

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of : DOCKET NO. 960545-WS  
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INVESTIGATION OF UTILITY RATES:  
OF ALOHA UTILITIES, INC. IN :  
PASCO COUNTY. :  
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PROCEEDINGS: AGENDA CONFERENCE  
ITEM NO. 28

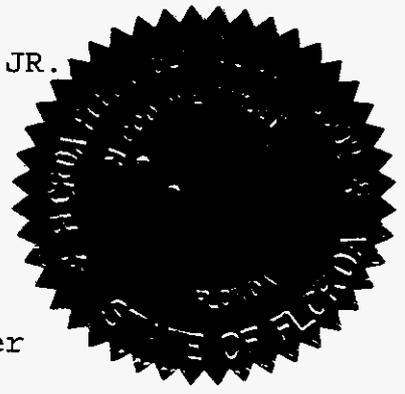
BEFORE: COMMISSIONER SUSAN F. CLARK  
COMMISSIONER E. LEON JACOBS, JR.  
COMMISSIONER LILA A. JABER

DATE: Tuesday, June 20, 2000

TIME: Commenced at 9:30 a.m.

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

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1 PARTICIPATING:

2 TOM WALDEN and PATTI DANIEL, FPSC Division of  
3 Regulatory Oversight.

4 RALPH JAEGER, FPSC Division of Legal Services.

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## P R O C E E D I N G S

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2 COMMISSIONER CLARK: We are on Item 28. And,  
3 Commissioners, do you have questions? Do you want to hear  
4 from staff?

5 And we will let staff do a short introduction.

6 MR. WALDEN: Commissioners, Item 28 is Aloha  
7 Utilities. It is the staff recommendation, after being to  
8 hearing in March and April of this year, we are addressing  
9 quality of service. We are also addressing the actions  
10 that we are recommending the utility should take to  
11 improve the quality of service. There is also an item  
12 that needs to be addressed by our legal staff, a motion to  
13 strike an exhibit.

14 With that we can let legal go ahead.

15 COMMISSIONER CLARK: Questions, Commissioners?

16 COMMISSIONER JACOBS: Yes, a clarification.

17 MR. JAEGER: Commissioners, in Item A the Office  
18 of Public Counsel has moved to strike exhibit testimony,  
19 the Late-filed Exhibit 13 filed by the Utility.

20 Staff is recommending that the Office of Public  
21 Counsel's motion to strike should be granted in part and  
22 denied in part. Specifically, staff recommends that the  
23 second full paragraph on Page 2 of the exhibit and the  
24 attached newspaper article should be stricken in their  
25 entirety, but that the rest of Late-filed Exhibit 13

1 should be admitted.

2 COMMISSIONER CLARK: I have a question on that,  
3 Ralph. Is this even striking what you say is marginally  
4 objectionable?

5 MR. JAEGER: No, this does not address the ones  
6 that I say are marginally objectionable. This is the  
7 primary objection.

8 COMMISSIONER JABER: You just confused me,  
9 Ralph. So what is it exactly you are recommending that we  
10 grant in OPC's motion?

11 MR. JAEGER: Okay. The Office of Public Counsel  
12 moved to strike the entire exhibit, and then they referred  
13 to a newspaper article and to this -- they didn't say  
14 directly the paragraph that I'm saying strike. And what  
15 I'm saying is we should strike -- let me read the, the  
16 second full paragraph on Page 2, and that is talking about  
17 Mr. Lane where he had a revelation about PVC piping, and  
18 also the newspaper article.

19 And I'm saying that Public Counsel basically did  
20 refer to this specifically, and staff agrees that that was  
21 in violation of the agreement reached at the third day of  
22 hearing and should be stricken. But the rest of them were  
23 so nebulous or not so egregious that we think that you  
24 need to take action on them. So that was the only part of  
25 the motion that we said grant.

1 COMMISSIONER JABER: I can move Issue A, Madam  
2 Chair.

3 COMMISSIONER JACOBS: Second.

4 COMMISSIONER CLARK: You move staff --

5 COMMISSIONER JABER: On Issue A.

6 COMMISSIONER CLARK: Okay. Show that unanimous.

7 Any other questions from Commissioners, comments on the  
8 rest of it. Do you want to go issue-by-issue or --

9 COMMISSIONER JABER: I would like to go  
10 issue-by-issue, if that is all right.

11 COMMISSIONER CLARK: All right. Issue 1.

12 MR. WALDEN: Commissioners, Issue 1 is quality  
13 of service. Staff's recommendation is that overall the  
14 quality of service is satisfactory due to the water  
15 meeting standards set forth by the DEP and EPA. There are  
16 inherent problems with raw water quality, specifically  
17 being hydrogen sulfide. And we also recognize that the  
18 customer satisfaction is lacking due to the black water  
19 problem.

20 COMMISSIONER JACOBS: The thing that came out of  
21 this that I think is so critically important here is that  
22 we looked at the treatment that this company is providing  
23 to the source water, and there was no indication that the  
24 treatment that the Company was providing was inadequate or  
25 was causing any of the water aesthetic problems that we

1 saw.

2 MR. WALDEN: That is correct.

3 COMMISSIONER JACOBS: Because there is a lot,  
4 there was a lot, a cumulative effect of the evidence  
5 brought by these customers that they were seeing this.  
6 And I don't know how to resolve this. So my approach was  
7 to make sure we didn't necessarily rule out issues that --  
8 and one issue that kept coming up was the fact that  
9 customers had these in-home filters that may have been  
10 causing the black water problem.

11 Is it safe to say that we have looked at that,  
12 and the fact that a person has or does not have an  
13 in-house filter system does not necessarily determine  
14 whether or not they are going to have these problems.

15 MR. WALDEN: I think we would agree it does not  
16 necessarily mean they will or will not have the problem.  
17 Let me elaborate just a little bit. I think there is  
18 conflicting testimony in the record on that point. The  
19 utility witness, Mr. Porter, testified that he thought the  
20 home treatment units were a part of the cause of the  
21 problem. And DEP Witness LeRoy did not believe that to be  
22 true.

23 COMMISSIONER JACOBS: All right. The inference  
24 was that were there not these -- that the effect of the  
25 in-house systems were to remove the chemicals in the water

1 that were being placed there by the Company to deal with  
2 the hydrogen sulfide. And to the extent that there may  
3 have been some effects, that may be the case. But it was  
4 not the source cause of this issue. This comes from the  
5 source water.

6 MR. WALDEN: The black water problem is coming  
7 from the source water, yes, sir.

8 COMMISSIONER JACOBS: Okay. That's the only  
9 point.

10 MR. WALDEN: But let's be clear that the  
11 chemical feed by the Company, the orthophosphate is really  
12 to comply with lead and copper. It was not to comply with  
13 hydrogen sulfide or to treat the hydrogen sulfide problem.  
14 That is kind of ancillary.

15 I believe the testimony stated that the  
16 orthophosphate was primarily, it was fed for compliance  
17 with lead and copper, but it would have some additional  
18 benefit in coating the interior of the pipes in the  
19 customers' homes, which may help some with the black water  
20 problem. But the primary goal was lead and copper  
21 compliance.

22 COMMISSIONER JABER: Commissioners, let me give  
23 you my concern on this issue, which will provide my  
24 concern and comments to the next issue.

25 I have read the transcript over and over again,

1 and I have obviously listened to all of the customers at  
2 the hearings that we held. I can't support staff's  
3 recommendation that the utility's overall quality of  
4 service is satisfactory, I can't do it. What I can do,  
5 especially in light of the next issue, it seems to me that  
6 if the quality of service is satisfactory then we would be  
7 leaving it alone. It seems to me that the most correct  
8 thing to do is to say that the overall quality of service  
9 is marginal, given the inherent conditions of the area's  
10 raw water supply.

11 Water quality is meeting all EPA and DEP  
12 standards, I recognize that. I recognize that the utility  
13 has done everything that EPA and the DEP require. But I  
14 also recognize that it is the PSC Commissioners that went  
15 and listened to those customers.

16 And there is no way that we can tell them, in my  
17 humble opinion, that the water quality is satisfactory  
18 when they can't drink the water. So, where I would change  
19 this recommendation, and hopefully, Commissioners, you  
20 will agree, is that, again, the overall quality of service  
21 is marginal. However, customer satisfaction appears to be  
22 unsatisfactory.

23 And I don't even mind if we add a caveat that we  
24 recognize that the utility has done everything that DEP  
25 and the EPA require.

1           COMMISSIONER CLARK: Let me ask a question. Are  
2 you deleting, would you not go along with the  
3 recommendation that water quality is meeting all EPA and  
4 DEP standards, and the operational conditions of the plant  
5 are satisfactory?

6           COMMISSIONER JABER: No, I would go along with  
7 that.

8           COMMISSIONER CLARK: Okay. So you are really  
9 only changing one word.

10          COMMISSIONER JABER: Two words. The first  
11 sentence, the utility's overall quality of service is  
12 marginal.

13          COMMISSIONER CLARK: Given the inherent -- okay.  
14 And the other?

15          COMMISSIONER JABER: And then the sentence that  
16 begins, "However, customer satisfaction appears to be  
17 unsatisfactory." Because the customers -- or a better  
18 word, "However, customer satisfaction appears to be,"  
19 what?

20          MR. WALDEN: Poor.

21          COMMISSIONER JABER: Poor. I mean, the  
22 customers aren't satisfied. It is not that it was  
23 marginal, every single customer that went to the hearing  
24 said that they had a problem.

25          COMMISSIONER CLARK: Yes. But I guess my

1 concern about that is that are we dealing with the entire  
2 Aloha system? And there are -- I mean, we do have a  
3 problem in a discreet area. It is not system-wide.

4 MR. WALDEN: That is correct. The problem  
5 is --

6 COMMISSIONER CLARK: I think marginal where it  
7 is in the second place should stay, because it really is  
8 an area where this is a problem. And we haven't heard  
9 customer complaints in the whole --

10 COMMISSIONER JABER: That is a good point. And  
11 maybe my concerns could be addressed if we added  
12 additional information in the order.

13 COMMISSIONER CLARK: About that --

14 COMMISSIONER JABER: About the number of  
15 customers that attended, and that all of them had the same  
16 concern. Because if I'm not mistaken, they all did.

17 MR. JAEGER: Commissioner Jaber, I think in my  
18 review of the customer testimony, there was maybe one  
19 customer testimony that did not, but the other 49 or  
20 however many we had, it was almost to a customer that they  
21 did have problems.

22 COMMISSIONER JABER: And maybe this is jumping  
23 the gun, but let me tell you where I am going. The  
24 utility has done everything that every agency has required  
25 them to do. I want, ideally, an order that will push DEP,

1 Pasco County, and everyone else that could possibly help.  
2 I want this order to push that envelope. Because I have  
3 always thought that this case really didn't belong at the  
4 PSC. And that is where I'm going with it. And, you know,  
5 there will be more detail with the second issue.

6 COMMISSIONER CLARK: As I understand what you're  
7 saying, you are concerned about finding that it is  
8 satisfactory in light of the fact that we want them to do  
9 a pilot study, to do all of these things in Issue 2.

10 COMMISSIONER JABER: And perhaps some more. I  
11 mean, I have concerns about the pilot study, too. But,  
12 yes, that is exactly it. It sounded to me -- if we are  
13 saying it is satisfactory, why are we recommending that  
14 further action be taken.

15 COMMISSIONER CLARK: And is that a motion on  
16 Issue 1?

17 COMMISSIONER JABER: Yes. I would move to  
18 modify Issue 1 with the changes discussed.

19 COMMISSIONER CLARK: And there is only one  
20 change now, and that would be satisfactory would be  
21 replaced with marginal.

22 COMMISSIONER JABER: Yes.

23 COMMISSIONER CLARK: And there would be  
24 information added to the order explaining that customers  
25 we heard from had a problem with the black water, but it

1 recognizes that this is not a utility-wide problem.

2 COMMISSIONER JABER: That's right.

3 COMMISSIONER JACOBS: We heard a lot of  
4 discussion on two other issues; one on water pressure and  
5 the other on odor. Have we come to conclude that those  
6 are not legitimate issues, and they are not really part  
7 and parcel of this issue?

8 MR. WALDEN: No, sir. They are part of this  
9 issue. I believe that the testimony shows that the water  
10 pressure is adequate. The testimony from the utility  
11 witness, Mr. Watford, was that there are some pressure  
12 drops, but the pressure has always met the standard set  
13 forth by the DEP. I believe he gave numbers of 30 or 35  
14 PSI, which is really very adequate for domestic use.

15 We have had this issue before the Commission  
16 with other utilities. And essentially where you run into  
17 a problem with water pressure is a lot of folks have a  
18 sprinkler system, and 30 and 35 PSI is not enough to pop  
19 up the heads and so forth. But the water pressure is  
20 adequate. It is very adequate.

21 COMMISSIONER JACOBS: As I recall now, I think  
22 that their explanation of it was, I think this is a water  
23 caution area, and there were these timed watering cycles  
24 and that this pressure problem occurred normally right at  
25 the occurrence of this scheduled lawn watering time, so it

1 probably was the result of everybody watering the lawns at  
2 the scheduled time.

3 MR. WALDEN: That is exactly it.

4 COMMISSIONER JACOBS: I can second that motion.

5 COMMISSIONER CLARK: There is a motion and  
6 second. Show it approved unanimously.

7 Item 2, Issue 2.

8 COMMISSIONER JABER: Now on Issue 2, I would go  
9 further. And I appreciate staff, how difficult it was for  
10 staff to present us options not really knowing which  
11 options would ultimately work.

12 But I want to go back to our sister agencies and  
13 county government and Representative Fasano and, again,  
14 push this issue to the place where I think the best  
15 solution might occur with our help. And what I would  
16 suggest, Commissioners, is in addition to what staff has  
17 recommended, is that our Chairman, perhaps, write a letter  
18 or one of us to DEP, Representative Fasano, the Office of  
19 Public Counsel, Pasco County, the Department of Health,  
20 and anyone we can think of to create a very small group  
21 that would look at this problem and solve it once and for  
22 all for these consumers.

23 Because the problem I have with the pilot  
24 project that staff recommends, and I will come back to  
25 that, is it looks like another study that will take

1 another twelve months. And these customers have waited  
2 long enough. They pay for bottled water, they pay for  
3 water to Aloha and they have to pay for filters that get  
4 changed every three months. That makes no sense.

5 But, again, I recognize that the PSC's role in  
6 this is very limited. But we can certainly facilitate a  
7 group that might come up with legislative solutions, that  
8 might come up with funding mechanisms to change piping in  
9 homes. Perhaps DEP would be willing to create a program  
10 where they can take a few homes, change the piping, and  
11 present some sort of study or funding solution that maybe  
12 the governor or the legislative body can support.

13 And perhaps it is even bigger than a state  
14 legislative solution. Maybe we can get some federal  
15 monies earmarked for this precise problem. I am  
16 encouraging all of us to think outside the box. The  
17 problem I have with the PSC trying to solve this is if we  
18 go so far as to say packed tower aeration is the solution,  
19 or any other solution for that matter, my concern is I  
20 have to be ready to allow the utility to recover the  
21 costs. But the second problem is it doesn't help the  
22 current customers.

23 I think that the testimony is clear that packed  
24 tower aeration might help going forward, but to the degree  
25 that consumers have corrosivity, whatever that word is, we

1 have a problem that can't be fixed unless the copper  
2 piping is changed.

3 Now saying all of that, I think that the PSC has  
4 the resources to go to DEP, to go to the county and say,  
5 here is the extent of the problem, we are ready, willing  
6 and able to help you, but we have to work together.

7 COMMISSIONER CLARK: Let me be clear. Is there  
8 any other, any change in Issue 2 that is in addition --

9 COMMISSIONER JABER: Right. The only thing I  
10 would change in Issue 2, Commissioners, if you will agree  
11 that we should order the utility to implement a pilot  
12 project, I think we need to be clear. It is not that you  
13 are ordering them to begin a pilot project, you are  
14 ordering them to implement the best available treatment.  
15 And then on the second option you present us, I would cite  
16 to the statute as well as the rule.

17 COMMISSIONER CLARK: Is to implement a pilot  
18 project to identify the best available treatment.

19 COMMISSIONER JABER: No, I would even take out  
20 pilot project. The words would be, "Order Aloha to  
21 implement the best available treatment alternative."  
22 Pilot project sounds like you are still studying the  
23 issue.

24 MR. WALDEN: Commissioner Jaber, if I could just  
25 add a little explanation, I think this would be helpful.

1 It is very common to do a pilot study, a pilot program, a  
2 pilot project, call it whatever you want, it is a  
3 scaled-down version of, for lack of a better description,  
4 the whole banana. This is -- if Aloha goes ahead and does  
5 the improvements that they had discussed in the study  
6 presented by Witness Porter, it is going to be very  
7 expensive. The normal process is to do a scaled-down  
8 version of whatever is recommended, the best available  
9 treatment alternative, whatever that is, to make sure that  
10 it works, to make sure that the design doesn't need any  
11 tweaking.

12 COMMISSIONER JABER: Haven't they already done  
13 that for us, Tom? Didn't they two years ago tell us that  
14 packed tower aeration, in their opinion, was the best way  
15 to go?

16 COMMISSIONER CLARK: And they wanted to do a  
17 pilot project at that time.

18 MR. WALDEN: The --

19 COMMISSIONER CLARK: And they still want to do  
20 it, right?

21 MR. WALDEN: The answer is yes to both of those  
22 comments. But still you want to do the scaled-down  
23 version to make sure that it is going to work. For  
24 instance, if we were looking at a softening treatment,  
25 perhaps lime softening, maybe membrane softening or some

1 other variety of softening, the engineer would probably go  
2 ahead and prescribe doing a pilot study to make sure that  
3 his recommendation is the best, and that it is going to  
4 work, and that you are going to achieve the results that  
5 you want.

6 All the testimony in this case says packed tower  
7 aeration is the best. Other cities use it. I believe  
8 Witness LeRoy said there were 1,286 plants in Florida that  
9 have packed tower aeration. The county next door,  
10 Pinellas County, has it. They have recently instituted  
11 it.

12 COMMISSIONER JABER: But all the testimony in  
13 the record also says that current customers won't benefit  
14 from the packed tower aeration.

15 MR. WALDEN: That's correct. There will be no  
16 immediate benefit during the study period because there is  
17 no construction of plant that will go on-line right away.  
18 There is also testimony that once the pipes are damaged  
19 and the hydrogen sulfide is removed as a result of future  
20 treatment, it is going to be a long recovery period for  
21 the piping that is already damaged and some of it will  
22 never recover.

23 COMMISSIONER JACOBS: I have some more  
24 fundamental --

25 COMMISSIONER CLARK: I think if you are

1 suggesting we don't do a pilot project, then it sounds  
2 like you are approving them to put in the whole project at  
3 what they estimated to be \$10 million. And if you do  
4 that, then the argument becomes have we ordered something  
5 for which they are entitled to recovery right now.

6 COMMISSIONER JABER: Right. And therein lies my  
7 problem. And if we are ready to say packed tower aeration  
8 is the way to go, let's just say that. But I don't want  
9 to mislead these consumers. I want to be clear. Whether  
10 we call it a pilot project and they implement in phases  
11 after we see study results or not, I want to be clear that  
12 this doesn't solve the current problem.

13 COMMISSIONER CLARK: And I think that staff is  
14 clear that it will not solve the problem for existing  
15 customers. And I guess I look at it from the standpoint  
16 that I want to, I think a pilot project is appropriate to  
17 see what it can accomplish in terms of the water that  
18 comes out of that, and then we can look at ways -- if we  
19 think it is the way to go, look at ways to finance it.

20 And, frankly, you have hit upon the point. It  
21 will not help existing customers, it will prevent it for  
22 customers coming on line later. It strikes me it should  
23 be something that is handled through a service  
24 availability, which we are putting in place. It will give  
25 us some money to do that, and it makes a good argument in

1 my view to do it through service availability.

2 MS. DANIEL: Perhaps I could offer a compromise  
3 on this. We are recommending that the Company be ordered  
4 to file a service availability case. So that at a date  
5 certain, February of 2001, perhaps a compromise would be  
6 to require the Company to implement a pilot project to be  
7 very clear that this is not simply another broad study, it  
8 is specific construction of a pilot project.

9 Perhaps staff could then participate with DEP  
10 and the county. And when the Company does file their  
11 report in February of next year, perhaps staff could  
12 participate in having a report that would also identify if  
13 we have come to the conclusion during that period of time  
14 whether packed tower aeration is the appropriate method.  
15 I do not promise that six months from now would be  
16 sufficient time to look at that. My engineer may tell me  
17 no, but maybe it is a compromise.

18 COMMISSIONER JACOBS: We have had an extensive  
19 review of this, I agree. But what I saw that review  
20 produce was not absolute certainty. There were a host of  
21 variables introduced in this case that still were not  
22 accounted for. Whether or not it was just these two last  
23 wells. There seemed to agreement on that, but I didn't  
24 hear that to be absolutely concluded that it was only  
25 those two wells.

1           The level of the chloride in the water; the  
2 quality of the pipes that are in the house; there are a  
3 host of variables that I heard emerge that we weren't  
4 clear to what extent they had, the definitive effect on  
5 the quality of water these customers were experiencing.

6           And for those reasons, I do not know yet that  
7 just simply implementing a -- I don't know, packed  
8 aeration probably will address a lot of the hydrogen  
9 chloride. But I wasn't clear that simply implementing a  
10 treatment technology solved these customers' problems.

11           COMMISSIONER CLARK: It will not solve the  
12 existing customers' problems.

13           COMMISSIONER JACOBS: And that is the message  
14 that, I agree, we don't want to give these -- I agree, we  
15 don't want to set their expectations beyond  
16 reasonableness. What I came away understanding everything  
17 in this case is that we are kind of, we gyrating around  
18 some point, and we are going to tweak here and tweak there  
19 to try to deliver -- to help this company, that is,  
20 deliver these customers something that is much more  
21 acceptable to them than what they are receiving now.

22           I don't even know if we want to tell them we are  
23 going to give them clear water. What I heard is that that  
24 is probably not really possible from the source water that  
25 they are dealing with.

1           COMMISSIONER JABER: But what we can do is  
2 elevate the attention that the matter gets.

3           COMMISSIONER JACOBS: I agree with that.

4           COMMISSIONER JABER: There were many, many  
5 customers in that room. It is a shame. It is a shame to  
6 pay for water you can't drink, and then have to go and buy  
7 bottled water. That makes no sense.

8           COMMISSIONER JACOBS: I agree.

9           COMMISSIONER JABER: So I know that we have  
10 jurisdiction. I encourage all of us to find a way to help  
11 those people. And perhaps finding a way just means that I  
12 have to go meet with Secretary Struhs. I don't know.  
13 That is fine, you know.

14           It might be that I have to stand before a  
15 legislative body and say, "You have got to find some money  
16 to change copper piping in this area." I don't know what  
17 it is. But I also know that I'm not ready to stand in  
18 front of 4,000 customers that can't drink their water and  
19 tell them there is nothing we can do because it is outside  
20 of our jurisdiction. I have a problem with that.

21           COMMISSIONER JACOBS: Can I take a stab at this?

22           COMMISSIONER CLARK: Okay.

23           COMMISSIONER JACOBS: First of all, I think  
24 there ought to be a pilot study which reviews appropriate  
25 treatment technology that addresses the hydrogen sulfide,

1 let's be very clear about that. There is a need to  
2 address the level of hydrogen sulfide in the source water  
3 that is serving these customers. And the extent to which  
4 it can be dealt with and deliver these customers the  
5 highest quality -- the highest and best quality of water  
6 possible from their source water, this company ought to be  
7 pursuing that.

8 Now, to what extent we will approve that  
9 technology, to what extent it is effective, that is the  
10 subject of a whole separate proceeding. But as a matter  
11 of management, as a matter of maintaining their operations  
12 in this territory, they ought to be pursuing that.

13 I can't see a company sitting back and saying,  
14 well, we dotted the minimal i's and crossed the lowest  
15 t's, and these customers are absolutely irate, and we are  
16 okay.

17 Now, to their defense, I think they have  
18 undertaken some measures and they have moved in a  
19 direction that will facilitate that. I am just simply  
20 saying there needs to be a very, very straight -- and I  
21 think your recommendation of a pilot study would  
22 facilitate that.

23 There are some other things that I think can be  
24 done here. The collaborative approach across agencies has  
25 to happen. This problem is evident from other areas in

1 the state. There is a consciousness of this problem that  
2 exists presently, and that consolidated effort needs to be  
3 brought to bear for these customers.

4 COMMISSIONER JABER: Right. And not only does  
5 it have to happen, though, we have to start it. Because I  
6 don't think we need to wait on DEP to come to us. They  
7 are not going to.

8 COMMISSIONER JACOBS: I agree.

9 COMMISSIONER JABER: And it is okay for us to go  
10 to them.

11 COMMISSIONER JACOBS: And it is appropriate for  
12 us to do that, because the quality first appears to us.

13 COMMISSIONER CLARK: What are we going to do on  
14 Issue 2? Is it a move staff or --

15 COMMISSIONER JACOBS: Yes.

16 COMMISSIONER JABER: I want to modify it to  
17 either say that we are going to go ahead and establish a  
18 steering committee among agencies with the assistance --

19 COMMISSIONER CLARK: Before you get too far, we  
20 traditionally don't put in orders things that we are going  
21 to do ourselves. I mean, an order goes to people -- you  
22 know, we regulate to require them to do something.

23 COMMISSIONER JABER: We have put in orders what  
24 we direct our staff to do, though.

25 COMMISSIONER CLARK: That is true. And if you

1 are going to direct staff to bring to Internal Affairs  
2 perhaps a proposed letter identifying a way to establish  
3 a -- a proposed letter, a proposed plan for us to work  
4 with the appropriate agencies and levels of government to  
5 bring relief to those people who have a black water  
6 problem, an existing black water problem, I think that is  
7 an appropriate way to amend Issue 2.

8           And my other question is when you say we have  
9 ordered Aloha to immediately begin, I thought you wanted  
10 them to implement a pilot project.

11           COMMISSIONER JABER: I think your clarification  
12 on that I certainly agree with. It is exactly what you  
13 said that I was trying to avoid. I don't want the  
14 implementation of something that, you know, six months  
15 from now we are going to be approving costs for.

16           COMMISSIONER CLARK: So you would change it to  
17 say order Aloha to implement a pilot project to identify  
18 the best available treatment?

19           COMMISSIONER JABER: Yes.

20           COMMISSIONER CLARK: And then order, the order  
21 would also include a direction to staff to develop a plan  
22 for us to meet with the appropriate agencies and levels of  
23 government to --

24           COMMISSIONER JABER: Facilitate solutions to  
25 address the present customers' concerns.

1                   COMMISSIONER CLARK: With respect to black  
2 water.

3                   COMMISSIONER JABER: With respect to black  
4 water.

5                   COMMISSIONER CLARK: And that you would bring  
6 that back to Internal Affairs as soon as possible.

7                   COMMISSIONER JACOBS: If I could have one brief  
8 modification. I think there is something we may be able  
9 to do in terms of that coordinated effort. I think there  
10 ought to be some effort by the steering group to make sure  
11 that to the extent that this problem -- until we find a  
12 solution, that the causes be made noticed to anybody  
13 coming into that area, i.e., there ought to be somebody  
14 saying to every builder out there, if you can't solve this  
15 problem, you shouldn't be putting copper pipes in a house,  
16 I mean, or you assume the liability of it. I don't know  
17 if we can do that. But if we could find a way, I would  
18 love to do that.

19                   COMMISSIONER CLARK: And a way of giving out  
20 information to the public on this issue.

21                   MR. JAEGER: Commissioner Clark, I'm a little  
22 bit confused about how the utility is going to notify  
23 every builder or get the notice --

24                   COMMISSIONER JACOBS: No, no, that is the  
25 steering committee.

1           COMMISSIONER CLARK: The steering committee will  
2 deal with it.

3           COMMISSIONER JACOBS: The utility ought to be on  
4 there. And in my mind, if they are building with a  
5 builder up front, I would expect them to do that. But,  
6 no, that is the steering committee that is going to do  
7 that. They will coordinate that.

8           MR. JAEGER: Okay.

9           MS. DANIEL: Let me see if I've got the  
10 recommendation that you are voting on. Consistent with  
11 the public interest, the Commission should -- and let me  
12 offer this if I could, it is not exactly what you said,  
13 but there are a couple of -- I want to make sure I get  
14 this right.

15           COMMISSIONER CLARK: Hurry up, Patty, we're --

16           MS. DANIEL: Order Aloha to immediately  
17 implement a pilot project. I want to get the best  
18 available -- I want to get rid of to identify.

19           COMMISSIONER JABER: Using the best available  
20 treatment.

21           MS. DANIEL: Using, thank you, the best  
22 available treatment. Also, we might want to give the  
23 Company a specific time frame to begin filing these  
24 monthly reports with us.

25           COMMISSIONER CLARK: Wait a minute, wait a

1 minute. What are you changing in Number 1?

2 MS. DANIEL: When you had read it earlier, you  
3 left out the word immediately. I want to make sure that  
4 stays in there. And I want to make sure we do not say to  
5 identify.

6 COMMISSIONER JABER: It is going to read  
7 consistent with the public interest.

8 COMMISSIONER CLARK: If you don't say identify,  
9 you are saying to implement a pilot project.

10 MS. DANIEL: Using the best alternative  
11 treatment method.

12 COMMISSIONER CLARK: Okay. All right.

13 MS. DANIEL: I also wanted to make mention that  
14 I am already working with John Williams in the policy  
15 division. We have already taken a copy of this  
16 recommendation to DEP. And I think it is appropriate that  
17 we work closely with that policy staff in dealing with  
18 this particular issue.

19 COMMISSIONER CLARK: And you will bring the  
20 issue to Internal Affairs with a plan to do what  
21 Commissioner Jaber wants to accomplish.

22 MS. DANIEL: Yes.

23 COMMISSIONER CLARK: Okay. There is a motion  
24 and second.

25 Is there a motion from you, Commissioner Jaber?

1 COMMISSIONER JABER: Yes.

2 COMMISSIONER CLARK: There is a motion, with  
3 that clarification, and a second. All of those in favor  
4 say aye.

5 COMMISSIONER JABER: Aye.

6 COMMISSIONER JACOBS: Aye.

7 COMMISSIONER CLARK: Aye.

8 And Item 3, Issue 3.

9 COMMISSIONER JABER: You know, just as further  
10 help on your draft letter, it wouldn't hurt to put some of  
11 the options that you all have already considered so that  
12 these agencies aren't starting from ground zero.

13 COMMISSIONER CLARK: Is there a motion on Issue  
14 3?

15 COMMISSIONER JABER: Move it.

16 COMMISSIONER CLARK: Move it?

17 COMMISSIONER JACOBS: Yes.

18 Second.

19 COMMISSIONER CLARK: Without objection, show  
20 that approved. That concludes Item 28.

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON )

4

I, JANE FAUROT, RPR, Chief, FPSC Bureau of Reporting  
5 FPSC Commission Reporter, do hereby certify that the  
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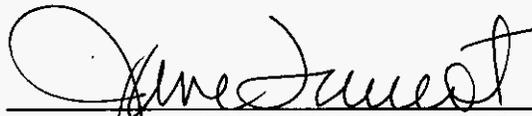
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I FURTHER CERTIFY that I am not a relative, employee,  
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DATED THIS 30TH DAY OF JUNE, 2000.

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