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November 25, 2002
VIA HAND DELIVERY

Marshall Willis
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

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

Dear Marshall:

Attached is the status report of Aloha management in response to the questions you raised concerning the implementation of the customer service measures and conservation measures, which Aloha was ordered to implement pursuant to Order No. PSC-02-0593-FOF-WU.

As you can see, the Utility has implemented these programs. The attached detailed listing provides a status report on each of the components of these two categories, which clearly shows that the Utility has implemented all of the measures required and while some required time to fully implement, the Utility is well into the process of finalizing those measures.

If you have any further questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY

F. Marshall Deterding
For The Firm



FMD/tms

cc: Blanca S. Bayo
Ralph Jaeger, Esq.
Mr. Stephen Watford
David W. Porter, P.E.
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STATUS OF CONSERVATION MEASURES

1. Customer Direct Billing Inserts to Educate Customers on Water Usage and Conservation Programs and Techniques - The Utility has been providing billing inserts on a monthly basis for many months and each month the inserts include information related to conservation programs, techniques and issues.
2. Free Customer Retrofit Kits Such as Low Flow Shower Heads, Faucet Aerators, Leak Detection Tablets, Replacement Flapper Valves and Educational Information Low Flow and Toilet Rebates - The Utility has reviewed several comparable programs related to retrofit kits, low flow shower heads, leak detection tablets, replacement flapper valves, and low flow toilet rebates and hot water heater rebates, and is putting together the best of these programs. The Utility is also working with the Water Management District to obtain information concerning availability of and participation with existing or proposed county or local government programs at the present time. The Utility is also in contact with suppliers of these items concerning acquisition of the materials.
3. Mixed Media Conservation Messages - The Utility is working with the Water Management District in order to utilize the Water Management District's mixed media pool in order to target these messages with a larger pool run by the Water Management District, in hopes of obtaining substantial greater economies of scale in getting out the messages. Aloha, acting on its own, will have much less coverage ability with its limited budget, than by pooling resources with the Water Management District. These pooling arrangements are currently underway and final details are being worked out. We are awaiting further word from the Water Management District on this issue and the availability of such pooling.
4. Water Auditor - The Utility has been, and continues to be, advertising for this position. Due to the unique nature of this position, we have had no qualified individuals apply as of yet. However, the Utility is continuing to advertise in water industry related publications and websites and is working with the Water Management District to obtain the names of other governmental entities that have recently advertised for and obtained résumés for persons qualified for these positions in order to review the résumés of those applicants that were not hired by those local governments, in hopes of finding a qualified individual to fill this position as quickly as possible.
5. Website to Promote Utility Specific Conservation Programs and Provide Links to Other Conservation Oriented Information - The Utility has prepared and implemented the website and is adding new information related to conservation programs. However, the Utility has already provided links to other conservation oriented information, including those from the Water Management District and other sources.

STATUS OF CUSTOMER SERVICE MEASURES

1. The Transfer Connect Program - The Utility has implemented the transfer connect program, with the assistance of the Florida Public Service Commission Consumer Affairs staff. It is fully operational at this time. It should be noted that contrary to the wording in the Order, there was some cost to, and some technical problems with, the installation of the program. However, the Utility and the Commission staff have now worked out the initial problems and the program is operational.
2. Employee Training, Customer Service Guarantees, Implementation of Standards Covering Aloha's Customer Service and Operational Activities
 - A) Aloha is supervising and training its employees to be courteous, considerate and efficient at all times in their contact and dealings with its customers and the public in general. Checks are being made from time to time to ensure that courteous service is actually being rendered. The Utility has implemented cross training and internal customer service programs, as well as drafting and adopting customer service procedures. The Utility has also acquired and utilized customer skills training tapes as proposed in the Order.
 - B) The Utility has implemented a program that places automatic credits on customers' bills if the Utility fails to meet established time lines and standards for making repairs or installing service. Aloha has filed revised tariff sheets to include the credits as outlined in the Order and has instructed all customer service employees on the application and applicability of those credits.
 - C) Aloha has implemented a multitude of standards covering customer service and operational activities. Including in these are instructing all employees on the processing and handling of all customer complaints within five days of receipt. Employees have been instructed on this and the Utility's conformance with this standard is now being tracked.
 - D) The Utility is working with the phone company in attempting to obtain the information statistics concerning the number of incoming busy signals, in order to ensure that the percentage is below 5% of incoming calls.
 - E) The Utility has met with employees and instructed them not to place customers on hold for more than one minute and if additional information needs to be located, the Utility will call the customers back after that research is done. The Utility has made changes to its phone system in order to track on hold time. Utility management has met with customer service employees and instructed that they are to return all internal and external calls within eight working hours without fail.
3. Customer Billing Improvements - The Utility has worked with its computer programmer and has prepared a revised bill which has been submitted to the PSC staff for approval. Once the format is reviewed and approved by the staff, and programmed into the computer, the Utility will immediately begin utilizing this new billing format that conforms with the requirements of the Order.

The Utility had previously submitted the existing bill format to the staff for approval and that was approved.

The Utility has been investigating the various payment options for payment of Utility bills. We have reviewed our options related to web based and direct debit through a clearing house. The Utility has discussed these issues with the bankers who have suggested that in our area there is very little utilization of the direct debit services and it is used almost exclusively for fixed payment type bills. However, the Utility, in order to gauge customer interest and desire for the various payment options, is currently preparing an online survey which will be available to customers on its website, which will ask for input from customers concerning their desire to utilize each of the payment options in order to determine the value to the customers of these alternatives. We will also inform the customers of the existence of the survey through regular billing notices and bill stuffers. The Utility, based upon this further investigation, will then implement whatever payment options are reasonably available and which the customers have expressed a significant interest in utilizing.

4. Citizens' Advisory Committee (CAC) - The Utility has accumulated the names and addresses of the various homeowners associations within its Seven Springs service territory and has sent out a letter to organize a meeting of those association representatives for sometime in early December. The Utility has informed the customers of the need to begin organizing the committee and the activities that will need to take place at the first committee meeting. The Utility will comply with the requirements of the Order concerning the conduct of those meeting and its role and participation in those meetings.
5. Develop a Customer Friendly Website - The Utility has developed a website which is customer friendly and that website is now online. The website it designed to offer customers an easy to follow format and the ability to file a complaint, comment on a company policy, or ask a question. The website links customers to education materials and other related internet sites, including the Florida Public Service Commission's website, the website of the Water Management District and various conservation related sites. The website includes clear and concise directions that are easy to follow, with direct email access. Information is organized and presented within the website to allow customers to easily find topics. The Utility plans to frequently update the website and to check for accuracy at least once a week. The website will offer customers a way to respond to special Utility programs and services and to allow for suggestions on how to improve Aloha's customer service. Separate links related to conservation issues is included with links to the Water Management District site and conservation pages within that site. The Utility is preparing a "Frequently Asked Questions" section and rates and a sample of a customer bill (including line item explanations) will also be included on the website as soon as the new billing format is approved by the Commission staff.