

State of Florida

ORIGINAL



Public Service Commission

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COMMISSION
CLERK

DATE: October 24, 2003
TO: Division of the Commission Clerk and Administrative Services
FROM: Division of Economic Regulation (Fletcher) *BF*
RE: Docket No. 010503-WU - Application for increase in water rates for Seven Springs System in Pasco County by Aloha Utilities, Inc.

Please file the attached letters from Senator Mike Fasano, dated October 16, 2003, and from Stephen G. Watford, dated October 17, 2003, in the docket file for the above-referenced docket.

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FPSC-COMMISSION CLERK



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

SENATOR MIKE FASANO
11th District

VIA CERTIFIED MAIL

October 16, 2003

Steve Watford, President
Aloha Utilities
6915 Perrine Ranch Road
New Port Richey, FL 34655

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OCT 20 2003

Florida Public Service Commission
CHAIRMAN JABER

Dear Mr. Watford:

With the decision of the First District Court of Appeals to uphold the Florida Public Service Commission's refusal of a rate increase your utility requested in docket #010503-WU, there continues to be over \$400,000 in escrow which represents the balance of interim rates granted to Aloha while the case was working its way through the legal process. With Aloha laying claim to that money, which rightly belongs to the customers who paid the interim rate increase which your company was ultimately denied, I am calling upon you to drop any further legal action in this manner. Since Aloha was not granted the final rate increase, and all legal avenues to appeal that decision have expired, the money is morally and ethically the property of the customers who paid it. If Aloha continues to pursue a claim to those funds the customers will realize no demonstrated benefit.

I am asking you to do the right thing, and demonstrate your willingness to be a good corporate citizen, and allow that these funds be distributed back to the customers who paid them. While I cannot speak for the Florida Public Service Commission it is my opinion that your willingness to give up any further pursuit of these funds would both assist in the closing of at least this portion of the docket and be a tangible demonstration on your behalf to show the customers that you respect them and are willing to work with them on the ongoing disputes they have had with your company.

Yours truly,

Mike Fasano
State Senator, District 11

MF/gg

Cc: The Honorable Lila Jaber
Steve Burgess, Associate Public Counsel
Wayne Forehand, CAC Chairman

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

JAMES E. "JIM" KING, JR.
President

ALEX DIAZ DE LA PORTILLA
President Pro Tempore

Aloha Utilities, Inc.

*6915 Perrine Ranch Road
New Port Richey, FL 34655*

(727) 372-0115 Fax (727) 372-2677

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OCT 20 2003

Florida Public Service Commission
CHAIRMAN TAPER

October 17, 2003

The Honorable Mike Fasano
Senate District 11
310 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

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

Dear Senator Fasano:

I received your letter of October 16, 2003 at approximately 3:00 this afternoon. You have inquired about the money held in escrow by the Utility for the refunds ordered pursuant to the Commission's final disposition of the request for increase in water rates recently finalized by the Commission.

It is apparent that you misunderstand the relationship of the monies held in escrow, the interim rates, and the final rates granted by the Public Service Commission. Monies held in escrow do not represent monies above the final rates granted to the Utility. In fact, only a portion of the monies collected during the interim period represent monies above those that would have been generated by the Utility under the final rates granted. That difference is the amount of the appropriate refund. We have worked diligently with the Florida Public Service Commission staff and undergone unprecedented review of the refund calculation. This detailed evidence and analysis clearly demonstrates that the refund already provided to the customers of Aloha is slightly higher than that which appropriately should have been provided. The remaining monies that have been held in escrow are necessary to cover the recognized expenses of operation of the Utility.

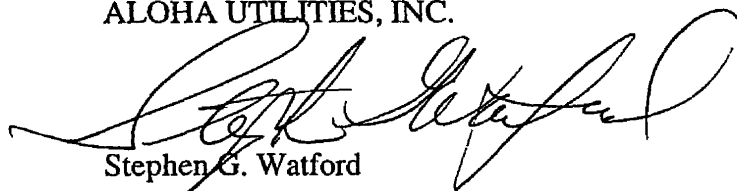
Senator Fasano
October 17, 2003
Page 2

If you will review the information supplied by the Utility to the Public Service Commission, which was verified by the Commission staff through detailed audit and investigation that the information is accurate, I am sure you will see that you are in error in your characterization of the monies currently held by the Utility and of the difference between the final rates and those collected during the interim period. It is important that the misinformation stop as soon as possible in order to try and resolve these matters based upon the facts, rather than on incomplete and undocumented allegations. I will be glad to assist you in any way that I can to make sure that you obtain the detailed information that has been supplied to the Public Service Commission and the audit verification of that information, if you need my assistance in that regard.

As always, we appreciate your interest in reaching truth on these matters and are prepared to assist you in any way we can in achieving that goal.

Sincerely,

ALOHA UTILITIES, INC.

A handwritten signature in black ink, appearing to read "Stephen G. Watford", written over a horizontal line.

Stephen G. Watford
President

SGW/py

cc: Lila Jaber
Stephen Burgess
Wayne Forehand