

ORIGINAL

JAMES E. "JIM" KING, JR.
President

JOHNNIE BYRD
Speaker



STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL



c/o THE FLORIDA LEGISLATURE
111 WEST MADISON ST.
ROOM 812
TALLAHASSEE, FLORIDA 32399-1400
850-488-9330

Harold McLean
Public Counsel

EMAIL: OPC_WEBSITE@LEG.STATE.FL.US
WWW.FLORIDAOPC.GOV

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
04 NOV 18 PM 1:55
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 Donna Vaurio.

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

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

Sincerely,

Charles J. Beck
Deputy Public Counsel

RECEIVED & FILED

R.V.N.
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

12396 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

DONNA VAURIO

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

DONNA VAURIO

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **Docket Nos. 020896-WS & 010503-WU**

3 DIRECT TESTIMONY

4 OF

5 DONNA VAURIO

6
7 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

8
9 A. My name is Donna Vaurio. I reside at 1340 Canberley Court, Trinity, Florida,
10 34655.

11
12 **Q. WHICH UTILITY SUPPLIES YOUR DRINKING WATER AND FOR**
13 **HOW LONG HAVE YOU BEEN A CUSTOMER OF THAT UTILITY?**

14 A. My drinking water is supplied by Aloha Utilities, Inc. I have been a customer
15 since August 2001.

16
17 **Q. ARE YOU SATISFIED WITH THE QUALITY OF WATER IN YOUR**
18 **DOMESTIC PLUMBING?**

19 A. Absolutely not!

20
21 **Q. WHY?**

22 A. The odor from the water coming out of my faucets smells like rotten eggs. I
23 also get black deposit in my toilets and in the tub from the water.

1 **Q. DO YOU DRINK THE WATER FROM YOU TAPS?**

2 A. No.

3

4 **Q. WHAT DISTRESSES YOU ABOUT THE QUALITY OF WATER?**

5 A. The smell is abhorrent. I couldn't possibly brush my teeth with it or drink it.

6 I hate using it to wash my face and shower in it. My own grandchildren say

7 that my water smells like a toilet after use. It also takes extra work to clean

8 the toilets and tubs because of the black rings. My laundry used to come out

9 gray before I got a water softener. These problems existed prior to my getting

10 a water softener and that was the reason I bought one in the first place.

11

12 **Q. HOW FREQUENTLY DO YOU EXPERIENCE POOR WATER**
13 **QUALITY?**

14 A. The odor is on a daily basis for the most part. Occasionally it will subside for

15 a day or two but not for long. The black is intermittent but frequent.

16

17 **Q. DO YOU EXPERIENCE POOR QUALITY FROM BOTH THE HOT**
18 **WATER AND COLD WATER FAUCETS?**

19 A. Initially it was from both faucets. I was told by someone to turn up the heat in

20 my hot water heater and that helped the problem from the hot water side for

21 about a year. The cold water continued to stink. Now the higher temperature

22 has stop doing the trick and I once again have the rotten odor from both the

23 hot and cold taps.

1 **Q. UNDER WHAT CIRCUMSTANCES OF USE HAVE YOU**
2 **EXPERIENCED POOR QUALITY?**

3 A. I experience the odor daily, every time I turn on the tap. It will dissipate after
4 running the water for several minutes but comes right back after I turn the tap
5 off. The black deposit in the water is intermittent and seems to be in areas
6 where the water sits for a while as in the toilets and a filled tub. This occurs at
7 least weekly and usually several times a week. The tub and toilets need to be
8 scoured frequently to get rid of the black deposit.

9
10 **Q. WHAT KIND OF PIPES DO YOU HAVE?**

11 A. All visible pipes are PVC.

12
13 **Q. HOW DOES POOR WATER QUALITY AFFECT YOU AND YOUR**
14 **FAMILY?**

15 A. We are afraid to drink the water. That is not a fear we should have to live
16 with in this country, in this day and age. We are constantly told that there are
17 no ill health problems but we can't be sure of that. In fact my
18 gastroenterologist said that elevated copper levels could indeed cause stomach
19 problems. I have stomach problems as do several of the residents on my
20 street. It is something that we will be pursuing further. I hate having to clean
21 the toilets more frequently than would otherwise be necessary. I hate the odor
22 and the need to run, and pay for, extra water to clear it. I'm very concerned
23 about running extra water and the impact on the environment not to mention

1 my water bill. All in all, having this water is a very stressful experience for
2 me.

3

4 **Q. HAVE YOU SOUGHT THE HELP OF ALOHA UTILITY IN**
5 **UNDERSTANDING WHY THE WATER QUALITY IS POOR IN**
6 **YOUR HOME AND ON IMPROVING IT?**

7 A. I don't want to understand it, I just want it to end! I've written to Aloha
8 several times and have received several replies. Aloha keeps sending me
9 letters telling me the problem is in my copper pipes. No matter how many
10 times I write to them and tell them that I don't have copper pipes, I just keep
11 getting the same reply. (Exhibit VD-1)

12

13 **Q. DO YOU FEEL THAT THE UTILITY GAVE YOU A SATISFACTORY**
14 **EXPLANATION?**

15 A. Absolutely not. I called Aloha in November 2002, to complain of the
16 horrendous odor and a service person was sent out. He said that there was no
17 problem, that the water was clean, clear and safe. I told him that I wouldn't
18 have called him if I didn't have a problem. I asked him to come in and see
19 that in fact it was not clear and was told that he couldn't enter the premises
20 and that there was nothing he could do.

21

22 I told Steve Watford, President of Aloha, at a CAC meeting in July 2003,
23 about this encounter and my problem. He replied that they were not

1 responsible for the water beyond the meter and that my water was clean, clear,
2 and safe.

3
4 I wrote a letter to Aloha in October 2003 complaining that I still had water
5 smelling of rotten eggs and still had black water. I received a letter dated
6 October 27, 2003 stating that I hadn't complained again since November of
7 2002 and that I had been given a packet explaining copper sulfide at that time
8 (Exhibit DV-1). I wrote another letter on October 30, 2003 (Exhibit DV-2)
9 explaining that I hadn't called since November 2002 because I didn't want my
10 intelligence insulted again by being told that there was nothing wrong.

11 Aloha's response letter of November 19, 2003 (Exhibit DV-3), said once again
12 that my problem was from copper sulfide. I wrote back on Dec. 5, 2003
13 (though a typo showed the date as Dec. 5, 2004) and told them that telling me
14 three times within a month that my problem was copper sulfide was insulting,
15 especially when my neighbors behind me had Pasco Water Utility and none of
16 them had the problem (Exhibit DV- 4). I received a letter in response dated
17 December 19,2003, once again informing me that my problem was copper
18 sulfide (Exhibit DV-5). I complained about their customer service in
19 February of 2004 and in response to that complaint they send a technician to
20 my home to test my water, though that wasn't the nature of my complaint this
21 time. He presented me with a document "Water Discoloration Information"
22 (Exhibit DV-6) once again citing copper sulfide as my problem. I had told
23 Aloha on several occasions that my pipes were CPVC but that doesn't seem to
24 have registered with them. This document also said that they had been

1 working very closely with the FDEP, the FPSC and its customers to solve this
2 problem. In my own opinion Aloha taking the FPSC to court to try and
3 overturn an order that the Corporation create a Citizens' Advisory Committee
4 of customers to work with Aloha, followed by Aloha's refusal to share
5 information with the customers, refutes this assertion. This same document
6 also claims that there were less than 200 customers who had complained when
7 Aloha knew that a petition of complaint had been filed with the PSC
8 containing nearly 1500 signatures. This handout also intimated that Senator
9 Fasano and a "handful" of customers could be the cause of a rate increase if
10 they continued their complaints.

11

12 **Q. WHAT DID YOU DO THEN?**

13 A. I checked with neighbors who live behind me who receive Pasco County
14 Utility water to see if they were having similar problems and compared the
15 water heaters and pipes that they used. I once again verified that even though
16 their homes were built by the same builder, had the same hot water heaters,
17 and used water softeners, they did not have the problem. The only variable
18 was the utility supplying the water.

19

20 **Q. DID YOU HAVE ANY CONTACT WITH THE CUSTOMERS**
21 **ADVISORY COMMITTEE?**

22 A. I attended the initial meeting called by Aloha Utilities and their customers in
23 March 2003 to set up the Customers Advisory Committee (CAC). I agreed to
24 serve on the Nominating Committee to review resumes and nominate

1 representatives to CAC. I volunteered to be the recording secretary and
2 administrative assistant to the CAC after it was formed.

3

4 **Q. DO YOU FEEL THAT THE ALOHA UTILITIES**
5 **REPRESENTATIVES MET THEIR RESPONSIBILITY AS CO-**
6 **PARTNERS IN THIS ENDEAVOR?**

7 A. No.

8

9 **Q. WHY NOT?**

10 A. The committee was set up to look at the problems of stinky and/or black water
11 from a scientific basis. Aloha constantly refused access to information
12 requested even after saying they would do so in the public meeting. Aloha
13 claimed the CAC couldn't tour the facility due to concerns about terrorism
14 though no other utility denied this access when requested. At one point in a
15 meeting, Aloha's representative said that we were not Regulators, we were not
16 Stockholders, we were only Customers.

17

18 **Q. DID YOU PARTICIPATE IN THE AUDIT OF THE CUSTOMERS**
19 **WATER THAT WAS PERFORMED BY DR A. LEVINE?**

20 A. Yes, as a customer whose home was tested.

21

22 **Q. WHAT DO YOU KNOW ABOUT THE RESULTS?**

23 A. I know that the water that came from my faucet on the outside, on the south

1 side, of my house was brown. This was before any contact with a water
2 softener or hot water heater.

3

4 **Q. WHAT IS YOUR REQUEST TO THE PSC AT THIS TIME?**

5 A. I request that I receive my liberation from this fiefdom. There is no place in
6 this day and age and in this wonderful country of ours, for a utility that
7 consistently ignores its customers needs and provides an inferior product. The
8 fact that it is a monopoly should compel it to provide the best service and
9 water possible not give it license to ignore its' customers.

10

11 **Q. IS THAT THE END OF YOUR TESTIMONY?**

12 A. Yes.

INDEX OF EXHIBITS

DIRECT TESTIMONY—DONNA VAURIO

DOCKET NOS. 020896-WS & 010503-WU

EXHIBIT	EXH. NO.	
Letter from Pamela Yacobelli, Administration Manager, Aloha Utilities, Inc., to Mr. & Mrs. David Vaurio, dated October 27, 2003	DV-1	_____
Letter from Donna B. Vaurio to Pamela Yacobelli, Administration Manager, Aloha Utilities, Inc., dated October 30, 2003	DV-2	_____
Letter from Pamela Yacobelli, Administration Manager, Aloha Utilities, Inc., to Mr. and Mrs. David Vaurio dated November 19, 2003	DV-3	_____
Letter from Donna B. Vaurio to Pamela Yacobelli, Administration Manager, Aloha Utilities, Inc., dated December 5, 2004 (corrected to 2003)	DV-4	_____
Letter from Pamela Yacobelli, Administration Manager, Aloha Utilities, Inc. to Mr. & Mrs. Vaurio dated December 19, 2003	DV-5	_____
“Water Discoloration Information” handout given to Donna Vaurio by a service technician of Aloha Utilities, Inc., on February 24, 2004	DV-6	_____

Aloha Utilities, Inc.

6915 Perrine Ranch Road
New Port Richey, FL 34655

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

(22)

October 27, 2003

Mr. & Mrs. David Vaurio
1340 Canberley Court
Trinity, FL 34655

RE: Account #37461

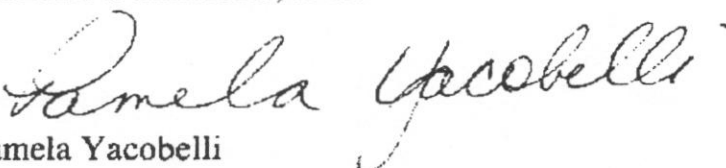
Dear Mr. & Mrs. Vaurio:

Upon receipt of your inquiry, we have researched your account. The last water quality request we received from you was on November 1, 2002. A service representative was dispatched to your residence on Thursday, October 16, 2003. Our service representative found the water at our point of connection to be clean and clear with no odor present. It was noted that the water at your hot water tank was very discolored. Mrs. Vaurio received a copper sulfide information packet, which suggests methods to help alleviate the problem you are experiencing. All testing conducted by Aloha Utilities meets all federal and state standards and is a matter of public record and available at the Department of Environmental Protection.

Should you have any further questions, please do not hesitate to contact our office.

Sincerely,

ALOHA UTILITIES, INC.


Pamela Yacobelli

Donna Vaurio
1340 Canberley Court
Trinity, FL 34655

October 30, 2003

Ms. Pamela Yacobelli,
Administration Manager
Aloha Utilities Inc.
6915 Perrine Ranch Road
New Port Richey, FL 34655

Dear Ms. Yacobelli,

I take exception to the inferences made in your letter dated October 27, 2003. I had not called with an additional complaint since November 1, 2002, not because I didn't have a problem, but because I was told at that first call there was nothing wrong and I didn't see much point of having my intelligence insulted once again. As I told Mr. Watford at the CAC meeting in July of 2003, obviously there was something wrong or I would not have called in the first place!

I can walk across my back yard to the neighbors directly behind me. They have the same model houses, the same brand of water heaters, even the same water softeners. They do not get brown water in their water heaters, they do not get the sulphur smell in their faucets, they do not get black water in their tubs and toilets. The only difference between their street and ours is that they do not have Aloha Utilities!

The fact that my water happened to have the correct level of chlorine in it at the point of connection is meaningless unless you test it several times in a day and the reading is consistent. Nor does it mean that it wasn't ever brown at one some point before it got into my water heater. I am not a scientist. I do not know what the problem is. I only know that there is a problem and I strongly resent being told over and over again that there is not one. Why is that you need to send me a information packet on copper sulfide, when my backyard neighbor doesn't need one just because they're on Pasco Water?

I think Aloha Utilities still has many questions that need answering.

Sincerely,

Donna B. Vaurio

cc: Lila Jaber, Florida Public Service Commission
Wayne Forehand, CAC Chairman

Aloha Utilities, Inc.

*6915 Perrine Ranch Road
New Port Richey, FL 34655
(727) 372-0115 Fax (727) 372-2677*

November 19, 2003

Mr. & Mrs. David Vaurio
1340 Canberley Court
Trinity, FL 34655

RE: Account #37461

Dear Mr. & Mrs. Vaurio:

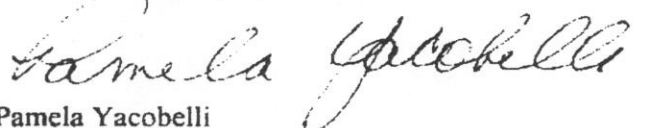
It has been determined that you are experiencing copper sulfide formation, which has been extensively researched by the Florida Public Service Commission, the Department of Environmental Protection and Aloha Utilities. Our service representative left a copper sulfide information packet, which outlines several methods to help alleviate the problem you are experiencing. All testing conducted by Aloha Utilities meets all federal and state standards and is a matter of public record and available at the Department of Environmental Protection.

Aloha Utilities, Pasco County Utilities and other surrounding utilities pump their water from the same Floridan aquifer.

Should you have any further questions, please do not hesitate to contact our office.

Sincerely,

ALOHA UTILITIES, INC.


Pamela Yacobelli
Administration Manager

cc: Lila Jaber, Florida Public Service Commission
Wayne Forehand, CAC Chairman

admin2/letters/03custcorr/vaurio2

Donna B. Vaurio
1340 Canberley Court
Heritage Springs
Trinity, FL 34655

December 5, 200~~4~~³

Pamela Yacobelli
Administration Manager
Aloha Utilities
6915 Perrine Ranch Road
New Port Richey, FL 34655

Dear Ms Yacobelli,

I am in receipt of your letter dated November 19, 2003, telling me that my water problem is caused by copper sulfide formation. You mention that your service representative left me a packet of information regarding copper sulfide (he was here on October 16, 2003). Your letter dated October 27, 2003 stated that my problem was due to copper sulfide. I am neither deaf, dumb, nor blind, so I think that telling me that I have a copper sulfide problem, three times in a month, is sufficient.

I have never challenged the fact that I may have a copper sulfide problem. I questioned why my neighbors behind me, who are on Pasco Utilities water, do not have the same problem. We all have the same water heaters. We all have the same style homes, ergo, the same plumbing configuration. We all have the same water softener units. Now you tell me that we all get the water from the same aquifer. So my question remains, why are we, those who have to suffer with the water supplied from Aloha, the only ones to have a problem? You've eliminated all the variables except the utility company that supplies the water.

To say that you meet all state and federal water standards is somewhat disingenuous. The fact is that you meet minimum standards. I believe a company that is a monopoly has an obligation to meet the highest standards not the lowest. As a consumer, I do not find minimum standards a satisfactory condition and intend to proclaim my dissatisfaction to the highest authority.

Sincerely,

Donna B. Vaurio

cc: Lila Jaber, Florida Public Service Commission
Wayne Forehand, CAC Chairman

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

Aloha Utilities, Inc.

6915 Perrine Ranch Road
New Port Richey, FL 34655

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

December 19, 2003

Mr. & Mrs. David Vaurio
1340 Canberley Court
Trinity, FL 34655

RE: Account #37461

Dear Mr. & Mrs. Vaurio:

In response to your letter dated December 5, 2003, please be advised that "black water" is not indigenous to Aloha Utilities. Pasco County as well as other counties have experienced "black water" as well. The issue of "black water" has been thoroughly investigated by the Public Service Commission, the Florida Department of Environmental Protection (DEP), Florida's Department of Health and various state agencies and water management districts. The black particulate in the water giving the water a black or grayish color is copper sulfide. Copper Sulfide is formed by the reaction of hydrogen sulfide with copper pipes. The research indicates that hydrogen sulfide is a naturally occurring substance found in source water across the state and has been known to emit a rotten-egg type odor. DEP has determined that hydrogen sulfide is not a public health concern.

Aloha Utilities meets or exceeds the federal and state testing requirements and is a matter of public record and available at the Department of Environmental Protection.

Should you have any further questions, please do not hesitate to contact our office.

Sincerely,

ALOHA UTILITIES, INC.

Pamela Yacobelli
Administration Manager

Water Discoloration Information

Starting in late 1995, Aloha began receiving a relatively small number of complaints of water discoloration from customers living in the Wyndree and Chelsea Place subdivisions. Aloha expended considerable resources investigating the cause of the problem. It was not uncommon to find one customer experiencing the problem and the neighbors immediately next door completely unaffected. In addition, in each and every instance, the water entering the affected customer's home was clear and clean and exhibited no discoloration. These two facts led Aloha, the Florida Department of Environmental Protection (FDEP) and the Florida Public Service Commission (FPSC) staff to conclude that the discoloration occurred after the water entered the home.

With the help of the FDEP, Aloha determined the cause of the problem. The FDEP lab identified the black substance in the water as copper sulfide. Copper sulfide forms when the copper piping in the home corrodes causing copper to be dissolved into the water. This dissolved copper then combines with sulfide (generated in the hot water system of the home when sulfur reducing bacteria break down naturally occurring sulfur compounds) to form copper sulfide. Aloha has no copper piping in its entire distribution system.

The formation of copper sulfide should be minimized and the discolored water problem should be greatly reduced if the leaching of copper into the water from the home piping can be controlled or if the formation of sulfide can be reduced in the customer's hot water system.

Aloha began adding a corrosion inhibitor to the water in late April 1996 to minimize copper corrosion and leaching. To date, the program has been very successful. In December 1997 Aloha's sample results for the Seven Spring Water System showed that customer tap samples contained less than 1.10 mg/L of copper; substantially below the State and Federal requirements. It is important to note that the water supplied to Aloha's customers contains no copper prior to its entry into a customer's home.

In-home water treatment units change the water chemistry from that supplied by Aloha. All forms of water softening make the water very corrosive to copper piping. These water treatment units can increase the natural rate of copper corrosion to very high levels. Copper corrosion is the process by which copper piping is dissolved into the water it carries. This dissolved copper provides the copper necessary to form the copper sulfide particles which causes water discoloration. Customers without in-home treatment units, natural corrosion of copper pipes occurs at a much slower rate, therefore, less copper is dissolved into the water. In general, the experience of home owners without in-home treatment units is that they are much less affected by copper sulfide water discoloration.

Low hot water heater temperature setting allows the growth of microorganisms that change the sulfur found naturally in Florida groundwater into sulfide. Copper sulfide will not form without a source of sulfide present. In addition, certain types of "sacrificial anodes," special metal rods installed in hot water tanks to extend the life of hot water heater components, give off charged particles (ions) that are necessary for the microorganisms to produce sulfide. Changing the type of anode installed in the hot water tank or the temperature setting may prevent the problem. Changing hot water settings may create a scalding hazard. Also, removing and/or changing the hot water tank anode may void the hot water tank manufacturer's warranty. Therefore, these changes should only be made by a licensed plumber after special scalding protection equipment is installed and hot water tank warranty issues are discussed.

Although Aloha's water is clean, clear, odor free and meets all FDEP and Federal standards, Aloha has been studying the copper sulfide problem since it was first reported in an effort to assist its customers. Since that time, corrosion of copper water piping has become recognized as a state-wide problem. The University of Florida has just completed an initial study to assess the magnitude of the problem. It found that many parts of Florida are experiencing major problems with copper water piping corrosion and has recommended that a major study be undertaken to further identify the causes of the problem and possible solutions.

Aloha has worked very closely with the FDEP, the FPSC and its customers to search for a solution to the in-home water discoloration problem. Hundreds of thousands of dollars have been spent during the last two years to complete studies and investigations ordered by the FPSC regarding this matter. To date, not one study or investigation, completed by Aloha or any other party, has shown Aloha's water to be discolored prior to its entry into a customer's home. Aloha has contended that each of the required studies and investigations were not necessary as sufficient data already existed within the records of the FDEP and other governmental agencies to show that Aloha's water met all standards. In fact, on numerous occasions, FDEP administrators and FPSC staff have stated that Aloha's water meets all requirements in written statements and in sworn testimony.

This discolored water issue has been the subject of a great deal of media attention, spearheaded by Representative Fasano, over the last two years. The actual number of complaints that Aloha have received regarding this issue represent less than 200 customers out of the 8,200 customers Aloha serves in the Seven Springs Water System service area. Aloha provides these facts not to minimize or make light of the problem being experienced by those that are affected, but to help keep the actual magnitude of the problem in focus. What customers have not been told is that the cost of any actions taken by Aloha in hopes of correcting the problem will ultimately be borne by all customers whether they are experiencing the problem or not. Based on all the scientific evidence accumulated by any person or agency to date, any such costly improvements are not likely to substantially reduce the problem for those who are currently experiencing it.

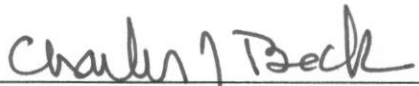
At a FPSC customer hearing held in 1996, FDEP experts testified that Aloha was in full compliance with all State and Federal water standards. Nevertheless, the FPSC ordered that a study be performed to determine the options for improving overall water quality primarily for the purposes of addressing the discoloration problem. The FPSC required Aloha to study methods of removing sulfide from our raw water. In the view of our consulting engineer, and supported by the most recent information available from the water industry nationwide and from university researchers who have recently concluded studies in this area, simply reducing the level of sulfur in the water would have no beneficial effect on those customers currently effected by the discoloration problem.

As a result of the PSC order requiring the Utility to complete this study on sulfur removal, the Utility filed an extensive and costly study on June 10, 1997. It took three months to complete this study and the FPSC staff approximately the same length of time to review it. The cost of the study was substantial and will ultimately be born by the Utility rate payers. Based on the fact that the Utility was already meeting all State and Federal standards for water quality, Aloha felt that no further water quality improvements other than continuing the current corrosion control program were necessary and Aloha still stands by that conclusion.

FPSC staff agreed with Aloha's conclusions and recommended that the only known immediate, permanent and cost effective method of correcting the discolored water problem in the small number of effected homes is to replace all hot and cold copper water piping with CPVC or some other form of non-metallic pipe. In fact, one homeowner, who previously was greatly affected, replaced the copper piping in his home with CPVC which totally eliminated his problem. At the FPSC hearing held to discuss the FPSC staff's recommendations and where the FPSC Commissioners were to render their order in this matter, Representative Fasano's Legislative Aid presented three very recent letters to the Commissioners that purported to refute Aloha's contention that replacing copper piping with CPVC would reduce or eliminate water discoloration occurring in a customer's home. The letters contended that three customer's with CPVC reported experiencing water discoloration. The Commissioner's felt the need to postpone making their final decision and directed Aloha to look into the new information. As a result of the continuing concerns of a few, the Commission ordered Aloha to complete a system wide survey to determine the extent of the reported problems. Not only will this survey extend the time that will be needed to resolve these issues but the additional cost of preparing and sending this survey and continued discussions and responding to the FPSC will be born by the rate payers. Aloha immediately visited all three homes and found that the homes were plumbed with copper and/or a combination of copper and CPVC. Therefore, the letters produced by Representative Fasano's office were unreliable and misleading. If Representative Fasano and a small number of customers continue to demand that the FPSC take actions against Aloha Utilities despite a total lack of evidence to support them, the costs to all Aloha's customers (in the form of increased rates) will continue to rise with no ultimate benefit to the customers.

**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