

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

AMENDED APPLICATION FOR AN INTERIM 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 367.082, Florida Statutes, and Chapter 25-30, Florida Administrative Code, files this Amended Application for an Interim Increase in its Water Rates for its Seven Springs System in Pasco County, Florida and in support thereof states as follows:

I.

1. On August 10, 2001, Aloha filed its Application for interim and permanent increases in water rates for its water customers in its Seven Springs system.

2. By letter dated August 16, 2001, the Utility received notification that its Application met all Minimum Filing Requirements and the official date of filing was established as August 10, 2001 in accordance with Commission rule and statute.

3. After further review of the information submitted in support of its interim request, the Utility has decided to amend the interim portion of its request for rate relief, in order to utilize a different historic test period for interim purposes. The original interim request as submitted on August 10, 2001 was based upon use of the calendar year ended December 31, 2000 as a test period for the establishment of interim rates. This Amended Application for an Interim Increase in Water Rates is based upon the historic test year ended June 30, 2001. The more current test period is more representative of the Utility's going-forward operations and costs expected during the interim period.

DOCUMENT NUMBER-DATE

11270 SEP 10 05

FPSC-COMMISSION CLERK

4. The Utility is submitting the original and 15 copies of the Amended Interim Schedules incorporated herein by reference and attached as Exhibit "A."

(a) Rate Base - Interim;

(b) Net Operating Income Statement - Interim;

(c) Adjustments to Net Operating Income - Interim;

(d) Cost of Capital - Interim;

(e) Reconciliation of Capital Structure to Requested Rate Base;

(f) Schedule of Proposed Interim Rates; and

(g) The Original and Two Copies of Revised Exhibit 6 (Tariffs Showing Interim Rates).

5. Because the calendar year ended December 31, 2000 as reflected in the originally filed interim rate base, operating income, and cost of capital schedules, forms the base year for establishing permanent rates, the attached schedules in Exhibit "A" are not intended to replace any portion of the MFRs as originally filed, but instead to supplement them (with the exception of Exhibit 6, which is replaced by this filing). These revised schedules attached as Exhibit "A" hereto are, however, intended to replace all aspects of the original August 10, 2001 filing for the purposes of presenting Aloha's request for interim rate relief.

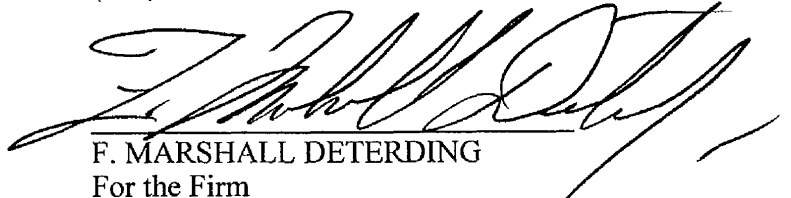
6. The Utility does not take a position with regard to whether the 60 day period for action by the Commission on interim rates under Section 367.082, Florida Statutes begins anew with the filing of this Amendment, or whether the Amendment refers back to the original filing date. However, for the purposes of interim rate setting, the Utility is willing to accept that the Commission has up to 60 days from the date of this Amended Interim Request to act. This willingness to forgo contesting this issue for the purposes of this specific Amended Interim Request, is based on the staff's stated willingness to expedite a staff recommendation on the relatively minor changes

resulting from this Amended Interim Request and, if at all possible, seek final Commission action and setting of interim rates well in advance of 60 days from today's date.

WHEREFORE, Aloha Utilities, Inc. hereby requests that the Commission accept this Amended Application for Interim Increase in Water Rates and grant such interim rates as are outlined in the Schedule of Proposed Interim Rates included in Exhibit "A" hereof.

Respectfully submitted this 10th
day of September, 2001 by:

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



F. MARSHALL DETERDING
For the Firm

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail or hand delivery (denoted by *) to the following parties on this 10th day of September, 2001:

Ralph Jaeger, Esquire*
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

Stephen C. Burgess, Esquire*
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400

Mr. Edward Wood
1043 Daleside Lane
New Port Richey, FL 34655-4293



F. MARSHALL DETERDING

Schedule of Water Net Operating Income

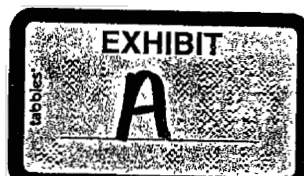
Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division
 Docket No.: 010503-WU
 Schedule Year Ended: June 30, 2001
 Interim [X] Final []
 Historic [X] Projected []

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

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	\$ 1,737,086	\$ -	\$ 1,737,086	\$ 290,138 (B)	\$ 2,027,224	B-4, E-13
2	Operation & Maintenance	1,467,332	64,017 (A)	1,531,349	(15,559) (C)	1,515,790	B-5, B-3(A)
3	Depreciation, net of CIAC Amort.	63,960		63,960		63,960	B-13, B-3(A)
4	Amortization (Contributed Taxes) (1)	(30,691)		(30,691)		(30,691)	
5	Taxes Other Than Income	298,985		298,985	11,828 (D)	310,813	B-15, B-3(A)
6	Provision for Income Taxes (2)	49,564	-	49,564	-	49,564	C-1(A)
7	OPERATING EXPENSES	1,849,150	64,017	1,913,167	(3,731)	1,909,436	
8	NET OPERATING INCOME	\$ (112,064)	\$ (64,017)	\$ (176,081)	\$ 293,869	\$ 117,788	
9	RATE BASE	\$ 1,327,934		\$ 1,327,934		\$ 1,327,934	
10	RATE OF RETURN	--	%	--	%	8.87	%
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				\$ 191,510		
16	(2) The provision for income taxes consists solely of deferred income tax required by Internal Revenue Code (IRC) Section 168						



Schedule of Adjustments to Operating Income

Florida Public Service Commission

Company: Aloha Utilities, Inc.; Seven Springs Water Division
 Schedule Year Ended: June 30, 2001
 Interim Final
 Historic Projected

Schedule: B-3 (B)
 Page 1 of 1
 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 & Maintenance (O & M) Expenses</u>		
2	1) PSC Adjustments per Docket No's 000737-WS, 010518-WS		
3	(a) Remove rent expense from old building	\$ (6,118)	
4	(b) Amortize regulatory commission expense of Docket No. 960545-WS	65,735	N/A
5	2) Amortization of rate case costs related to Docket No.		
6	000737-WS per Order No. PSC-01-1245-PAA-WS		
7	(\$29,011 - Aloha Gardens portion (\$11,411) = \$17,600/4 years)	4,400	
8		<u>\$ 64,017</u>	
9	(B) <u>Revenue Increase</u>		
	Increase in revenue required by the Utility to realize a 8.87 % rate of return	<u>\$ 290,138</u>	
20	(C) <u>Operations and Maintenance Expense</u>		
21	Reduce interim revenue requirement for overearnings per Order No. PSC-01-1374-PAA-WS	<u>\$ (15,559)</u>	N/A
	(D) <u>Taxes Other Than Income</u>		
10	(1) Regulatory Assessment Fees (RAF's)		
11	Total revenue requested	\$ 2,027,224	
	RAF rate	<u>0.045</u>	
12	Total RAF's	91,225	
13	Adjusted test year RAF's	<u>(79,397)</u>	
14			
15	Adjustment required	<u>\$ 11,828</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
Schedule Year Ended: June 30, 2001
Schedule Year Ended: June 30, 2001
Historic Projected

Schedule: D-1 (A)
Page 1 of 1
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	988,249	74.42 %	9.03 %	6.72 %
2	Short-Term Debt			-	
3	Preferred Stock	67,990	5.12	8.93	0.46
4	Customer Deposits	64,006	4.82	6.00	0.29
5	Common Equity	207,689	15.64	8.93	1.40
6	Tax Credits - Zero Cost				
7	Accumulated Deferred Income Tax				
8	Other (Explain)				
9	Total	<u>1,327,934</u>	<u>100.00 %</u>		<u>8.87 %</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
Schedule Year Ended: June 30, 2001
Schedule Year Ended: June 30, 2001
Historic [X] Projected []

Schedule: D-2 (A)
Page 1 of 1
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	(3) Reconciliation Adjustments		(5) Prorata Amount	(6) Reconciled To Requested Rate Base
			(4) Specific	(4) Prorata %		
1	Long-Term Debt	\$ 8,721,367		74.42 %	(7,733,118)	988,249
2	Short-Term Debt	0				
3	Preferred Stock	600,000		5.12	(532,010)	67,990
4	Common Equity	1,832,681		15.64	(1,624,992)	207,689
5	Customer Deposits	564,702		4.82	(500,696)	64,006
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	<u>\$ 11,718,750</u>	<u>\$ -</u>	<u>100.00 %</u>	<u>\$ (10,390,816)</u>	<u>\$ 1,327,934</u>

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

Company: Aloha Utilities, Inc.; Seven Springs Water Division
 Docket No.: 010503-WU
 Schedule Year Ended: June 30, 2001
 Water [X] or Sewer []

Schedule: E-1 (A)
 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) Test Year		(3) Present	(4) Proposed Rates		(6)
		Rates (1)	Rates (2)	Rates (3)	Interim	Final	
1	Residential						
2	Base facility charge:						
3	5/8" x 3/4" (3,000 gallons minimum)	\$ 7.12	\$ 7.17	\$ 7.32	\$ 8.37		9.23
4	Gallonge Charge (per 1000 gallons						
5	in excess of minimum)	1.27	1.28	1.32	1.49		
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	8.37		9.23
11	1" (8,000 gallons minimum)	18.94	19.06	19.46	22.24		23.08
12	1 1/2" (15,000 gallons minimum)	35.52	35.75	36.49	41.72		46.15
13	2" (24,000 gallons minimum)	57.24	57.61	58.80	67.23		73.84
14	3" (48,000 gallons minimum)	113.73	114.46	116.83	133.57		147.68
15	4" (75,000 gallons minimum)	178.00	179.14	182.85	209.06		230.75
16	6" (150,000 gallons minimum)	275.27	227.03	282.76	264.94		461.50
17	8" (240,000 gallons minimum)	562.36	565.96	577.67	660.48		738.40
18	10" (345,000 gallons minimum)	-	824.55	841.62	962.25		1,338.35
19	Gallonge Charge (per 1000 gallons						
20	in excess of minimum)	1.27	1.28	1.32	1.49		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.						

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"	\$ 8.37	Minimum	3,000 gallons
1"	22.24	Minimum	8,000 gallons
1-1/2"	41.72	Minimum	15,000 gallons
2"	67.23	Minimum	24,000 gallons
3"	133.57	Minimum	48,000 gallons
4"	209.06	Minimum	75,000 gallons
6"	264.94	Minimum	150,000 gallons
8"	660.48	Minimum	240,000 gallons
10"	962.25	Minimum	345,000 gallons

GALLONAGE CHARGE - \$1.49 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"	\$ 8.37	Minimum	3,000 gallons
1"	22.24	Minimum	8,000 gallons
1-1/2"	41.72	Minimum	15,000 gallons
2"	67.23	Minimum	24,000 gallons
3"	133.57	Minimum	48,000 gallons
4"	209.06	Minimum	75,000 gallons
6"	264.94	Minimum	150,000 gallons
8"	660.48	Minimum	240,000 gallons
10"	962.25	Minimum	345,000 gallons

GALLONAGE CHARGE - \$1.49 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