

STATE OF FLORIDA

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**Public Service Commission**

March 26, 2001

Mr. Edward O. Wood  
1043 Daleside Lane  
New Port Richey, Florida 34655-4293

**Re: Your letter to Governor Bush dated February 24, 2001**

Dear Mr. Wood:

I am responding to your letter to Governor Bush dated February 24, 2001 regarding the quality of service problems you and other customers appear to be having with the provision of water service by Aloha Utilities, Inc. (Aloha or utility). As you are aware, the Florida Public Service Commission (Commission) has been concerned for several years with complaints from customers of Aloha. The quality of service problem known as the "black water" problem appears to arise after the water passes through the customer's meter and contacts copper piping in the customer's home. Hydrogen sulfide, which is either in the source water or evolves from sulfates in the water, reacts with copper pipes to create copper sulfide (black particulate in the water) -- a form of copper corrosion. Even though the water delivered by the utility to the home meets all present federal and state drinking water standards and the resulting black water has no known adverse health consequences, the Commission realizes that the black water is unacceptable to you and other affected customers, and is making every effort to address this problem.

Therefore, the Commission formed an Interagency Task Force, and initiated the Interagency Copper Pipe Corrosion ("Black Water") Project, along with the Department of Environmental Protection and Department of Community Affairs in August, 2000. Participants have included representatives from other state agencies, including the Department of Health and the Water Management Districts, local governments, water utilities, pipe manufacturers, and the building industry. Workgroups were established to identify feasible solutions for customers with existing copper pipe corrosion and to find long term solutions to prevent future copper pipe corrosion.

There are proposals to revise the Department of Environmental Protection's water system permitting rules to require new, relatively inexpensive tests on new wells in order to identify water systems that are at risk of developing copper pipe corrosion problems. Systems found to be at risk would be required to ensure that the sulfide problem is addressed and not passed along to customers.

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A new statewide building code is scheduled to go into effect on July 1, 2001. The new code includes a provision to address the compatibility of piping material used in new homes with the local water supply. Statewide training on the new code is being designed to educate the building community about copper pipe corrosion and appropriate building materials to be used to avoid potential black water problems.

Efforts are being made to identify ways water utilities can provide information that is needed by the building community in order to assess the appropriateness of water piping materials for that region. In addition, manufacturers of water-pipe products are considering including information on or with their products which provide the conditions under which their products are suitable for use.

There is evidence that point-of-entry home water conditioning devices contribute to copper-pipe corrosion problems. Currently, these devices are exempt from regulation. Actions being considered for recommendation by the Interagency Task Force are whether the home water conditioning device industry should be regulated, whether there should be requirements for them to place notification on their product to inform customers that the use of the product may contribute to the copper-pipe corrosion problem, as well as proposals to develop mechanisms to educate consumers about the impact of these devices.

Options to aid customers with the financial burden of replacing corroded copper pipes were explored. Two options were identified, both of which would be dependent on actions implemented at the local government level. Although the final recommendations of the Interagency Project are not complete at this time, the Interagency Task Force plans to recommend that local governments consider establishment of a municipal service taxing unit or municipal service benefit unit and work with local banks to secure low-interest guaranteed loans to finance the plumbing retrofits in the affected homes.

The project participants are in the process of drafting a final Interagency report which will contain recommendations for action. The report is expected to be completed in April, 2001.

As to your concern about the utility's statement made in Docket No. 010156-WU that "[t]he expansion and Plant upgrading will only be undertaken once it is required . . . by . . . regulatory authority," the Commission staff shares your concern. However, at this time, the utility appears to be in compliance with all rules, statutes, and orders enforced by this Commission.

Moreover, by Orders Nos. PSC-00-1285-FOF-WS and PSC-00-1628-FOF-WS, issued on July 14, 2000 and September 12, 2000, respectively, in Docket No. 960545-WS, the Commission specifically ordered as follows:

**ORDERED** that Aloha Utilities, Inc., shall immediately implement a pilot project using the best available treatment alternative to remove the hydrogen sulfide, thereby enhancing the water quality and diminishing the tendency of the water to produce copper sulfide in the customers' homes as set forth in the body of this Order.

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The utility is in the process of implementing a pilot project using a treatment methodology that has been successfully used by other utilities to remove hydrogen sulfide. However, the pilot project has not been completed at this time, and it is too early to tell whether this methodology will work for Aloha.

In conclusion, please be assured that the Commission and other state agencies are attempting to find solutions to the black water problem. Moreover, the Legislature has declared that the regulation of utilities is in the public interest and in all actions of the Commission, the public interest is of primary concern.

If you have any questions, or if I can be of further assistance, please call me at 850-413-6234.

Sincerely,



Ralph R. Jaeger  
Senior Attorney

RRJ/lw

cc: Governor Jeb Bush  
Chairman E. Leon Jacobs  
Secretary David B. Struhs  
Senator Jack Latvala  
Representative Mike Fasano  
F. Marshall Deterding, Esq. (with letter attached)  
Office of Public Counsel (with letter attached)