

MEMORANDUM

September 25, 1997

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (JAEGER) *RRJ*

RE: DOCKET NO. 960545-WS - Investigation of utility rates of Aloha Utilities, Inc. in Pasco County

Please file the attached letters dated September 10th, September 12th and September 15th, 1997 in the above referenced docket.

RRJ/dp

Attachment

cc: Division of Water and Wastewater (McRoy, Starling)
 James Goldberg
 Marty Deterding, Esquire
 Harold McLean, Esquire

- ACF _____
- AFA _____
- AFP _____
- CAF _____
- CMU _____
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 FPSC-RECORDS/REPORTING



Florida House of Representatives

Mike Fasano

Representative, 45th District
Majority Whip

Reply to:

8217 Massachusetts Avenue
New Port Richey, FL 34653-3111
(813) 848-5885

323 The Capitol
Tallahassee, FL 32399-1300
(904) 488-8528

Committees

Vice Chair, Community Colleges
& Career Prep
Finance & Taxation
Governmental Operations
Regulated Services

September 10, 1997

Steve Watford, Vice-President
Aloha Utilities, Inc.
2514 Aloha Place
Holiday, FL 34691

~~Dear Mr. Watford:~~ *Steve*

Mr. Dale Dougherty of 7958 Avenal Loop, New Port Richey has contacted me about an ongoing problem he has had with his water meter. Mr. Dougherty reports that he has contacted your office every month for the past two years to complain that his water meter is not functioning properly. He also reports that your office refuses to give him a new meter. I would appreciate it very much if you would look into Mr. Dougherty's complaint and see if there is any way that he can be assisted.

Thank you in advance for your assistance in this matter.

Yours truly,

Mike Fasano
State Representative, District 45

MF/gg

cc: Dale Dougherty
Ralph Jaeger, Public Service Commission

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SEP 11 1997



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September 12, 1997

Steve Watford, Vice President
Aloha Utilities, Inc.
2514 Aloha Place
Holiday, FL 34691

~~Dear Mr. Watford:~~ *Steve*

Mrs. Joseph Patterson of 4839 Sandpointe Drive in New Port Richey (372-2673) called to report that she has very low water pressure. I would greatly appreciate any assistance you can provide to Mrs. Patterson.

Thanks in advance for your help. If I can ever do anything for you, please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink that reads "Mike Fasano".

Mike Fasano
State Representative, District 45

MF/cmh

cc: Dr. Richard Garrity, Department of Environmental Protection
Dr. Marc Yacht, Pasco County Health Department
Ralph Jaeger, Public Service Commission

To:**Ralph Jaeger
Harold McLean****From:****Rep Mike Fasano****FYI**

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PRESS RELEASE

Contact: Greg Giordano (813) 848-5885

Date: September 15, 1997

Aloha Utilities has released a most self-serving and deceptive document in a desperate attempt to make its customers believe that the utility is on their side. Instead of working on behalf of its customers for the past two years, during which its selfish disregard for its customers has been repeatedly revealed, this arrogant water utility is trying to play public relations catch-up. Not only is the utility blatantly attempting to paint itself as the front-line fighter for its customers, it is attempting to instill fear in its customers. In the September issue of "Water News," which began to arrive in mailboxes on September 12, 1997, a majority of the newsletter was devoted to an article entitled "Water Concerns May Trigger Sharp Rate Increase." The newsletter was printed and mailed by Aloha Utilities at the expense of its customers. The article twists the truth in so many contorted directions that it would be laughable if it wasn't so serious. It is Representative Mike Fasano's hope that the customers of this monopolistic utility not be deceived.

"When I read the article I was outraged," Fasano said. "Aloha Utilities, which for years has become rich on the backs of its customers, has made a sudden about face. Aloha is trying to pin the blame on everyone else for the outrageous rate increases it has asked for in the past and are currently seeking."

Aloha fails to mention that it applied to the Public Service Commission in 1995 for an 83% rate increase to be charged to all the customers in the Seven Springs Service Delivery Area. The Public Service Commission initially approved the entire 83% increase. After the Public Service Commission granted the rate increase, State Representative Fasano, in conjunction with the customers of Aloha Utilities, filed a protest. The filing of the protest forced the utility to deposit the granted rate increase into an escrow account. The protest also necessitated the scheduling of a public hearing in Pasco County, which was held over two days in September, 1996. Three Public Service Commissioners were in attendance.



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The above referenced article written by Aloha Utilities makes the outrageous statement that "starting in January of 1996 we began receiving a relatively small number of complaints of water discoloration from customers living in the Wyndtree and Chelsea Place subdivisions." A similar statement was made at the September, 1996 public hearing by Aloha Utilities vice-president Steve Watford. When asked to explain how his company handled customer complaints, and to produce documentation to support his claim, Mr. Watford was unable to do so. Aloha Utilities does indeed have a faulty customer service tracking system. The first complaints about Aloha Utilities came in Representative Fasano's office in March, 1995. Hundreds of complaints followed, with most being directed to Aloha Utilities either verbally or through written correspondence. Petitions signed by 366 people in Wyndtree and Chelsea Place, and filed with the Public Service Commission, called for "an open public hearing for the purpose of investigating the utility rates, water quality and other irregularities connected with Aloha Utilities." Entire subdivisions served by Aloha Utilities hardly constitutes a relatively small number of complaints. Can Aloha Utilities look the nearly 1000 customers (as reported in *The St. Petersburg Times*, September 11, 1996) who showed up at the September, 1996 public hearings straight in the eye and say they represent a relatively small number of complaints?

In the article Aloha states that less than 200 complaints regarding black, smelly water have been received by the utility. For Aloha Utilities to maintain in September, 1997 that less than two hundred complaints have been received regarding this issue demonstrates the desperate attempts of this utility to hide the truth from the public. The office of State Representative Mike Fasano, during the two month period between the end of May, 1997 to the end of July, 1997, forwarded letters to Steve Watford with the names of nearly 60 customers who called to complain about their water. Either Aloha Utilities has done absolutely nothing to improve its customer service system, or it is engaging in a plan of deliberate deception.

Aloha Utilities further writes "what Representative Fasano and the news media have not told our customers is that the cost of any actions taken in hopes of correcting the problem will ultimately be borne by ALL customers whether they are experiencing the problem or not." What Aloha Utilities fails to mention is that the self-appointed board of directors of this utility are multi-millionaires many times over. The stockholders have been the beneficiaries of well-documented sweetheart deals relating to the operation of this utility. The cost of correcting this problem would be a mere drop



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in the vast ocean of financial resources available to Aloha's board of directors. Instead, in their greed, Aloha's owners want to pass on the entire cost of correcting this problem to its customers. By trying to mobilize those who may not be experiencing ongoing poor water problems to protest Aloha is attempting to divide its customers against each other. Instead of just biting the bullet and fixing its problem, Aloha is trying to divert attention away from the real problem, i.e. its customers, despite the claims made in the newsletter, are still receiving black, smelly water.

Aloha Utilities has called upon its customers to contact the Public Service Commission to let their choice of three options be made known. The article states that if the customers do not choose Aloha's alternative then "failure to inform the PSC of your preference just increases the chance that you will have alternatives 2 or 3 chosen for you." Aloha fails to mention that it is the one who presented a nearly ten million dollar plan to clean up its water system and to have it paid for entirely by its customers.

While attempting to look like the champion of its customers Aloha failed to mention that it has already applied for another rate increase to cover the cost of its relocation of water lines along State Road 54. That rate increase application has not been acted upon by the Public Service Commission because of Aloha's refusal to allow the Commission to audit its books. For a utility who belatedly is attempting to appear as though it cares for its customers to refuse access to its books only makes one wonder what they have to hide. Aloha also failed to mention that, when ordered by the Public Service Commission earlier this year to clean up its water and refund the money held in escrow, an appeal was made to the Commission to overturn that decision.

"It is my hope that the customers of Aloha Utilities will see through this transparent newsletter," Representative Fasano states. "I've had people tell me they have had problems with Aloha Utilities for over a decade. While the worst problems occur in and near Chelsea Place and Wyndtree, I've had many calls from customers all through the Seven Springs Service Delivery Area with similar complaints. If Aloha believes that it can turn its customers against themselves then Aloha is sadly mistaken. The only entity responsible for this sad situation is Aloha Utilities and Aloha Utilities alone."

(Copy of "Water News" attached)

◆ Water News ◆

Aloha Utilities, Inc.

September, 1997

IMPORTANT

See page 2 for a very important informational regarding upcoming Public Service Commission action that could increase your utility rates substantially!

THIS NEWSLETTER HAS BEEN DEVELOPED TO INFORM YOU OF THE ACTIVITIES THAT ALOHA UTILITIES IS UNDERTAKING TO PROVIDE YOU WITH HIGH QUALITY WATER AND WASTEWATER UTILITY SERVICES.

ALOHA UTILITIES WELCOMES ANY COMMENTS YOU MAY HAVE CONCERNING THIS NEWSLETTER; SEND COMMENTS TO:

**NEWSLETTER EDITOR
2514 ALOHA PLACE
HOLIDAY, FL 34691**

Corrosion Control Program, Great Progress Made!

As you may recall, in our last "Water News," we discussed a new corrosion control program that we were implementing to assist you in minimizing the natural corrosion of the copper water pipes in your home. Utilities around the country have undertaken this program, in part, as a result of rule changes made by the United States Environmental Protection Agency (U.S.E.P.A.).

The U.S.E.P.A. made these rule changes based on their research into a nationwide problem concerning the effect on water quality from home copper water piping. U.S.E.P.A. determined that drinking water frequently contained dissolved copper as home copper water piping aged and corroded.

In late April 1996 we began adding a corrosion inhibitor to the water that we produce. This inhibitor protects the piping and then places a microscopic pro-

TECTIVE barrier on the inner walls of the pipe. This barrier acts to prevent the water carried from actually coming into contact with the copper pipe. Like all things in life, nothing is perfect. This barrier is not 100% effective and some corrosion will still take place, however, at greatly reduced overall levels.

Since we began the addi-

maximum benefit from the corrosion control program.

Recently, we completed the first round of water testing in a group of 60 customer's homes to determine how the program is proceeding.

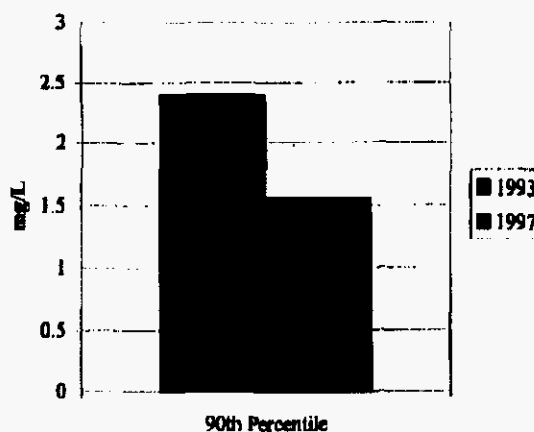
We are very pleased with the outcome of the testing. To date in-home water copper levels have been reduced by approximately 35%. The chart below shows before and after in-home water copper levels found at the statistical 90th percentile (a value that is reported to the FDEP) for the 60 homes sampled. The bars

show dramatic improvement indicating that the rate of copper corrosion (and therefore the level of copper dissolved in your drinking water from the pipes in your home) has also decreased dramatically.

Further fine tuning is ongoing. In approximately six months we will perform water testing in the test homes again. We

feel confident that we will soon be able to report to you that even greater reductions in the rate of copper corrosion has been achieved.

1993/1997 Copper Values



tion of the inhibitor chemical, we have been working with the inhibitor manufacturer, our engineer and the Florida Department of Environmental Protection (who oversees this program for the U.S.E.P.A.) to fine-tune the process to obtain

Water Concerns May Trigger Sharp Rate Increase!

The PSC Staff is expected to issue their recommendations to the Commissioners on water quality issues on September 25th. We will send out an updated "Water News" immediately after the official Staff recommendation has been issued. Listed below are the alternatives expected to be considered by the Commissioners for your water rates on October 7, 1997:

1. Continue current corrosion control program to resolve isolated problems and continue to seek other solutions to these isolated problems. This is the option recommended by Aloha and its engineer.

Est. Annual Cost: \$75,000

Estimated increase in ALL water rates: 5% (a current \$30 per month bill will become \$31.50 per month).

2. Construction of new water treatment plant to provide service to Chelsea and Wyndree subdivisions and others in the southern service area separate from all other customers.

Est. Annual Cost: \$1,600,000

Estimated increase in ALL water rates: 100% (a current \$30 per month bill will become \$60.00 per month).

3. Construction of water treatment plants for sulfur removal for Aloha's entire service area.

Est. Annual Cost: \$4,800,000

Estimated increase in ALL water rates: 300% (a current \$30 per month bill will become \$120.00 per month).

Let your choice be known! Failure to inform the PSC of your preference just increases the chance that you will have alternatives 2 or 3 chosen for you. If you believe that the majority of customers of Aloha who are satisfied with the quality of water they are receiving should not pay for substantial improvements to the system at this time you must act now! Make your voice heard by calling the PSC at 1-800-342-3552 or writing the Commission at the address listed at the end of this page. Reference Aloha Utilities, Inc., PSC Docket Number 960545-WS when you contact PSC to voice your concern. All comments must be received before September 25th. The earlier the better.

In the last "Water News" we told you about a problem that was occurring in one small section of our service area.

Starting in January of 1996 we began receiving a relatively small number of complaints of water discoloration from customers living in the Wyndree and Chelsea Place subdivisions. We 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 us to conclude that the discoloration was most likely occurring after the water entered the home.

With the help of the Florida Department of Environmental Protection (FDEP) we 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. It is important to note that our water contains no copper or

sulfide when it enters your home.

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.

We 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 (see related story on Page 1). As we continue to add the corrosion inhibitor chemical, the concentration of copper in the water of the affected homes will continue to reduce.

This discolored water issue has been the subject of a great deal of media attention, spearheaded by Representative Fasano, over the last year or so. If one were to believe the media, every customer of our utility is experiencing the water discoloration problem. We know that this is not the case as the actual number of complaints that we have received regarding this issue represent less than 200 customers out of the 8,200 customers we serve in the Seven Springs Water System service area. We state this not to minimize or make light of the problem being experienced by those that are affected, however, it is important to keep the actual magnitude of the problem in focus. What Representative Fasano and the news media have not told our customers is that the cost of any actions taken in hopes of correcting the problem will ultimately be

Water Concerns May Trigger Sharp Rate Increase! *Continued*

borne by **ALL** customers whether they are experiencing the problem or not.

At a public hearing held last year in a wastewater related rate proceeding, a relatively small, but vocal and well orchestrated group of customers, convinced the Florida Public Service Commission (PSC) that the water discoloration problem and general dissatisfaction with water quality was much larger and wider spread than we believe either actually is. At that hearing, FDEP experts testified that Aloha was in full compliance with all State and Federal water statutes. Nevertheless, the PSC Staff recommended to the Commissioners that a study be performed to determine the options for improving overall water quality primarily for the purposes of addressing the discoloration problem. The PSC required us to study methods of removing sulfide from our raw water which, in the view of our consulting engineer, will not resolve the discoloration problem for those customer's now experiencing it. Based on 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 re-

moval, the Utility filed an extensive and costly study on June 10, 1997. It took three months to complete this study and it has now been reviewed by the PSC Staff for approximately the same length of time. The cost of the study in consulting engineering fees alone was over \$50,000. That cost 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 we felt that no further water quality improvements other than continuing the current corrosion control program were necessary and we still stand by that conclusion.

The Commission is currently considering several alternatives, most of which if ordered by the Commission, will result in substantial expenditures of monies by Aloha Utilities in an attempt to improve water quality. Whatever monies are required by the Commission to be spent for this purpose will ultimately have to be paid for by **ALL** customers through **substantial increases in rates**. While the Utility anticipates that at some point in time improvements will have to be made to centralize water treatment and meet anticipated future environmental regulatory requirements, we do not believe immediate changes currently being considered by the PSC are necessary or in the best interest of the customers at this time and any one of them will most definitely require a substantial and immediate in-

crease in rates.

Please review the alternatives that are expected to be considered as outlined on Page 2 of this newsletter prior to September 25th, and contact the PSC at their "800" number as listed or in writing at:

**Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
1-800-342-3552**

**Reference Aloha Utilities, Inc.,
PSC Docket Number 960545-WS
when you contact PSC to voice
your concern.**

The more people who call or write the PSC, the more likely it is that your positions will be heard and considered. If you believe that water quality improvements (beyond that required by law) are worth the cost, let the PSC know. But a vote for improvements with no rate increase is not an option that the PSC can legally consider. Let your voice be heard.



Florida House of Representatives

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September 10, 1997

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Aloha Utilities, Inc.
2514 Aloha Place
Holiday, FL 34691

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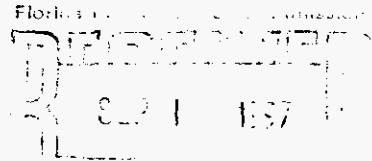
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Yours truly,

Mike Fasano
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cc: Dale Dougherty
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LEGAL DIVISION



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cc: Dr. Richard Garrity, Department of Environmental Protection
Dr. Marc Yacht, Pasco County Health Department
Ralph Jaeger, Public Service Commission

To:
Ralph Jaeger
Harold McLean

From:
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Aloha Utilities further writes "what Representative Fasano and the news media have not told our customers is that the cost of any actions taken in hopes of correcting the problem will ultimately be borne by ALL customers whether they are experiencing the problem or not." What Aloha Utilities fails to mention is that the self-appointed board of directors of this utility are multi-millionaires many times over. The stockholders have been the beneficiaries of well-documented sweetheart deals relating to the operation of this utility. The cost of correcting this problem would be a mere drop



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(Copy of "Water News" attached)

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September, 1997

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NEWSLETTER EDITOR
2514 ALOHA PLACE
HOLIDAY, FL 34601

Corrosion Control Program, Great Progress Made!

As you may recall, in our last "Water News," we discussed a new corrosion control program that we were implementing to assist you in minimizing the natural corrosion of the copper water pipes in your home. Utilities around the country have undertaken this program, in part, as a result of rule changes made by the United States Environmental Protection Agency (U.S.E.P.A).

The U.S.E.P.A. made these rule changes based on their research into a nationwide problem concerning the effect on water quality from home copper water piping. U.S.E.P.A. determined that drinking water frequently contained dissolved copper as home copper water piping aged and corroded.

In late April 1996 we began adding a corrosion inhibitor to the water that we produce. This inhibitor cleans the piping and then places a microscopic pro-

TECTIVE barrier on the inner walls of the pipe. This barrier acts to prevent the water carried from actually coming into contact with the copper pipe. Like all things in life, nothing is perfect. This barrier is not 100% effective and some corrosion will still take place, however, at greatly reduced overall levels.

Since we began the addi-

maximum benefit from the corrosion control program.

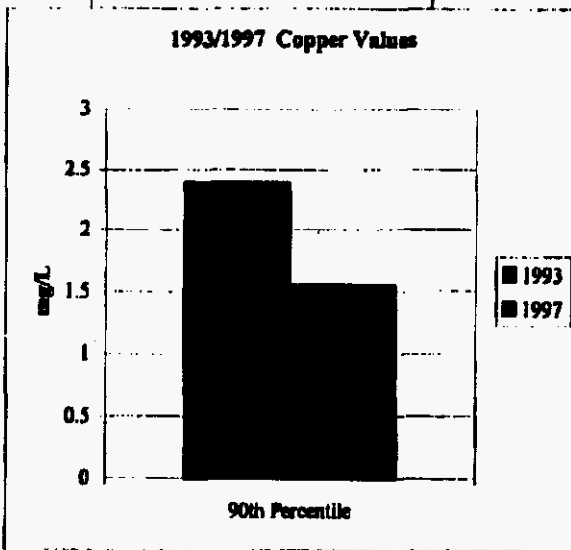
Recently, we completed the first round of water testing in a group of 60 customer's homes to determine how the program is proceeding.

We are very pleased with the outcome of the testing. To date in-home water copper levels have been reduced by approximately 35%. The chart below shows before and after in-home water copper levels found at the statistical 90th percentile (a value that is reported to the FDEP) for the 60 homes sampled. The bars

show dramatic improvement indicating that the rate of copper corrosion (and therefore the level of copper dissolved in your drinking water from the pipes in your home) has also decreased dramatically.

Further fine tuning is ongoing. In approximately six months we will perform water testing in the test homes again. We

feel confident that we will soon be able to report to you that even greater reductions in the rate of copper corrosion has been achieved.



tion of the inhibitor chemical, we have been working with the inhibitor manufacturer, our engineer and the Florida Department of Environmental Protection (who oversees this program for the U.S.E.P.A.) to fine-tune the process to obtain

Water Concerns May Trigger Sharp Rate Increase!

The PSC Staff is expected to issue their recommendations to the Commissioners on water quality issues on September 25th. We will send out an updated "Water News" immediately after the official Staff recommendation has been issued. Listed below are the alternatives expected to be considered by the Commissioners for your water rates on October 7, 1997:

1. Continue current corrosion control program to resolve isolated problems and continue to seek other solutions to these isolated problems. This is the option recommended by Aloha and its engineer.

Est. Annual Cost: \$75,000

Estimated increase in ALL water rates: 5% (a current \$30 per month bill will become \$31.50 per month).

2. Construction of new water treatment plant to provide service to Chelsea and Wyndree subdivisions and others in the southern service area separate from all other customers.

Est. Annual Cost: \$1,600,000

Estimated increase in ALL water rates: 100% (a current \$30 per month bill will become \$60.00 per month).

3. Construction of water treatment plants for sulfur removal for Aloha's entire service area.

Est. Annual Cost: \$4,800,000

Estimated increase in ALL water rates: 300% (a current \$30 per month bill will become \$120.00 per month).

Let your choice be known! Failure to inform the PSC of your preference just increases the chance that you will have alternative 2 or 3 chosen for you. If you believe that the majority of customers of Aloha who are satisfied with the quality of water they are receiving should not pay for substantial improvements to the system at this time you must act now! Make your voice heard by calling the PSC at 1-800-342-3552 or writing the Commission at the address listed at the end of this page. Reference Aloha Utilities, Inc., PSC Docket Number 960545-WS when you contact PSC to voice your concern. All comments must be received before September 25th. The earlier the better.

In the last "Water News" we told you about a problem that was occurring in one small section of our service area.

Starting in January of 1996 we began receiving a relatively small number of complaints of water discoloration from customers living in the Wyndree and Chelsea Place subdivisions. We 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 us to conclude that the discoloration was most likely occurring after the water entered the home.

With the help of the Florida Department of Environmental Protection (FDEP) we 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. It is important to note that our water contains no copper or

sulfide when it enters your home.

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.

We 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 (see related story on Page 1). As we continue to add the corrosion inhibitor chemical, the concentration of copper in the water of the affected homes will continue to reduce.

This discolored water issue has been the subject of a great deal of media attention, spearheaded by Representative Fasano, over the last year or so. If one were to believe the media, every customer of our utility is experiencing the water discoloration problem. We know that this is not the case as the actual number of complaints that we have received regarding this issue represent less than 200 customers out of the 8,200 customers we serve in the Seven Springs Water System service area. We state this not to minimize or make light of the problem being experienced by those that are affected, however, it is important to keep the actual magnitude of the problem in focus. What Representative Fasano and the news media have not told our customers is that the cost of any actions taken in hopes of correcting the problem will ultimately be

Water Concerns May Trigger Sharp Rate Increase! *Continued*

borne by ALL customers whether they are experiencing the problem or not.

At a public hearing held last year in a wastewater related rate proceeding, a relatively small, but vocal and well orchestrated group of customers, convinced the Florida Public Service Commission (PSC) that the water discoloration problem and general dissatisfaction with water quality was much larger and wider spread than we believe either actually is. At that hearing, FDEP experts testified that Aloha was in full compliance with all State and Federal water statutes. Nevertheless, the PSC Staff recommended to the Commissioners that a study be performed to determine the options for improving overall water quality primarily for the purposes of addressing the discoloration problem. The PSC required us to study methods of removing sulfide from our raw water which, in the view of our consulting engineer, will not resolve the discoloration problem for those customer's now experiencing it. Based on 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 re-

moval, the Utility filed an extensive and costly study on June 10, 1997. It took three months to complete this study and it has now been reviewed by the PSC Staff for approximately the same length of time. The cost of the study in consulting engineering fees alone was over \$50,000. That cost 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 we felt that no further water quality improvements other than continuing the current corrosion control program were necessary and we still stand by that conclusion.

The Commission is currently considering several alternatives, most of which if ordered by the Commission, will result in substantial expenditures of monies by Aloha Utilities in an attempt to improve water quality. Whatever monies are required by the Commission to be spent for this purpose will ultimately have to be paid for by ALL customers through substantial increases in rates. While the Utility anticipates that at some point in time improvements will have to be made to centralize water treatment and meet anticipated future environmental regulatory requirements, we do not believe immediate changes currently being considered by the PSC are necessary or in the best interest of the customers at this time and any one of them will most definitely require a substantial and immediate in-

crease in rates.

Please review the alternatives that are expected to be considered as outlined on Page 2 of this newsletter prior to September 25th, and contact the PSC at their "800" number as listed or in writing at:

**Division of Records and Reporting
Florida Public Service Commission
2940 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
1-800-342-3552**

**Reference Aloha Utilities, Inc.,
PSC Docket Number 960545-WS
when you contact PSC to voice
your concern.**

The more people who call or write the PSC, the more likely it is that your positions will be heard and considered. If you believe that water quality improvements (beyond that required by law) are worth the cost, let the PSC know. But a vote for improvements with no rate increase is not an option that the PSC can legally consider. Let your voice be heard.