

ORIGINAL SCANNED

MEMORANDUM

APR -5 PM 3:27

April 5, 2004

COMMISSION  
CLERK

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (GERVASI) *ps*

RE: DOCKET NO. 020896-WS - PETITION BY CUSTOMERS OF ALOHA UTILITIES, INC. FOR DELETION OF PORTION OF TERRITORY IN SEVEN SPRINGS AREA IN PASCO COUNTY.

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Please file the attached correspondence in the docket file for the above-referenced docket.

RG/dm

Attachment

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

DOCUMENT NUMBER-DATE

04314 APR-6 3

FPSC-COMMISSION CLERK

STATE OF FLORIDA

COMMISSIONERS:  
BRAULIO L. BAEZ, CHAIRMAN  
J. TERRY DEASON  
LILA A. JABER  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON



GENERAL COUNSEL  
RICHARD D. MELSON  
(850) 413-6248

## Public Service Commission

April 2, 2004

The Honorable Mike Fasano  
The Florida Senate  
310 Senate Office Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Re: Docket No. 020896-WS - Petition by customers of Aloha Utilities, Inc. for deletion of portion of territory in Seven Springs area in Pasco County.

Dear Senator Fasano:

Chairman Baez has requested that I respond on his behalf to your letter dated March 29, 2004, and received on April 1, 2004, in which you expressed concern about the Commission placing a limit on public participation at the April 8, 2004, hearings scheduled in the above-referenced docket. Please be assured that the Commission's intent is not to prohibit any interested person from speaking on any issue of concern related to Aloha Utilities, Inc. (Aloha).

That said, the Commission is well aware of the customers' concerns related to Aloha's black water and customer relations problems. These issues are well documented in Commission rate case orders, and are reflected in various decisions that the Commission has made with respect to this utility over the course of a number of years.

At the February 17, 2004, agenda conference, the Commission expressed its sincere desire for the parties to make an effort to reach some common ground, in advance of the hearing, regarding the recommendations contained in Dr. Levine's audit report, as well as the advantages, disadvantages, and impacts of the options that she identifies as potential solutions to the black water problem. For example, Commissioner Deason said "I think its going to be a better utilization of our time and the customers' time if we can concentrate on solutions as opposed to rehashing all of the problems." Commissioner Bradley commented in a similar vein that "This issue has a lot of history, therefore, focus in upon solutions rather than rehashing the problem that exists." And Chairman Baez closed the discussion by noting that "Today is day one," and asking the parties to make every effort to "get to a productive customer meeting, which is what everybody wants here."

As reflected by these comments, the Commission is particularly interested in using the customer meeting to gather information and customer input concerning potential solutions to Aloha's black water problem, whether contained in Dr. Levine's audit report or not. Nevertheless, we recognize that some customers may view a change in service provider as the best option for them, and it is not the Commission's intent to prohibit any interested person from speaking on any issue of

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Senator Fasano  
Page 2  
April 1, 2004

concern related to Aloha during the hearing. As always, the Commission encourages all customers to attend the hearing and to voice their concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard D. Melson". The signature is fluid and cursive, with the first name "Richard" being the most prominent.

Richard D. Melson  
General Counsel

RDM\dm

I:\020896\020896-RDM-Fasano ltr.doc

STATE OF FLORIDA

COMMISSIONERS:  
BRAULIO L. BAEZ, CHAIRMAN  
J. TERRY DEASON  
LILA A. JABER  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON



GENERAL COUNSEL  
RICHARD D. MELSON  
(850) 413-6248

## Public Service Commission

April 2, 2004

The Honorable Tom Anderson  
Florida House of Representatives  
District 45  
1102 The Capitol  
402 South Monroe Street  
Tallahassee, FL 32399-1300

Re: Docket No. 020896-WS - Petition by customers of Aloha Utilities, Inc. for deletion of portion of territory in Seven Springs area in Pasco County.

Dear Representative Anderson:

Chairman Baez has requested that I respond on his behalf to your letter dated March 29, 2004, and received on March 31, 2004, in which you requested that the April 8, 2004, customer hearings scheduled in the above-referenced docket include an item regarding who should be providing water service to this portion of Pasco County. Please be assured that the Commission's intent is not to prohibit any interested person from speaking on any issue of concern related to Aloha Utilities, Inc. (Aloha).

That said, the Commission is well aware of the customers' concerns related to Aloha's black water and customer relations problems. These issues are well documented in Commission rate case orders, and are reflected in various decisions that the Commission has made with respect to this utility over the course of a number of years.

At the February 17, 2004, agenda conference, the Commission expressed its sincere desire for the parties to make an effort to reach some common ground, in advance of the hearing, regarding the recommendations contained in Dr. Levine's audit report, as well as the advantages, disadvantages, and impacts of the options that she identifies as potential solutions to the black water problem. For example, Commissioner Deason said "I think its going to be a better utilization of our time and the customers' time if we can concentrate on solutions as opposed to rehashing all of the problems." Commissioner Bradley commented in a similar vein that "This issue has a lot of history, therefore, focus in upon solutions rather than rehashing the problem that exists." And Chairman Baez closed the discussion by noting that "Today is day one," and asking the parties to make every effort to "get to a productive customer meeting, which is what everybody wants here."

As reflected by these comments, the Commission is particularly interested in using the customer meeting to gather information and customer input concerning potential solutions to Aloha's black water problem, whether contained in Dr. Levine's audit report or not. Nevertheless, we

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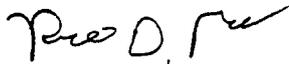
Representative Anderson

Page 2

April 1, 2004

recognize that some customers may view a change in service provider as the best option for them, and it is not the Commission's intent to prohibit any interested person from speaking on any issue of concern related to Aloha during the hearing. As always, the Commission encourages all customers to attend the hearing and to voice their concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard D. Melson". The signature is written in a cursive style with a prominent initial "R".

Richard D. Melson  
General Counsel

RDM\dm

I:\020896\020896-RDM-Anderson ltr.doc

2435 U.S. 19, Suite 160  
Holiday, FL 34691  
(727) 943-4760

xc: Rosanne + Coms  
still Dean  
1102 The Capitol  
402 South Monroe Street Davidson  
Tallahassee, FL 32399-1300 Bradley  
(850) 488-8528

**Florida House of Representatives**  
Representative Tom Anderson  
District 45

March 29, 2004

Braulio L. Baez, Chairman  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

Dear Chairman Baez:

On April 8, 2004 the PSC will be hearing from the residents of Pasco County who are being served by Aloha Utilities, Inc.

My constituents have suffered through more than 10 years inadequate service and water quality from Aloha. I respectfully request that the agenda of the hearing of the PSC include an item regarding who should be providing water service to this portion of Pasco County.

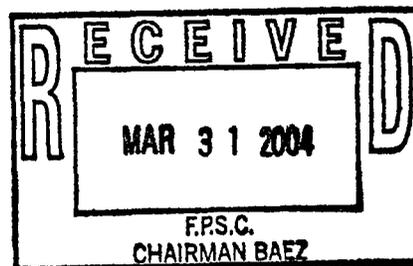
I appreciate your prompt attention to this matter and trust that all of my constituents' concerns regarding Aloha's water services will be heard at this meeting. Thank you for your consideration.

Sincerely,



Tom Anderson  
Representative  
District 45

TA/tc



# THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

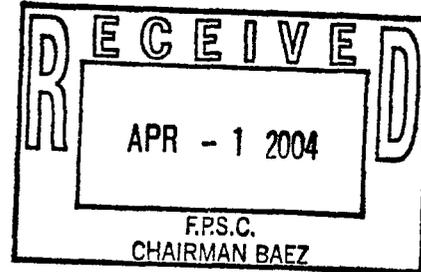
**COMMITTEES:**  
Military and Veterans' Affairs, Base Protection, and Spaceports, *Chair*  
Appropriations - Subcommittee on Criminal Justice  
Criminal Justice  
Ethics and Elections  
Governmental Oversight and Productivity  
Health, Aging, and Long-Term Care

**SELECT SUBCOMMITTEE:**  
Medicaid Prescription Drug Over-Prescribing

**SENATOR MIKE FASANO**  
11th District

March 29, 2004

The Honorable Braulio Baez, Chairman  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399



Dear Chairman Baez: *MR. CHAIRMAN,*

I have received e-mails from constituents who are extremely concerned with a communication received from Commission staff indicating that the upcoming public hearings scheduled for April 8, 2004 will be limited to specific discussions pertaining to Dr. Audrey Levine's report on the water quality situation at Aloha Utilities. I too am concerned with this imposed limitation on public testimony and would like to express my opposition to this.

In an e-mail written by Rosanne Gervasi to Mr. Ed Wood of New Port Richey she writes that "...the purpose of the service hearing is to permit customers to offer testimony concerning the three potential solutions to improve the quality of Aloha's water identified in the audit report prepared by Dr. Levine...the purpose of the service hearing is not to address alternative sources of supply, general water quality or service concerns.." A copy of the full e-mail is attached.

Docket #020896-WS was created in response to a petition filed by the nearly 1500 customers of Aloha Utilities who are requesting that their water service be transferred to Pasco County Utilities Department. While the discussion of Dr. Levine's report will no doubt be an important part of the public hearings, it should not be the only item for discussion. While there no doubt will be very qualified individual Aloha customers who can speak to the technical aspects of Dr. Levine's report, the overall purpose of the docket is to discuss the merits of why Aloha's customers no longer should be subjected to receiving water from this company. To place a limit on public participation is outrageous and will not be tolerated.

I will be present at the hearings and if any attempt is made to limit public discussion of the poor quality of water and service that Aloha provides I will make my objections known. No customer should be told that they cannot address the Public Service Commission about a problem they are having with a publicly regulated utility. I strongly encourage you to reconsider this prohibition prior to the start of the hearings next week.

I appreciate your attention to this request.

Yours truly,

*Mike Fasano*  
Mike Fasano  
State Senator, District 11

MF/gg

Attachment

*MR. CHAIRMAN,  
THE RESIDENTS ARE  
TIRED OF THE PROBLEMS  
THEY HAVE A COURAGE TO HAVE  
PLEASE ALLOW THEM TO SPEAK!*

REPLY TO:

- 8217 Massachusetts Avenue, New Port Richey, Florida 34653-3111 (727) 848-5885
- 310 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5062

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

JAMES E. "JIM" KING, JR.  
President

ALEX DIAZ DE LA PORTILLA  
President Pro Tempore

*God Bless*  
*MD*

**GIORDANO.GREGORY.S11**

**From:** FASANO.MIKE.S11  
**Sent:** Saturday, March 27, 2004 7:35 AM  
**To:** 'Ed Wood'; ANDERSON.TOM  
**Cc:** V. Abraham Kurien; BURGESS.STEVE; Wayne Forehand; GIORDANO.GREGORY.S11  
**Subject:** Mr. Wood -

Mr. Wood,

I received my notice in the mail today as well and read with disappointment that only certain issues should be discussed at the hearing. I am in total disagreement with the PSC and its staff and will take up the issue on Monday.

God bless.

Mike Fasano

-----Original Message-----

**From:** Ed Wood [mailto:eow3rd@gte.net]  
**Sent:** Friday, March 26, 2004 10:06 PM  
**To:** FASANO.MIKE.S11; ANDERSON.TOM  
**Cc:** V. Abraham Kurien; BURGESS.STEVE; Wayne Forehand  
**Subject:** Aloha Hearing Agenda For 4/08/04

Dear Senator and Representative

I have enclosed an email below and its response by the PSC. On March 15, 2004 the PSC published on their Web site the Notice for the hearing to be held in Pasco County on April 8, 2004. In the PSC notice it was stated that the options of Dr Levine would be discussed and " the Commission will consider these and other options that may lead to a resolution of the problem." When the Aloha notice came out it stated to the customers that only the 3 options of dr. Levine could be discussed at the hearing. As you can see from Ms. Gervasi's response to my E mail of 3/25/04 the Aloha Notice was approved by the PSC staff. (The attachments are the Aloha notice of 3/25/04.)

It seem that a contradiction appears between the two notices. I believe that the only reason that Aloha notice was written as it was, was to reduce the attendance at the hearing and reduce the number of customers that would speak at the hearing. Most Aloha customers have no idea what the results of Dr. Levine's report are, or what they mean. They do however have a super strong case for options not included in the Report.

We request your help in trying to resolve this issue. It is just one more example to prove that the utility is not customer oriented or friendly

Sincerely

Edward Wood  
727 376 0380

**From:** Ed Wood [mailto:eow3rd@gte.net]  
**Sent:** Thursday, March 25, 2004 9:12 PM  
**To:** Braulio Baez  
**Cc:** V. Abraham Kurien; Steve Burgess  
**Subject:** Contradiction in Aloha Notice for 4/08/04 Hearing

Dear Chairman Baez

The Attachments are the notice that was sent by Aloha Utilities to its customers regarding the Hearing to be held on April 8, 2004 in New Port Richey. This notice is in conflict with the notice the PSC posted on its Web Site on March 15, 2004 under the Docket 020896. The notice has been made to appear as if it is an official notice as issued by the PSC. The notice has the effect of discouraging attendance at the Hearing. I believe, that since Aloha has taken such liberties with content of the notice, Aloha should send a second notice. The second notice should be the official PSC notice, and a memo explaining Aloha's errors in the first notice. This memo should be signed by an officer of Aloha Utilities.

Sincerely

Edward O. Wood

727 376 0380

CC: Steve Burgess - Office of Public Council

V. Abraham Kurien

Dear Mr. Wood,

Thank you for your e-mail to Chairman Baez, which he has forwarded to me for response. Please be advised that Aloha Utilities obtained the Commission staff's approval of the notice of the service hearing prior to sending it to its customers. As the notice indicates, the purpose of the service hearing is to permit customers to offer testimony concerning the three potential solutions to improve the quality of Aloha's water identified in the audit report prepared by Dr. Audrey Levine, as well as other water treatment options that may lead to a prompt resolution of this matter. Because customer concerns regarding Aloha's water quality in the Seven Springs system have already been identified and discussed on a number of occasions, customers are encouraged to provide testimony that will help the Commission to identify solutions to improve the quality of Aloha's water.

The purpose of the service hearing is not to address alternative sources of supply, general water quality or service concerns, or issues which may be raised as part of a final hearing in this proceeding. The reason for this is that by Order No. PSC-04-0254-PCO-WS, issued March 8, 2004, the Commission removed Docket No. 020896-WS from abeyance in order to fully consider Dr. Levine's audit report, and ordered that a customer service hearing be held on the audit report and the implications of its findings. The Commission deferred a ruling on the customer petitions for territory deletion until after all parties and staff have fully analyzed the audit report and a customer service hearing is conducted on its findings and recommendations. For this reason, the Commission is encouraging customers to attend this service hearing to address the audit report and other potential solutions to improve the quality of Aloha's water.

I hope this information is of assistance to you. If you have any further questions, please feel free to contact me.

Sincerely,

Rosanne Gervasi  
Office of the General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0863  
Telephone: (850) 413-6224  
Fax: (850) 413-6225