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President

ORIGINAL

JOHNNIE BYRD
Speaker



STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL



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Charles J. Beck
Deputy Public Counsel

November 18, 2004

Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED-FPSC
NOV 18 PM 1:52
COMMISSION
CLERK

Re: Docket Nos. 020896-WS & 010503-WU

Dear Ms. Bayo:

Enclosed for filing, on behalf of the Petitioners, are the original and 15 copies of the Direct Testimony of Kathy Schmick.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

Charles J. Beck
Deputy Public Counsel

- CMP _____
- COM 5
- CTR 09
- ECR
- GCL 1 CJB:bsr
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC 1 Enclosure
- OTH _____

RECEIVED & FILED

R.V.N.
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

12385 NOV 18 04

FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by customers of Aloha)
Utilities, Inc. for deletion of portion)
of territory in Seven Springs area in)
Pasco County)

Docket No. 020896-WS

In re: Application for Increase in)
Water Rates for Seven Springs)
System in Pasco County by Aloha)
Utilities, Inc.)

Docket No. 010503-WU

Filed: November 18, 2004

DIRECT TESTIMONY

OF

KATHY SCHMICK

DOCUMENT NUMBER-DATE

12385 NOV 18 3

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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DIRECT TESTIMONY

OF

KATHY SCHMICK

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Dockets Nos. 020896-WS & 010503-WU

DIRECT TESTIMONY

OF

KATHY SCHMICK

Q. PLEASE STATE YOUR NAME AND PROVIDE YOUR PLACE OF RESIDENCE.

A. My name is Kathy Schmick, and I live at 9313 Estrella Court, New Port Richey, FL 34655.

Q. IN WHAT AREA DO YOU LIVE?

A. Riverside Villas.

Q. DO YOU EXPERIENCE POOR QUALITY IN WATER FROM BOTH THE HOT WATER AND COLD WATER TAPS?

A. The short answer would be that we moved here to be close to our grandchildren and they will not visit because the water “stinks” and are afraid to drink or eat at Grandma’s house. Wow, does that say enough!!!

The long answer is that when I moved into my new home I bought bottled water to drink and took showers at my daughter’s home. My new home was two years old and when I turned on the faucet, the smell was very bad and the color was gray. I have attached pictures as Exhibit KS-1.

1 **Q. HAVE YOU SOUGHT THE HELP OF ALOHA UTILITY IN**
2 **UNDERSTANDING WHY THE WATER QUALITY IS SO POOR IN**
3 **YOUR HOME?**

4 A. When I called Aloha Utility – their response was dark water is caused by
5 copper pipes and in the older homes that is a problem ... my response was my
6 home is 2 years old and I have no copper pipes. Their response was that the
7 newer homes have a problem with their water softeners, check that, and then
8 hung up. I wrote a letter to the Department of Agriculture and their response
9 was the same, even though I explained emphatically I HAD NO COPPER
10 PIPES! I have attached letters to Aloha and the Department of Agriculture as
11 Exhibits KS-2 and KS-3, respectively. At that point I GAVE UP!!! Next I
12 purchased many items at great expense to get a drink of clean/clear water and
13 to get rid of the smell so my family would feel safe to eat/drink at my home.
14 Do you know that when you take a shower or bath your will absorb water?

15
16 **Q. DO YOU FEEL THAT THE UTILITY HAS GIVEN YOU A**
17 **SATISFACTORY EXPLANATION OF WHY THE WATER QUALITY**
18 **IN YOUR HOME PLUMBING IS INTERMITTENTLY**
19 **UNSATISFACTORY? AND DID IT MAKE SENSE TO YOU?**

20 A. Aloha sent me many “reports” and from what I read, their “scales” show that
21 fecal matter’s in water samples are all on the “high” end of the scales. ...
22 hmmm ... Their attitude is that, even though I explained the problem was
23 NOT from the result of copper piping – as my home does not have any copper
24 piping and is only 2 years old. That is the resolve of Aloha/Public Service

1 Commission, no matter what I write or advise, so I gave up. Neither Aloha
2 nor the Public Service Commission can understand a simple complaint nor
3 address my request, therefore I choose to give up on both avenues to reach a
4 resolve. So, *what would I know*, only I have to DRINK the water! THEY DO
5 NOT! I have attached response from the Florida Public Service Commission
6 as Exhibits KS-4 and KS-5.

7
8 **Q. WHAT HAS BEEN YOUR EXPERIENCE OF THE QUALITY OF**
9 **WATER IN DOMESTIC PIPES, IF YOU HAVE LIVED IN OTHER**
10 **PARTS OF THE STATE OF FLORIDA?**

11 A. I have lived my entire life in the State of Florida. In Miami, Coral Gables,
12 South Miami and I have never had a problem with the taste or color of the
13 water. Other parts of Pasco County do not have this problem and from what I
14 understand the rating/statistics have not been compared on an equal scale side
15 by side. Aloha Water refuses to do so.

16
17 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

18 A. Yes.



EXHIBITS



Docet Nos. 020896-WS & 010503-WU
 Exhibit KS-1
 Page 1 of 1

Villa Del Rio (Riverside Villas)



Photo's taken 6/13/03

- ❑ Water taken from water heater
- ❑ Water / Rod
- ❑ Is this the water you would serve your guests?
- ❑ It smells as bad as it looks!

June 23, 2003

Aloha Utilities, Inc.
6915 Perrine Ranch Road
New Port Richey, FL 34655

Re: Water Quality

To Whom It May Concern:

We are really happy to receive your notice pursuant to Section 367.081 a, Florida Statutes, regarding water and wastewater utilities and their permit to adjust, the rates and charges to its customers without those customers bearing the additional expense of a public hearing.

We hope the people in this community do request a hearing, as we would like to tell you about the quality of the water at our home.

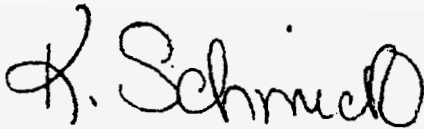
A few months ago we purchased a home in the development of Riverside Villas – this villa was built 2 years ago. We noticed the water smelling foul – like something rotting but tried to ignore it. We called the plumber to fix a minor problem with a water softener and told them about the foul smelling water. At much expense we then put in a water purification system for the entire house! That DID NOT help with this smell!! Then we were advised the rod in the water heating system had to be replaced due to the “water problems” in this area!!! At the same time showed us that due to the water in this area exactly what we was drinking and bathing in – pictures enclosed. We were shocked and totally disgusted and understood this was possibly contributing to me being sick for the past two months. After we replaced the rod in the water heater and had the entire plumbing system cleansed. We also had a reverse osmosis system put in so we would feel safe to drink this water. This was a huge expense to use “our” water. These expenses totaled well over \$1200.00. All this in a home that is TWO years old!

9313 Estrella Court
New Port Richey, FL 34655

We like this home but we would NOT have bought a home that was serviced by Aloha Utilities, Inc. – though we do understand that other more upscale homes in this area have additional water treatment placed in their community's...hummm

PLEASE think of the people and their health, they have the right to expect clean, safe water to drink and bathe in without the worries of becoming ill.

Sincerely,



K. Schmick

Encl: Photo's enclosed

<p>CC: The Honorable Mike Fasano Senator, District 11 8217 Massachusetts Avenue New Port Richey, FL 34653</p>	<p>Department of Agriculture & Consumer Services The Honorable Charles H. Bronson The Capitol PL-10 Tallahassee, FL 32399-0810</p>
<p>The Honorable Tom Anderson Representative, District 45 2435 U.S. HWY 19 Suite 160 Holiday, FL 34691</p>	<p>The Pasco Times 11321 U.S. HWY 19 Port Richey, FL 34668</p>
<p>The Honorable Steve Simon County Commissioner District 4 West Pasco Government Center 7530 Little Road, Suite 150 New Port Richey, FL 34654</p>	<p>Villa Del Rio Homeowners Association 10730 U.S. HWY 19, Suite 17 Port Richey, FL 34668</p>

9313 Estrella Court
New Port Richey, FL 34655

June 23, 2003

Department of Agriculture & Consumer Services
The Honorable Charles H. Bronson
The Capitol PL-10
Tallahassee, FL 32399-0810

Dear Mr. Bronson:

We have just purchased a home in Riverside Villa's and due to some problems encountered with the quality of our water we have become very concerned about Aloha Utilities. After moving into this villa that was built two years ago, the water smelled so foul, the only choice was to make expensive changes to be able to drink this water.

As you can see from the enclosed pictures that due to the quality of this water we have had to make several changes within our home. We have had a water filtering system installed to filter all the water coming into the house. We also added a reverse osmosis system for our drinking water. We have had to have the rod replaced in the hot water heater and the entire plumbing system flushed with chlorine to kill the bacteria growing throughout the house. These expensive changes should not have to be made to a home that was only built two years ago.

If there is something we can do to help the battle with Aloha Utilities to provide clean and pure water for the people in this area, please do not hesitate to let us know. This is our new home and looking forward to staying here for a long time. Without a choice for a different water company for service, the only recourse is to have this utility company provide great water for us to drink!

Sincerely,

K. Schmick

9313 Estrella Court
New Port Richey, FL 34655

STATE OF FLORIDA

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



DIVISION OF CONSUMER AFFAIRS
BEVERLEE DEMELLO
DIRECTOR
(850) 413-6100
TOLL FREE 1-800-342-3552

Docket Nos. 020896-WS & 010503-WU
Exhibit KS-4
Page 1 of 1

Public Service Commission

July 9, 2003

Ms. K. Schmick
9313 Estrella Court
New Port Richey, FL 34655

RE: PSC Inquiry 543178W

Dear Ms. Schmick:

The Florida Department of Agriculture and Consumer Services forwarded a copy of your correspondence regarding Aloha Utilities to the Florida Public Service Commission (PSC). The PSC regulates investor-owned electric, natural gas, and telecommunications utilities throughout Florida, and investor-owned water and wastewater utilities in those counties which have opted to transfer jurisdiction to the PSC. We appreciate the opportunity to assist you.

We have filed an inquiry with the company, and upon completion of the investigation, we will be back in touch with you. Meanwhile, if you have any questions, please contact Ellen Plendl at 1-800-342-3552, by fax at 1-800-511-0809, or by e-mail at eplendl@psc.state.fl.us.

Sincerely,

A handwritten signature in cursive script that reads "Beverlee S. DeMello".

Beverlee S. DeMello, Director
Division of Consumer Affairs

BSD:mep

STATE OF FLORIDA

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



DIVISION OF CONSUMER AFFAIRS
BEVERLEE DEMELLO
DIRECTOR
(850) 413-6100
TOLL FREE 1-800-342-3552

Public Service Commission

Docket Nos. 020896-WS & 010503-WU
Exhibit KS-5
Page 1 of 2

August 11, 2003

Ms. K. Schmick
9313 Estrella Court
New Port Richey, FL 34655

RE: PSC Inquiry 543178W

Dear Ms. Schmick:

This is in response to your inquiries with the Florida Public Service Commission (PSC) regarding Aloha Utilities, Incorporated (Aloha).

You expressed a concern regarding the quality of your drinking water. We appreciate the opportunity to address your concerns. The primary objective of the PSC is to assist consumers with utility matters and protect them from unreasonable rates and terms of service while encouraging maximum efficiency in utility operations.

The issue of black water has been thoroughly investigated by the PSC, the Florida Department of Environmental Protection (DEP), Florida's Department of Health and various state agencies and water management districts. Our research indicates that hydrogen sulfide is a naturally occurring substance found in source water across the state. Its reaction with copper piping is varied, but the possible result can be a distinct discoloration of the water. The problem appears only to occur in homes with copper piping yet not all homes with copper piping have black water. It is not known why certain homes have the problems while others do not.

Florida Administrative Code 25-30.210 states, in part, that the point of delivery of water to the customer is the outlet side of the water meter. This location is where the responsibility of the utility and the consumer meet. Therefore, the piping from the meter to the home is the responsibility of the homeowner. Extensive sampling and testing have confirmed that the water delivered by Aloha, at the point of delivery, meets state guidelines and health standards. The enforcement of these standards is governed by the DEP and local health departments, not the PSC. We have learned from Aloha that on June 30, 2003, a company representative made a premises visit and determined your water was clean and clear at the point of connection.

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0862

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PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

Ms. K. Schmick
Page 2
August 11, 2003

The PSC in conjunction with the DEP, the Department of Community Affairs and various local agencies and water management districts, published an interagency report on Copper Pipe Corrosion. A copy of this report can be obtained from the PSC Website at the following address: http://www.psc.state.fl.us/industry/water_waste_water/pipecorrproj.cfm

In PSC Order No. PSC-00-1285-FOF-WS, the Commission required Aloha to implement a pilot project to enhance the water quality, and to diminish the tendency of the water to react with the copper piping in customers' homes. Aloha has conducted testing using pilot project technology, and is now exploring obtaining a new water supply. If you would like additional information on the pilot project, please contact Tom Walden, PSC Engineer, at 850-413-6950.

The process to correct this problem will take time. After a complete review of all the components of this issue, Aloha does not appear to be in violation of Florida statutes or rules.

Your complaint will remain on file with the PSC. We monitor complaints very closely and track any trends which indicate there may be a problem and further action is needed. Our complaint records are often checked for information before Commissioners make final decisions, and complaints serve as a valuable source of information.

If you have any questions, please contact Ellen Plendl at 1-800-342-3552, by fax at 1-800-511-0809, or by e-mail at eplendl@psc.state.fl.us.

Sincerely,

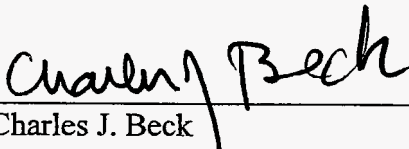


Beverlee S. DeMello, Director
Division of Consumer Affairs

BSD:mep

DOCKET NOS. 001503-TP and 020896-WU
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S. Mail
or hand-delivery to the following parties on this 18th day of November, 2004.


Charles J. Beck

Rosanne Gervasi, Esquire
Division of Legal Services
Fla. Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

F. Marshall Deterding, Esquire
John Wharton, Esquire
Rose, Sundstrom and Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Mr. Harry Hawcrof
1612 Boswell Avenue
New Port Richey, FL 34655

V. Abraham Kurien, M.D.
1822 Orchardgrove Avenue
New Port Richey, FL 34655

Edward O. Wood
1043 Daleside Lane
New Port Richey, FL 34655

Senator Mike Fasano
8217 Massachusetts Avenue
New Port Richey, FL 34653

Aloha Utilities, Inc.
Mr. Stephen G. Watford
6915 Perrine Ranch Road
New Port Richey, FL 34655-3904

John H. Gaul, Ph.D.
7633 Albacore Drive
New Port Richey, FL 34655

Wayne T. Forehand, Chairman
Citizens' Advisory Committee
1216 Arlinbrook Drive
Trinity, FL 34655-4556

James Mitchell, Jr.
Riviera Home Owners Association
5957 Riviera Lane
New Port Richey, FL 34655

Ann Winkler
Riverside Village Estates, Unit 4
4417 Harney Court
New Port Richey, FL 34655

John Parese
Riverside Villas
4029 Casa del Sol Way
New Port Richey, FL 34655