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(LICENSED IN TEXAS ONLY)

June 27, 2003
VIA HAND DELIVERY

Tim Devlin
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

Re: Aloha Utilities, Inc.; PSC Docket No. 010503-WU
Application for Increased Water Rates in Seven Springs System
Our File No. 26038.35

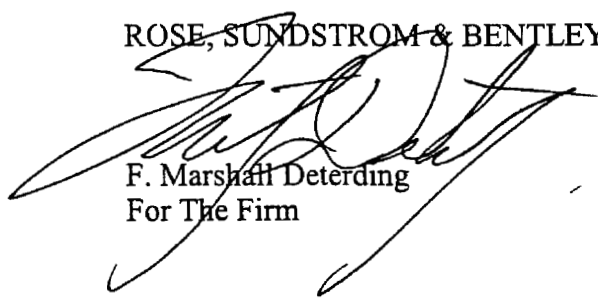
Dear Mr. Devlin:

Attached is a revised customer notice with a schedule of present and final rates, and a set of revised tariff sheets in order to implement the final rates from the Commission's Order No. PSC-02-0593-FOF-WU adjusted for the index which has occurred since the issuance of that Final Order. I have discussed the customer notice, the schedule of rates, and the tariffs with the staff, and have made all the revisions requested of me to those items.

If you or any members of the staff have any questions in this regard, please let me know. Otherwise, please stamp these tariffs approved and effective June 30, 2003 and let me know when they are ready to pick up. I have enclosed two originals of the tariffs so that I may receive one original back with the Commission's approval stamp.

Sincerely,

ROSE, SUNDSTROM & BENTLEY


F. Marshall Deterding
For The Firm

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC /
OTH _____

cc: Blanca S. Bayo, Esq.
Bart Fletcher
Ralph Jaeger, Esq.
Stephen Watford
Robert Nixon, CPA

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CUSTOMER NOTICE

On August 10, 2001 Aloha Utilities, Inc. applied to the Florida Public Service Commission (PSC) for increased water service rates to its customers in its Seven Springs system. By Order No. PSC-01-2199-FOF-WU the PSC authorized the collection of interim rates for that system effective November 8, 2001. By Order No. PSC-02-0593-FOF-WU the PSC took final action on Aloha's application and authorized no increase in rates. In addition, the Commission required a 4.87% refund of the interim rates collected since November of 2001. The Order also required a rate structure change. However, that Order was appealed by the Utility and was not finalized until the First District Court of Appeal issued its opinion on June 12, 2003.

The Utility has implemented an index increase authorized by Section 367.081(4)(a), Florida Statutes since the issuance of the Commission's Final Order in the above rate case. As such, the new rates being implemented are the rates authorized by the Commission in the rate case, adjusted for the annual inflation index. These new rates should be reflected for service rendered on or after June 30, 2003. The prior approved rates and the new rate case approved rates, adjusted for inflation, are reflected on the back of this notice.

Because Aloha implemented interim rates effective in November of 2001 which were above those ultimately determined to be appropriate by the Commission, all customers receiving service during that period of time will be receiving a credit in the near future. The Utility is working with the PSC staff to calculate the exact amount of the credit, and the credit will be calculated, with interest, as a reduction to your bill within the next 90 days.

If you should have any questions, please contact the utility office. Be sure to have your account number handy for quick reference.

Sincerely,

Aloha Utilities, Inc.

ALOHA UTILITIES, INC.
Schedule of Present and Proposed Water Rates

	Existing Rates*	Inflation Adjusted Commission Approved Final
<u>Residential Service</u>		
Base Facility Charge (BFC):		
<u>Meter Size:</u>		
5/8" x 3/4"	\$8.41	\$ 4.07
3/4"	\$ ----	\$ 6.11
1"	\$22.37	\$10.18
1-1/2"	\$41.96	\$20.37
Usage Charges Per 1,000 Gallons:		
0 - 3,000 Gallons	\$0.00	\$1.40
3,000 - 10,000 Gallons	\$1.50	\$1.40
Over 10,000 Gallons	\$1.50	\$1.74
<u>General Service</u>		
Base Facility Charge:		
<u>Meter Size:</u>		
5/8" x 3/4"	\$8.41	\$4.07
1"	\$22.37	\$10.18
1-1/2"	\$41.96	\$20.37
2"	\$67.62	\$32.58
3"	\$134.35	\$65.17
4"	\$210.27	\$101.83
6"	\$325.18	\$203.65
8"	\$664.32	\$325.85
10"	\$967.85	\$468.40
Usage Charges:		
All Usage Per 1,000 Gallons	\$1.50	\$1.51

* Previous Rates BFC includes minimum gallowance allowances, which vary depending on meter size.

ALOHA UTILITIES, INC.
Water Tariff

TWENTY FIFTH REVISED SHEET NO. 17.0
Cancels Twenty Fourth 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"	\$ 4.07
1"	10.18
1-1/2"	20.37
2"	32.58
3"	65.17
4"	101.83
6"	203.65
8"	325.85
10"	468.40

GALLONAGE CHARGE - \$1.51 per 1,000 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: June 30, 2003
TYPE OF FILING: 2001 Rate Case

Stephen G. Watford
ISSUING OFFICER

President
TITLE

ALOHA UTILITIES, INC.
Water Tariff

TWENTY FIFTH REVISED SHEET NO. 18.0
Cancels Twenty Fourth Revised Sheet No. 18.0

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"	\$ 4.07
3/4"	6.11
1"	10.18
1-1/2"	20.37

GALLONAGE CHARGE - 0 - 10,000 Gallons \$ 1.40 per 1,000 gallons
 Over 10,000 Gallons 1.74 per 1,000 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: June 30, 2003
TYPE OF FILING: 2001 Rate Case

Stephen G. Watford
ISSUING OFFICER

President
TITLE