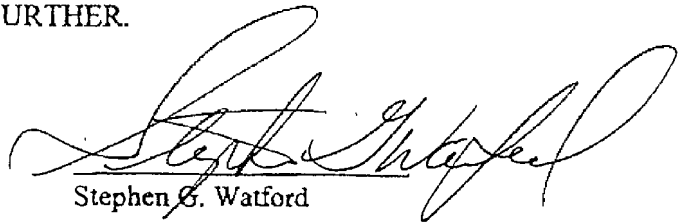
**EXHIBIT 4**

AFFIDAVIT

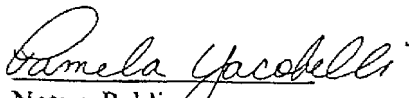
STATE OF FLORIDA  
COUNTY OF Polk

BEFORE ME personally appeared Stephen G. Watford, who is the President of Aloha Utilities, Inc., who states that Aloha Utilities, Inc. will comply with Rule 25-22.0407, Florida Administrative Code.

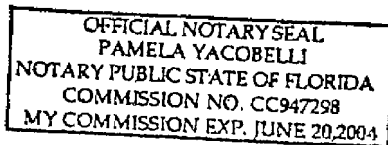
AFFIANT SAYS NOTHING FURTHER.

  
Stephen G. Watford

Sworn to and subscribed before me  
on this 9<sup>th</sup> day of August, 2001.

  
Notary Public  
State of Florida at Large

My Commission Expires:



ALOHA UTILITIES, INC.  
Docket No. 010503-WU

Revised Tariff Sheets Reflecting Proposed Interim Rates

**EXHIBIT 6**

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available in Seven Springs.

APPLICABILITY - For water service to any customer for which no other schedule applies.

LIMITATIONS - Subject to all the rules and regulations of this tariff and general rules and regulations of the Commission.

RATES - (Monthly)

<u>Meter Size</u>	<u>Base Facility Charge</u>		
5/8" x 3/4"	\$ 7.85	Minimum	3,000 gallons
1"	20.86	Minimum	8,000 gallons
1-1/2"	39.12	Minimum	15,000 gallons
2"	63.03	Minimum	24,000 gallons
3"	125.24	Minimum	48,000 gallons
4"	196.02	Minimum	75,000 gallons
6"	303.12	Minimum	150,000 gallons
8"	619.26	Minimum	240,000 gallons
10"	902.22	Minimum	345,000 gallons

GALLONAGE CHARGE - \$1.42 per 1,000 gallons in excess of minimum.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE:  
TYPE OF FILING: 2001 Interim Rates

Stephen G. Watford  
ISSUING OFFICER

President  
TITLE



RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available in Seven Springs.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all the rules and regulations of this tariff and general rules and regulations of the Commission.

RATES - (Monthly)

<u>Meter Size</u>	<u>Base Facility Charge</u>		
5/8" x 3/4"	\$ 7.85	Minimum	3,000 gallons
1"	20.86	Minimum	8,000 gallons
1 1/2"	39.12	Minimum	15,000 gallons
2"	63.03	Minimum	24,000 gallons
3"	125.24	Minimum	48,000 gallons
4"	196.02	Minimum	75,000 gallons
6"	303.12	Minimum	150,000 gallons
8"	619.26	Minimum	240,000 gallons
10"	902.22	Minimum	345,000 gallons

GALLONAGE CHARGE - \$1.42 per 1,000 gallons in excess of minimum.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE:  
TYPE OF FILING: 2001 Interim Rates

Stephen G. Watford  
ISSUING OFFICER

President  
TITLE

ALOHA UTILITIES, INC.  
Docket No. 010503-WU

Revised Tariff Sheets Reflecting the Proposed Final Rates

**EXHIBIT 7**

ALOHA UTILITIES, INC.  
Water Tariff

TWENTY FOURTH REVISED SHEET NO. 17.0  
Cancels Twenty Third Revised Sheet No. 17.0

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available in Seven Springs.

APPLICABILITY - For water service to any customer for which no other schedule applies.

LIMITATIONS - Subject to all the rules and regulations of this tariff and general rules and regulations of the Commission.

RATES - (Monthly)

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 9.23
1"	23.08
1-1/2"	46.15
2"	73.84
3"	147.68
4"	230.75
6"	461.50
8"	738.40
10"	1,338.35

GALLONAGE CHARGE - \$2.24 per 1,000 gallons up to 10,000 gallons  
\$2.81 per 1,000 gallons over 10,000 gallons

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE:  
TYPE OF FILING: 2001 Final Rates

Stephen G. Watford  
ISSUING OFFICER

President  
TITLE

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available in Seven Springs.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all the rules and regulations of this tariff and general rules and regulations of the Commission.

RATES - (Monthly)

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 9.23
1"	23.08
1-1/2"	46.15
2"	73.84
3"	147.68
4"	230.75
6"	461.50
8"	738.40
10"	1,338.35

GALLONAGE CHARGE - \$2.24 per 1,000 gallons up to 10,000 gallons  
\$2.81 per 1,000 gallons over 10,000 gallons

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE:  
TYPE OF FILING: 2001 Final Rates

Stephen G. Watford  
ISSUING OFFICER

President  
TITLE

ALOHA UTILITIES, INC.  
Docket No. 010503-WU

Direct Testimonies

**EXHIBIT 8**

1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                               ALOHA UTILITIES, INC.

3                                       DOCKET NO. 010503-WU

4                               APPLICATION FOR WATER RATE INCREASE OF

5                                       ALOHA UTILITIES, INC. IN PASCO COUNTY

6                               DIRECT TESTIMONY OF DAVID W. PORTER, P.E., C.O.

7 Q.    Please state your name and professional address.

8 A.    David W. Porter, P.E., C.O., Water/Wastewater System  
9        Consulting Engineer, 3197 Ryans Court, Green Cove Springs,  
10       Florida, 32043

11 Q.    Have you been retained by Aloha Utilities, Inc. to provide  
12        testimony and assist in the preparation of exhibits in this  
13        proceeding?

14 A.    Yes.

15 Q.    Please provide a brief resume of you training and experience  
16        as it relates to this proceeding.

17 A.    I hold a BSCE degree from the University of Massachusetts  
18        where the emphasis of my studies was in water and wastewater  
19        treatment technology. I have 29 years experience in the  
20        operation, management, design, construction and  
21        troubleshooting water and wastewater facilities. During that  
22        time I have been employed as a treatment plant operator and  
23        administrator, a design engineer, principal engineer, vice  
24        president and general manager of a engineering firm that  
25        specialized in the design of water and wastewater

1 facilities, principal engineer for a international water and  
2 wastewater equipment manufacturing firm that provides state-  
3 of-the-art equipment for high purity water systems and  
4 wastewater treatment systems worldwide. For 14 years I  
5 taught water and wastewater treatment technology as an  
6 adjunct instructor at community colleges, universities and  
7 State sponsored short schools. I have authored numerous  
8 technical papers and trade magazine articles related to  
9 treatment facility design, troubleshooting, operation and  
10 management. I have served as the chairman of the American  
11 Water Works Association's Pipeline Rehabilitation Standards  
12 Committee and have served on numerous technical advisory  
13 committees for the Water Environment Federation, the  
14 American Water Works Association and governmental regulatory  
15 agencies such as the Florida Department of Environmental  
16 Regulation. I am an A Class Licensed Plant Operator in the  
17 State of Florida, a Grade VII Licensed Plant Operator in the  
18 Commonwealth of Massachusetts, and a Registered Professional  
19 Engineer in the States of Florida and Virginia.

20 Q. Did you assist in the preparation of Schedules F-1 through  
21 F-10 submitted in this proceeding?

22 A. Yes.

23 Q. Is it you opinion that these schedules present true and  
24 factual to the best of you knowledge, and belief?

25 A. Yes.

1 Q. In you opinion, what is the appropriate per ERC water demand  
2 to be used when projecting future water system demands for  
3 the Seven Springs Water System on a going-forward basis?

4 A. 500 GPD/ERC.

5 Q. Briefly, how did you arrive at opinion?

6 A. I requested that Aloha Utilities prepare a tabulation of the  
7 average quantity of water demanded/customer for each  
8 subdivision for the most recent 12 month period. This  
9 tabulation clearly shows that the customers in the new  
10 subdivisions demand an average of 500 GPD/ERC which is  
11 substantially higher than those customers in the older  
12 subdivisions. This higher demand is understandable; the  
13 newer customer demographic is substantially different than  
14 that of the older customers. New customers tend to be  
15 families with children and larger homes and lots, whereas,  
16 older customers tended to be retired persons with no  
17 children lining in their home and who had smaller homes and  
18 lots. I utilized this tabulation in my analysis of the  
19 per/ERC water demand appropriate for use in this case.

20 Q. Do you have anything else to add.

21 A. Not at this time.

22

23

24

25



1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                                 ALOHA UTILITIES, INC.

3   SEVEN SPRINGS DIVISION

4   DOCKET NO. 010503-WU

5                   DIRECT TESTIMONY OF ROBERT C. NIXON, C.P.A.

6 Q.     Please state your name and professional address.

7 A.     Robert C. Nixon, C.P.A., a partner in the accounting firm  
8         of Cronin, Jackson, Nixon & Wilson, P.A., 2560 Gulf-To-Bay  
9         Boulevard, Suite 200, Clearwater, Florida 33765.

10 Q.    Have you been retained by Aloha Utilities, Inc. to provide  
11         documentary information and testimony in that company's  
12         application for increased rates for its Seven Springs  
13         Water Division?

14 A.    Yes.

15 Q.    Will you please provide a brief resume of your training  
16         and experience as it relates to this proceeding?

17 A.    Attached to this testimony is a brief resume of my  
18         education and training.     The resume also includes a  
19         listing of the companies I have represented in rate and  
20         other proceedings before the Florida Public Service  
21         Commission (PSC).

22 Q.    Did you provide schedules and other documentary evidence  
23         which were employed by the Commission in each of those  
24         cases listed on your resume in setting the rates and  
25         charges found by the Commission in those Orders?

1 A. Yes, I did.

2 Q. Did you and persons of your firm, working under your  
3 supervision and direction, prepare documentary evidence  
4 for use by the Commission in establishing rates for the  
5 Seven Springs Water Division of Aloha Utilities, Inc.?

6 A. Yes. Those documents are the Financial, Rate, and  
7 Engineering schedules required as Minimum Filing  
8 Requirements (MFRs) by the provisions of Rule 25-30.436,  
9 .437, .440, and .4415, Florida Administrative Code, and  
10 filed in this case as Exhibits 1, 2, 3. Volumes I and II,  
11 (Financial and Billing analysis), comprise Exhibits 1 and  
12 2, respectively. The additional Engineering information  
13 in Exhibit 3 consists of Volumes I, II(a), II(b), and  
14 Volume III.

15 Q. Briefly describe the types of information contained in  
16 those exhibits.

17 A. Exhibit 1 contains summary schedules in Sections A through  
18 G of rate base, operating income, cost of capital, and  
19 related supporting schedules for the historic year ended  
20 December 31, 2000, and the projected year ending December  
21 31, 2001. Based on these key schedules, the proposed  
22 interim and final rates were developed using the historic  
23 and projected test year billing determinates (Schedule E-  
24 13). Section F includes a section of engineering  
25 information containing summaries of plant operating data,

1 used and useful analysis, and customer growth using linear  
2 regression. Section G contains detailed statements and  
3 schedules related to the projected data for the months  
4 July 2001, through December 31, 2001. The information for  
5 the projected test year consists of six-months of actual  
6 data and six-months of projected data.

7 Exhibit 2 contains the Consolidated Billing Analysis  
8 for the Historic Test Year ended December 31, 2000.

9 Exhibit 3 contains the Supplemental Engineering  
10 Information required by Rule 25-30.440, in the volumes  
11 noted above.

12 Q. What is the general nature of the information contained in  
13 those exhibits?

14 A. The information in those exhibits is divisible in two  
15 broad categories: historic and projected. The historic  
16 information is derived directly from the books and records  
17 of the company. The projected information contains  
18 management's best estimate of revenue, expenses, capital,  
19 and capital additions for the six-months ending December  
20 31, 2001.

21 Q. Would you please explain the reason the financial and  
22 billing exhibits have been characterized as "unaudited?"

23 A. The PSC's rules for rate case filings, and its policies in  
24 implementing those rules, do not require that the  
25 schedules specified by the requirements be audited. Some

1 of the information required by the PSC's rules is based on  
2 estimates, assumptions, and projected data; therefore,  
3 such information cannot be audited in accordance with  
4 Generally Accepted Auditing Standards or presented in  
5 accordance with Generally Accepted Accounting Principles.

6 Assuming that all of the MFR information could be  
7 audited, the cost of preparing a rate case would be more  
8 prohibitive than it already is. At the same time, this  
9 would not relieve the Commission of the need to conduct  
10 its own audit and investigation of the information filed  
11 in this case. Hence, the additional cost of auditing even  
12 those portions of the MFRs conducive to audit would vastly  
13 increase rate case expense without any resulting cost  
14 benefits to the company, its customers, or the Commission.

15 Q. Is that the reason for the letter from your accounting  
16 firm dated August 7, 2001, and found behind the Index of  
17 Exhibit No. 1?

18 A. That is part of the reason. The PSC's rules do not  
19 require that water and sewer utilities have independent  
20 audits. As a result, the information presented is not  
21 based upon such audits.

22 Q. If that is the case, then upon what basis can you advise  
23 the Commission that the information presented in the  
24 documents filed as Exhibits No. 1, 2, and 3 is reliable  
25 information, which the Commission may employ in setting

1 rates for the Seven Springs Water Division of Aloha  
2 Utilities, Inc.?

3 A. The Commission recently completed a rate investigation of  
4 Aloha, including the Seven Springs Water Division, based  
5 on the test year ended December 31, 2000 (Docket No.  
6 000737). The related Commission audit was based on the  
7 year ended December 31, 1999. In addition, Aloha was also  
8 audited for the years ended December 31, 1997 and 1998, in  
9 Dockets No. 970536-WS and 980245-WS. Docket 000737 is  
10 expected to be closed shortly, based on the findings in  
11 Order No. PSC-01-1374-PAA-WS, issued June 27, 2001. As a  
12 result, reliable balances for the various rate base  
13 accounts were established and carried forward into the  
14 projected test year. Also, certain issues related to  
15 operating expenses were settled. The audit confirmed that  
16 the company keeps its books and records in accordance with  
17 the Class A Uniform System of Accounts, and the Commission  
18 adjustments arising from the Dockets noted above have been  
19 booked by the Company. As a result, I am confident the  
20 Commission can rely on the information filed in this case  
21 in setting rates.

22 Q. Why is this filing necessary, when the Commission recently  
23 issued an Order on the Historic 2000 Test Year in this  
24 proceeding?

25 A. Aloha was left with no alternative, after the Commission

1 refused to consider the additional cost of purchased water  
2 from Pasco County, required by the Southwest Florida Water  
3 Management District (SWFWMD), in a Limited Proceeding  
4 (Docket No. 010168-WU). This rate case is necessary to  
5 recover additional purchased water costs from Pasco  
6 County. The increase in costs will result from a  
7 reduction in the amount of water pumped from Aloha's wells  
8 to the level allowed by its Consumptive Use Permit (CUP).  
9 Also, SWFWMD has ordered Aloha to change its rate  
10 structure and implement conservation-based rates, which  
11 will result in reduction in water consumption by its  
12 customers.

13 Q. Is it accurate to state that the information contained in  
14 the rate case exhibits is true and correct to the best of  
15 your knowledge and belief?

16 A. The answer to your question is "yes" and "no." First, it  
17 is not an accountant's function to provide information on  
18 that basis, since the terms "true" and "correct" represent  
19 the assertion of an absolute statement. In a water  
20 utility rate application such as this, there are literally  
21 thousands of numbers which are extracted from the books  
22 and records of the utility company, by me and personnel of  
23 my firm, and many more thousands for the 24 months of 13-  
24 month average actual and projected data in this case. I  
25 believe them to be reliable and accurate, however, there

1 are almost always slight differences in numbers that occur  
2 from transposition errors and input errors, together with  
3 any differences of opinion on policy matters that may  
4 arise between our firm and the Commission Staff. The  
5 information we have prepared and set forth in Exhibit Nos.  
6 1, 2, and 3 will, in all likelihood, produce questions,  
7 some of which will become issues in this case before it is  
8 concluded. At the time of preparing this information,  
9 there were, of course, no issues, merely the  
10 straightforward presentation of facts and information, as  
11 set forth on schedules in conformity with the rule on  
12 Minimum Filing Requirements.

13 Q. Although no formal issues have been established at this  
14 point in the rate case, what matters do you believe will  
15 constitute the major issues in this case?

16 A. I believe there are three: The amount and cost of  
17 purchased water from Pasco County; the payroll expense  
18 related to a recently implemented change in salary  
19 structure and proposed new employees; and the conservation  
20 rate structure.

21 Q. Briefly discuss each of these as they relate to the  
22 information in the MFR's.

23 A. The amount of water to be purchased from Pasco County was  
24 based on the projected total water supply needs for 2001,  
25 less supply from Aloha's own wells, based on maximum daily

1 withdrawals permitted by its CUP. The remainder was  
2 presumed to be purchased from Pasco County, after a 5%  
3 reduction for repression due to conservation rates. The  
4 current Pasco County bulk rate of \$2.20 per thousand  
5 gallons was used to determine the total projected  
6 purchases from the County. It should be noted that Pasco  
7 County is currently considering new rates. If a change to  
8 the bulk rate occurs before the conclusion of this  
9 proceeding, the new rate should be used. See Schedule G-9  
10 Exhibit 1 for detailed computations of water supply needed  
11 for 2001, and the amount and cost of water to be purchased  
12 from Pasco County.

13 Q. How was the total 2001 water supply need determined?

14 A. Additional water needed for new customers was determined  
15 by the Company's engineer, David W. Porter, P.E., and  
16 added to the historic 2000 water needs. The calculation  
17 was based on new customers using 500 GPD, representing  
18 higher usage than has historically been the case for the  
19 average Aloha customer. This recognizes the demographic  
20 shift in the type of new customer Aloha will add to its  
21 system in 2001. Again, the detailed calculation is shown  
22 on Schedule G-9.

23 Q. Please discuss the second matter likely to be an issue.

24 A. As noted above, this relates to salaries and payroll  
25 expense. Aloha has operated without sufficient staff and



1 historically has had salary scales which have led to  
2 continuing high employee turnover. Aloha competes with  
3 Pasco County for qualified employees. As a result, Aloha  
4 obtained a copy of a study conducted by Pasco County to  
5 address utility employee compensation and the Management  
6 of Aloha implemented a new wage and salary scale based on  
7 the study effective July 9, 2001. The salaries and wages  
8 implemented on that date were used to project such  
9 expenses and benefits for the period July through December  
10 2001. Such salaries were annualized as an adjustment on  
11 Schedule B-3(A) of Exhibit 1. In addition, the Company is  
12 in the process of filling certain open positions, for  
13 which proforma recognition is requested. Aloha believes  
14 the new salary and wage scales will make it competitive  
15 with Pasco County to reduce turnover. The new employees  
16 will provide the staff necessary to provide quality  
17 service. See Schedule G-8 for a detailed listing of each  
18 employee and position, description of duties, and salary  
19 before and after implementation of the new wage scale.

20 Q. Please discuss conservation rates.

21 A. Aloha is required to implement a conservation rate  
22 structure by SWFWMD, as noted above. To achieve this  
23 mandate, SWFWMD held a workshop and provided Aloha and all  
24 other companies in the District with a water rate model  
25 which predicts the price elasticity of water to achieve

1 the conservation effects desired by the District. The  
2 model was developed and paid for by SWFWMD at a  
3 substantial investment of taxpayer dollars. Aloha  
4 believes it is expected to use this model to develop rates  
5 acceptable to the District. The Company is proposing a  
6 base facility charge and two tiered inclining block  
7 gallonage charge rate structure. The top of the first  
8 block is 10,000 gallons, which is the maximum level  
9 charged for sewer service, and represents approximately  
10 68% of Historic Test Year water consumption. The proposed  
11 rates consist of a \$9.23 base facility charge and  
12 gallonage charges of \$2.24 and \$2.81 for the respective  
13 blocks.

14 The proposed base charges recover approximately 35% of  
15 the requested revenue requirement, with the balance  
16 recovered in gallonage revenue from the first block.  
17 Usage in the first block after implementation of the  
18 conservation rates is expected to then represent  
19 approximately 82.5% of total residential usage. The  
20 SWFWMD model was used to model the proposed rates and  
21 determine the conservation effect. The model predicts  
22 that the proposed rates should result in conservation  
23 savings that reduce the revenue requirement to  
24 approximately \$2,703,000, equating to a cost savings of  
25 approximately \$289,000. If and when the savings occur,

1 Aloha proposes to use the savings for water conservation  
2 programs in cooperation with SWFWMD.

3 Q. I notice on Schedule B-10 of Exhibit 1 you have estimated  
4 total cost of this rate case to be \$446,500 and amortized  
5 over a 4-year period. Would you please explain to the  
6 Commission the source of that estimate?

7 A. Yes. At the time of preparation of that information, we  
8 estimated the cost of this case based on information  
9 provided, in part, by Rose, Sundstrom & Bentley, David  
10 Porter, P.E., and our experience in the many Aloha  
11 proceedings before the Commission since 1995. We will  
12 provide the Commission with the company's actual and  
13 estimated rate case expense, with support, as close to the  
14 finalization of this case as possible, in accordance with  
15 normal Commission practices.

16 Q. For the test year ended December 31, 2001, would you  
17 please summarize the rate base, rate of return, operating  
18 income, and operating revenue required by the Seven  
19 Springs Water Division of Aloha Utilities, Inc. to realize  
20 a fair rate of return on investment?

21 A. Yes. These are summarized as follows:

22	Rate Base	<u>\$ 1,821,490</u>
23	Rate of Return	<u>9.07%</u>
24	Operating Income	<u>\$ 165,209</u>
25	Operating Revenue	<u>\$ 3,044,811</u>

1 Q. Do you have anything further to add at this time?

2 A. No.



1 the following companies:

2	<u>Name of Company</u>	<u>Order No.</u>	<u>Date</u>
3	Clay Utility Company	14305	04/22/85
4	Twin County Utility Company	14380	05/17/85
5	Sanlando Utilities Corp.	15887	03/25/86
6	Park Manor Waterworks, Inc.	15831	03/12/86
7	Forest Utilities, Inc.	14557	07/10/85
8	Eagle Ridge Utilities, Inc.	14133	02/17/85
9	Martin Downs Utilities, Inc.	17269	03/10/87
10	Ocean Reef Utility Co.	17532	05/08/87
11	Rolling Oaks Utilities, Inc.	17760	06/06/87
12	St. Johns Service Company	18551	12/15/87
13	Limited investigation into		
14	rate settling procedures		
15	and alternatives for water		
16	and sewer companies	21202	05/08/89
17	Radnor Plantation DBA		
18	Plantation Utilities	21415	06/20/89
19	Hydratech Utilities, Inc.	22226	11/27/89
20	Martin Downs Utilities, Inc.	22869	04/27/90
21	Request by Florida Waterworks		
22	Assoc. for investigation of		
23	proposed repeal of Section		
24	118(b) IRC (CIAC)	23541	10/01/90
25	Southern States Utilities	24715	06/26/91

1	<u>Name of Company</u>	<u>Order No.</u>	<u>Date</u>
2	FFEC-Six, Ltd.	24733	07/01/91
3	East Central Florida Services	PSC-92-0104-FOF	03/27/92
4	Aloha Utilities, Inc.	PSC-92-0578-FOF-SU	06/29/93
5	Mad Hatter Utility, Inc.	PSC-93-0295-FOF-WS	02/24/93
6	Lehigh Utilities, Inc.	PSC-93-0301-FOF-WS	02/25/93
7	Jasmine Lakes Utilities Corp.	PSC-93-1675-FOF-WS	11/18/93
8	Gulf Utility Company	PSC-93-1207-FOF-WS	08/18/93
9	Key Haven Utility Company	PSC-94-1557-S-SU	12/13/94
10	JJ's Mobile Homes, Inc.	PSC-95-1319-FOF-WS	10/30/95
11	Little Sumter Utility	PSC-96-1132-FOF-WS	09/11/96
12	Aloha Utilities, Inc.	PSC-97-0280-FOF-WS	03/12/97
13	Gulf Utility Company	PSC-97-0847-FOF-WS	10/22/97
14	Lindrick Service Corporation	PSC-97-1501-FOF-WS	11/25/97
15	Indiantown Company	PSC-00-2054-PAA-WS	10/07/00
16	Aloha Utilities, Inc.	PSC-01-0326-FOF-SU	02/06/01

1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                                   ALOHA UTILITIES, INC.

3   DOCKET NO. 010503-WU

4                   APPLICATION FOR WATER RATE INCREASE OF

5                                   ALOHA UTILITIES, INC. IN PASCO COUNTY

6                   DIRECT TESTIMONY OF STEPHEN G. WATFORD

7           Q.    Please state your name and employment address.

8           A.    Stephen G. Watford, Aloha Utilities, Inc., 6915 Perrine  
9                   Ranch Road, New Port Richey, Florida 34655.

10          Q.    In what capacity are you employed by Aloha Utilities,  
11                   Inc.

12          A.    I am the Utility's President.

13          Q.    What is the purpose of your direct testimony?

14          A.    The purpose of my testimony is to provide information  
15                   concerning some costs in this case that may or may not  
16                   become issues. These are: (1) addition of administrative  
17                   personnel which occurred in 2001; (2) changes in salary  
18                   levels for most personnel of Aloha Utilities, which also  
19                   occurred in 2001; (3) the royalty paid for the right to  
20                   extract raw water; and (4) change to inclining block rate  
21                   structure and proposal by the Utility to generate its  
22                   full revenue requirements in the first tier of such  
23                   rates, and set aside the second higher tier first for  
24                   payment of water bills, and second for conservation  
25                   measures. I believe each of these issues requires



1 separate direct testimony, because an explanation is  
2 needed for why each of these must be annualized and  
3 recognized in rate setting to the full extent incurred by  
4 Aloha Utilities, Inc. I am also the custodian of all the  
5 records of Aloha Utilities, Inc. and therefore am  
6 attesting to the accuracy of the information provided  
7 within Mr. Nixon's schedules, to the extent it relies  
8 upon the books and records of the company as a basis for  
9 his calculations and the schedules prepared by both him  
10 and by Mr. Porter.

11 Q. Please address the first of the issues you have outlined?

12 A. At the beginning of the year 2001, the Utility began work  
13 on upgrading its customer service, billing and collection  
14 departments in order to meet existing customer  
15 requirements. We had needed to expand to add a few  
16 employees in these areas for some time, but had failed to  
17 do so because there was no space available in our old  
18 office building. Once we moved into the new office  
19 building in December of 2000, we were able to accommodate  
20 the additional employees, which had long been needed.  
21 One of these was added in January of 2001. This was the  
22 receptionist which we had no room for in the old  
23 building, but sorely needed to serve the existing  
24 customer base. This person helps to direct calls between  
25 customer service and administrative departments, as well

1 as serves as the receptionist for all visitors to our  
2 office. With a company of our size, we believe that a  
3 receptionist is not only appropriate, but necessary.

4 In March, April, and May we interviewed for new positions  
5 for a data entry operator and a customer service  
6 specialist I and filled those positions in May of 2001.  
7 The total annualized costs for the year 2001 for these  
8 new positions is \$32,989 per year, of which \$12,371 is  
9 allocated to Seven Springs water. I believe these are  
10 justified costs to service current customers during 2000  
11 and 2001.

12 The Commission's own management audit staff in fact  
13 reviewed our plans for adding additional personnel and  
14 agreed that they were appropriate and would assist  
15 management in carrying out their duties. The only reason  
16 we had not added them earlier, were the space limitations  
17 outlined above.

18 The entire annualized cost of these additional personnel  
19 must be recognized as necessary in going-forward rate  
20 setting in order to service existing customers.

21 Q. You mentioned increases in salaries across-the-board.  
22 Please explain this adjustment.

23 A. Yes, as part of the MFRs prepared by Mr. Nixon, we have  
24 included the changes in salaries for our personnel  
25 across-the-board, which have been implemented in the last

1 two months. These changes are the result of the fact that  
2 the Utility has had extremely high turnover in recent  
3 years, primarily because the salaries and benefits we  
4 offered were below those available from our competition,  
5 both at the County level and from the various other  
6 utilities in the surrounding areas. We have utilized the  
7 study of salaries performed this year by Pasco County in  
8 order to upgrade our pay packages to meet those of the  
9 County, so that we do not continue to experience these  
10 extremely high and very detrimental turnover rates. In  
11 recent months, we have been paying excessive overtime and  
12 in addition, we have only had time to train our  
13 personnel, because once they are trained, they tend to  
14 look for work with higher pay and benefits than those  
15 that we have offered in the past. It is not only  
16 inefficient to operate a utility in this manner, it is  
17 detrimental to the quality of service, the quality of  
18 operations provided, and to our ability to maintain a  
19 system in conformance with all applicable standards. As  
20 such, these changes in costs and benefits have been  
21 included within Mr. Nixon's schedules on an annualized  
22 basis, and must be incorporated into the establishment of  
23 any going-forward rates.

24 Q. Please address the third issue that you raised in your  
25 summary related to royalties on water extracted.

1       A.    Aloha has been paying a royalty on water extracted,  
2           rather than rent or other payments on land, for over 25  
3           years.    There are many reasons why this is the best  
4           course available to the Utility, in addition to being a  
5           method of payment that has been previously approved by  
6           the Commission in prior cases for this and other  
7           utilities.  In our specific case, the Utility is charged  
8           both by a related and by an unrelated party a royalty  
9           rather than rent or other compensation for the right to  
10          extract water.  This gives the Utility the right to  
11          locate and relocate wells at any point in time in the  
12          future that it desires.  Should the initial well location  
13          be unacceptable to the Utility for any reason it can move  
14          those well sites to enumerable locations, without buying  
15          land.  Therefore, it is better than owning a small parcel  
16          of land and extracting water from that parcel only.  
17          In the Utility's 1976 rate case, the Commission  
18          recognized this method of paying for water and the  
19          Utility has continued to utilize it from that point  
20          forward.  In fact, within that rate case, the Commission  
21          staff specifically recognized a doubling (100% increase)  
22          of the rate which occurred after the close of the test  
23          year in that proceeding in the amount of the charge  
24          imposed, and incorporated the change into the rates  
25          ultimately approved by the Commission.  Over the last 25

1 years the charge imposed by the related party has  
2 increased more than that charged by the unrelated party.  
3 However, this is no basis in and of itself for denying  
4 recognition of the cost. The fact that the unrelated  
5 party has not demanded a higher charge cannot reasonably  
6 be allowed to affect that which is reasonable for Aloha  
7 to pay. As a better indicator, the Commission originally  
8 approved this methodology for paying for the rights to  
9 extract water in 1979. The charges currently imposed for  
10 that right are less than the effects of inflation on the  
11 amount approved in the 1979 Order and, as such, have  
12 increased less than the Commission's own index has over  
13 that 25 year period (test year to test year).

14 Finally, as to market justification, surely it is not  
15 reasonable for the Commission to have approved this  
16 methodology for acquiring raw water in the past, and then  
17 to suggest now that the Utility should have done  
18 something different over the intervening years. However  
19 the Commission views the current arrangement, it must be  
20 viewed in light of the choices the Utility has at the  
21 present time and the fact that the Utility will have to  
22 seek alternative sources of water if the Commission  
23 disallows the current arrangement. The only alternatives  
24 available to the Utility on this issue, are the  
25 utilization of bulk treated water from Pasco County. Not

1           only is this many times more expensive than Aloha's own  
2           cost of acquiring water through payment of a royalty and  
3           treating the water itself, but it is questionable whether  
4           Pasco County would be willing to guarantee the quantities  
5           which Aloha needs. This would also make Aloha wholly a  
6           captive customer of Pasco County, which is not a  
7           reasonable situation to be in and is therefore very  
8           unstable and risky in addition to substantially  
9           increasing all costs of water service. There are no  
10          other viable alternatives available to the Utility and,  
11          as such, the alternative of purchasing treated water from  
12          the County is the only accurate measure of current  
13          "market value" for similar services. Therefore, the  
14          Commission must recognize this cost as a reasonable cost  
15          for providing service. It is a cost that is at or below  
16          the charge which would be imposed by an unrelated entity  
17          seeking to charge market value.

18        Q.    Do you have any further testimony to provide on this  
19            issue?

20        A.    Only that the primary reason for this case being filed  
21            was in order to recognize the substantial increase of  
22            purchased water cost the Utility must incur in order to  
23            obtain all water above its Consumptive Use Permit levels  
24            from Pasco County. In the past, the regulatory  
25            authorities have not been strict in requiring Aloha, or

1 any other utilities in the area, to conform completely to  
2 the WUP limitations. The general counsel of the SWFWMD  
3 pointed this out to the Commission in another recent  
4 proceeding at which he appeared. However, in the last  
5 year and a half, that has changed and the Water  
6 Management District is now strictly requiring that the  
7 Utility limit its withdrawals for raw water to the levels  
8 authorized in its permit. They have also refused to  
9 allow an increase in the permit withdrawal levels,  
10 leaving Aloha with no choice but to purchase additional  
11 water from Pasco County, at least for the foreseeable  
12 future. Those increased costs must be recognized in  
13 going-forward rate setting, before the Utility can begin  
14 to purchase these substantially increased quantities of  
15 water from Pasco County. In addition, this highlights  
16 the good value that the Utility gets from paying a  
17 royalty on raw water, rather than purchasing all of its  
18 water from Pasco County, which is the only alternative  
19 available to it. Should the Commission deny recognition  
20 of the cost of the royalty paid on raw water and in  
21 effect force the Utility to go to an alternative water  
22 source for all of its water needs. This will drive rates  
23 even higher.

24 Q. You mentioned the issue of the change in rate structure  
25 and the Utility's proposal related to implementation of

1 an inclining block rate structure. Please explain this  
2 proposal.

3 A. In accordance with the requirements of the SWFWMD, the  
4 Utility is proposing to implement an inclining block rate  
5 structure within this Application. I as president of the  
6 Utility, our engineer, our accountant, and our general  
7 manager have all been involved in reviewing the various  
8 alternative available for the Utility in implementing an  
9 inclining block rate structure as required by the SWFWMD.  
10 After review of the available alternatives, we determined  
11 that since the requirement to implement the new rate  
12 structure was imposed by the SWFWMD, and since they seem  
13 to have done the most research on this issue, we should  
14 utilize the extensive model that they had provided to us,  
15 which they had commissioned from an expert in the area.  
16 In doing so, we developed rates that we believe will  
17 generate our full revenue requirement (assuming the  
18 repressed usage is at the levels inherent in the model),  
19 from the first tier of consumption rates, along with all  
20 the other base and general service charges. We have then  
21 proposed that the second tier of charges to be set aside  
22 and used only for the purposes of first paying the cost  
23 of water as purchased from Pasco County (since all of the  
24 water utilized for providing the upper tier of service  
25 will come from purchases from Pasco County), and secondly



1 for utilization for various conservation measures. Our  
2 belief is that this is an appropriate way to handle  
3 implementing the new rate structure as it places less of  
4 the risk of a potentially substantial revenue deficiency  
5 on the Utility. Such a deficiency may result if the new  
6 rates in fact differ from the conservation goal, up or  
7 down. The opinions on the extent to which the  
8 conservation goal will be achieved when implementing this  
9 new rate structure varies greatly from expert to expert,  
10 especially in Aloha's unique circumstances. There is  
11 therefore a need for stability in the Utility's new rate  
12 structure, which this proposal provides. It will also  
13 help to minimize or avoid the likelihood of the second  
14 rate proceeding and its cost (if conservation is greater  
15 than expected), as well as the intervening shortfall in  
16 revenues and allow the Utility to meet its costs. The  
17 risk inherent in this change of rate structure is  
18 substantial and not recognized anywhere else within the  
19 PSC's rate setting procedures, such as in an increased  
20 rate of return. As such, this is the appropriate way to  
21 deal with this increased risk. In addition, the Utility  
22 can utilize the additional revenues generated by the  
23 upper tier for purposes related to continued efforts  
24 toward conservation, as agreed to by the Water Management  
25 District and the PSC. Initially, we believe those

1 conservation measures to be funded through use of these  
2 second tier monies should include various conservation  
3 programs, including educational, and possible rebates on  
4 low flow fixtures, etc. We also believe an important use  
5 of such monies is for funding, in part, the search for  
6 alternate sources of water, which the Utility can utilize  
7 to ensure the availability of a long-term secure supply  
8 of water for Aloha's customers. Continued reliance on  
9 bulk purchases from Pasco County is not wise or cost  
10 effective in the long run. The significant cost increase  
11 resulting from this case is a clear indicator of that,  
12 since the cost of purchasing water from Pasco County is  
13 a primary reason for this needed increase. Finally, we  
14 believe that to the extent there are significant monies  
15 generated by this upper tier of consumption rates for  
16 residential service, and those monies are not used up for  
17 the other purposes outlined above, we can utilize them to  
18 help assist us in furthering our goal of extending reuse  
19 service throughout our service territory. We will have  
20 to see how much money is available and whether or not it  
21 meets the needs of the other proposals as outlined above,  
22 but we are encouraged with the idea of benefitting all of  
23 the Utility's customers in the long run, based upon the  
24 increased revenue generated by this second tier of rates.

25 Q. Do you have anything else to offer?

1 A. No, not at this time.

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