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December 20, 2002

VIA HAND DELIVERY

Marshall Willis, CPA
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

Re: Aloha Utilities, Inc.; PSC Docket No. 010503-WU
Our File No. 26038.35

Dear Marshall:

I am writing this letter as a response to your letter of December 15, 2002 requesting further information on the customer service and conservation measures ordered by the Commission in the above-referenced docket. You are correct that some of the customer service measures and conservation measures have not been fully completed to date. We believe however that they have been "implemented" in that the Utility has begun work on all of them, if not completed work on the majority. Because many of these customer service and conservation measures are actions or procedures that, by definition, will evolve over time and change, some of them will in fact never be "completed." In addition, some require more in depth preparation than others, including the hiring of qualified personnel. With that preliminary statement, I have outlined below responses to each of the questions that you have raised:

Customer Service Measures

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC /
OTH _____

1. According to the utility's status report, Aloha is drafting and adopting customer service procedures. a) Has Aloha completed a customer service manual pursuant to Order No. PSC-02-0593-FOF-WU? b) If so, provide a copy of the procedures manual. c) If not, provide a draft copy of the manual and the anticipated completion date.

DOCUMENT NUMBER-DATE

13893 DEC 20 02

FPSC-COMMISSION CLERK

Response - The Utility has adopted a customer service manual, and a copy of that manual is attached hereto. Once again, this is an evolving process and that manual will be updated and/or expanded as circumstances demand and time permits.

2. **With regard to the measure of processing and handling of all customer complaints within five days of receipt, Aloha stated that it has instructed its employees on this and the utility's conformance with this standard is now being tracked. Please explain how this standard is being tracked.**

Response - The standard procedures employed by the Utility assure that whenever a customer contact is received by the Utility that requires further action by the Utility (usually a visit to the customer's premises, but also sometimes research and a reply to the customer), the Utility prepares a service order. That service order notes the date and time that the customer contact was lodged. Once the customer concerns are addressed, that date and time is also noted on the service order. As a manner of practice and experience, the Utility almost never (a small fraction of 1% of the time) has a customer contact which requires more than five business days to handle. However, to the extent that the time limit is exceeded, the employees have been instructed to bring those circumstances to the attention of management.

3. **With regard to the measure of keeping busy signals below 5 percent of incoming calls, has the utility obtained the information statistics from the phone company? a) If so, (1) state the time period for the information received; and (2) state the percentage of busy signals for that time period. b) If not, (1) state the anticipated date the information will be obtained; and (2) state what additional steps the utility plans to take to comply with this measure.**

Response - The Utility contacted its phone service provider several months ago. An arrangement was made for the phone company to examine the Utility's experience with busy signals for the week of November 8, 2002 through November 14, 2002. However, because two rather unusual events occurred during this period of time (major line breaks), those figures had to be adjusted in order to remove these anomalies. After the removal of these two extraordinary situations that just happen to occur during the same week,

the average busy signal occurrence drops to approximately 4%. Because the majority of the remaining busy signals that occur between the hours of 11:00 a.m. and 1:00 p.m., we intend to further improve that experience by notifying customers through our website and in mail-out bill stuffer materials that the best times to call with questions or customer service concerns is either in the morning, between the hours of 9:00 a.m. and 11:00 a.m. or between the hours of 1:00 p.m. and 5:00 p.m. The ability of the web site to answer many customer questions should also reduce the incidence of customer calls and therefore the potential for busy signals and holds. We expect those actions to further reduce the busy signal experience.

4. With regard to the measure of maintaining hold or wait time to less than one minute, describe how the utility tracks the hold time on calls.

Response - The Utility's employees are instructed never to place a customer on hold for more than one minute unless the customer requests. In the great majority of customer calls (over 99%), there is never a need to place a customer on hold at all in order to address their concerns. However, in those rare instances where placing a customer on hold is required to research or review records , the Utility customer service employees are directed to offer the customer the opportunity to have the matter investigated and the customer called back if it appears as though it will take more than one minute to research or investigate their concern before answering their question.

For incoming calls where all Utility customer service representatives are handling other calls, the Utility's phone system will automatically send those customers to voice mail one minute after being placed on hold, if no customer service representative is available at that time. While this is a rare circumstance, it too allows the Utility to answer the customer concerns and to get back to the customer as soon as a customer service representative is available. The Utility's customer service representatives are instructed that all return calls of voice mail messages must be made within eight hours of the time of the initial message. Because these changes have been instituted, no further tracking is necessary.

The Utility is also currently investigating through discussions with its internal and external phone companies options available to it to allow the Utility to expand and modify its current phone system so as to substantially reduce

hold times, busy signals and the need for customers to leave voice mail. Those should be implemented within the next two weeks.

5. **With regard to the measure of returning all internal and external calls within 8 working hours, describe in detail what system the utility has in place to track this measure. If no tracking system is in place presently for this measure, explain why.**

Response - There are few, if any, internal calls where messages are left. Generally, this is not the method by which the Utility personnel communicate internally to its office. In the case of external calls, as noted above, all employees are under strict instructions to return any customer service calls where messages are left, in less than eight hours. They are under instructions to attempt to return those calls within two hours. To the extent action is required of the Utility beyond a simple explanation and therefore follow-up conversations with the customers are necessary, the initial response will occur within that eight hour period and all employees have been instructed to maintain that policy without fail. For these reasons, no tracking system, other than the service order system, is required. The Utility will have no external customer service inquiries that are not returned within eight hours.

6. **As of the date of this letter, the utility's on-line customer survey regarding preauthorized direct debit and payment via the Internet has not been completed. Why has the survey not been completed and what is the anticipated date the survey will be completed?**

Response - The online customer survey regarding preauthorized debit and payment via the Internet has not been completed because the Utility feels that such a survey will not be beneficial unless customers are aware of its existence. The survey will be taking place on the Utility's website, the Utility felt that they would need to inform all the customers of the existence of the web site itself, and this survey through bill stuffers and become familiar with them. The utility will then need to allow sufficient time for the customers to respond. The bill stuffers with a notification of the existence of the web site and survey are going out with the next billing cycle to occur within the next two weeks. They will then also be included in the next two or three billing cycles to ensure that enough customers get the word and the survey should be completed sometime within the next two to three months. However, from

our discussions with the Utility's bankers, we have been informed that the likelihood of significant utilization of a direct debit or payment via the Internet system is relatively small. The Utility does not take credit cards and as such, the only valid method would be through direct debit. Our bankers have informed us that in variable payment situations such as those for a utility bill, the likelihood of a significant number of customers utilizing this system would not make it worthwhile in comparison to the setup and operational costs. However, we will await the results of the survey to make a final determination in this regard.

7. **With regard to the Citizens' Advisory Committee (CAC), a) how many members does the CAC currently have; b) provide a copy of the CAC mailing list; and c) provide a copy of the agenda and a meeting summary for the CAC meeting that was scheduled for early December.**

Response - The Utility sent out its first letter seeking participation in the Citizens' Advisory Committee (CAC) to all of the 30 Homeowners Associations within the Seven Springs service territory approximately one month ago. To date, the Utility has received only 11 responses of the 30 sent. Because the Order requiring establishment of this CAC required that a cross-section of the Utility's customers be involved and that the committee be comprised of between fifteen and twenty customers, we do not believe an organizational meeting of the CAC at this time would comply with the requirements of the Order and have suggested that this should wait until after the holidays to hold this meeting. As such, the Utility will send out within the next few days a second letter to the Homeowners Associations urging their participation in the initial meeting, which we plan to have in late January. After we obtain sufficient response to proceed, we plan to organize the first meeting at a location already offered to us as available at the end of January. Attached is a copy of the mailing list to which the initial invitation was sent. Those who did not respond have been sent an additional letter urging their participation and asking that they contact the Utility within two weeks. We will then set the first organizational meeting for mid to late January.

8. **In the status report, Aloha stated that its website contained links to the Florida Public Service Commission and the Water Management District websites. However, as of the date of this letter, staff notes that the utility's website does not contain links to these sites. Further, as**

suggested by Order No. PSC-02-0593-FOF-WU, staff notes that the utility's website does not have the following: a "frequently asked customer questions" section; a section offering water usage calculations; and a line item explanation of a sample customer bill. Did Aloha consider adding these features, and if so, why were they not added? Also, are there any plans to add these features in the future, and if so, when?

Response - The Utility's website does contain links to the Florida Public Service Commission and the Water Management District websites.

The Florida Public Service Commission link is contained within the customer service section of the website. Over twenty Water Management District links are contained within the conservation section of the website. There was a minor error with the Florida Public Service Commission link, which has now been repaired.

With regard to the frequently asked customer questions section of the website, this is an ongoing project. The Utility is currently in the process of preparing the first draft which will be up on the website within the next five days. However, the Utility had to await approval of the final bill format which was just received within the last two weeks, in order to complete the first draft of the frequently asked questions section because the Utility anticipates that the great majority of questions that it will receive will be related to the new billing format as recently approved by the Commission.

As noted above, the Utility is preparing a frequently asked customer questions section already has on its conservative page a water usage calculation section that allows a customer to estimate their water usage and methods by which they can conserve water for each of those functions. As noted above, a sample customer bill and explanations of portions of it, is to be a part of the frequently asked customer questions section of the website.

Conservation Measures


1. **With regard to the Water Auditor position, how many applicants are there currently for this position? Has the utility interviewed anyone to date for this position? If not, when does the utility expect to begin interviewing applicants for this position?**

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Response - The Utility has been advertising for the Water Auditor position in several places and investigating, through other employers, possible qualified applicants, for several months now. However, it has been quite difficult to locate qualified individuals for this new position. The Utility, with the assistance of the Southwest Florida Water Management District, has finally obtained résumés and applications from approximately six individuals and has offered the position to one individual who has accepted, and that individual began work for the Utility by December 20, 2002.

Sincerely,

ROSE, SUNDSTROM & BENTLEY



F. Marshall Deterding
For The Firm

FMD/tms

cc: Bart Fletcher
Blanca Bayo
Stephen Watford

aloha\35\3willis.ltr

ORIGINAL

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CUSTOMER SERVICE STANDARDS

CUSTOMER SERVICE STANDARDS

We will be courteous, professional, flexible, honest and helpful in all dealings with our customers. We will actively listen so we can better anticipate the needs of our customers and how we can best provide the services, and information they value, and be fully responsive to customer concerns regarding our services.

We will answer all telephone calls promptly, and will respond to them before the close of business the following work day. If the person receiving the call cannot fully respond to the inquiry, the customer will be correctly referred to someone who can.

We will keep all busy signals below 5% of all incoming calls. We will maintain hold or wait time to less than one minute.

We will respond to all correspondence within five (5) working days of receipt. If we cannot provide a complete reply within five (5) working days, we will contact the customer as soon as possible within the five (5) day period to acknowledge receipt and clarify their request, discuss what is required to provide a full response, and determine when they will receive a full response.

We will provide our customers with clear, easy to understand, timely and accurate information about services, policies and procedures. We will ensure that customers have easy access to information, available through convenient channels, and in various formats.

We will aim to operate our water supply and sewer services efficiently and to limit the number of interruptions. In the event of an unplanned interruption to a water supply or sewer service, we will provide assistance within one (1) hour.

TIMELINESS STANDARDS AND AUTOMATIC CREDITS

1. **APPOINTMENTS** – Appointments will only be made for the need to get into a customer's home. If an appointment is made with a customer and not kept, a \$15.00 credit will be applied to a customer's account. However, if an appointment is made and circumstances occur beyond our control and the customer is contacted to reschedule the appointment, then no credit will be given.
2. **SERVICE REPAIRS** – Service repairs are made as soon as possible as reported. If an out of service repair exceeds twenty-four (24) hours, the customer's account will be credited \$15.00.
3. **NON-PAYMENT DISCONNECTS** – Service will be reconnected within twelve (12) hours of receipt of customer payment during the normal business day. If payment is made on Friday, services are subject to be reconnected on Monday. Failure to reconnect service within twelve (12) hours of receipt of customer payment during the normal business day or on Monday if payment is received on Friday, the customer's account will be credited \$15.00.

CUSTOMER SERVICE

APPLICATION FOR SERVICE AND APPLICATION PACKET

Each new customer must complete an Application for Service Form.

The Customer Service Representative assisting the customer must initial that he/she has verified the customer's driver's license and has attached a copy to the application.

Each customer **must** receive the following information packet:

- 1.) "Your Water & Wastewater Service" pamphlet provided by the Florida Public Service Commission.
- 2.) A rate sheet applicable to their service area.
- 3.) Cross Connection Control Plan NOTICE TO RESIDENTS with diagrams.
- 4.) Waste Management information if applicable.

All reclaimed area customers must receive the form NOTICE TO USERS OF REUSE WATER

An example is provided on the following page.

CUSTOMER DEPOSITS

As per our tariff number 25.0 approved by the Florida Public Service Commission, "Before rendering service, the Company will require a deposit or guarantee satisfactory to the company to secure the payment of bills: and the company shall give the customers a non-negotiable and non-transferable deposit receipt. **The amount of such deposit shall be \$10.00 or an amount necessary to cover charges for service for three (3) billing periods, whichever is greater.**

Customer deposits are not waived unless the customer has had service with Aloha Utilities for more than two years with a good credit history. **All requests for deposits to be waived must be cleared with the Accountant.**

No deposits are collected for garbage and street-lights.

All areas are subject to the \$15.00 connection fee.

ALOHA GARDENS WATER ONLY DEPOSIT	\$ 34.00
ALOHA GARDENS WATER AND SEWER DEPOSIT	\$108.00
SEVEN SPRINGS WATER ONLY DEPOSIT	\$ 45.00
SEVEN SPRINGS WATER AND SEWER DEPOSIT	\$108.00

Interest on Deposits:

Residential customers receive 6% interest if the account is active for a continuous period of six months. Interest is credited on the customer's bill annually. Commercial customers receive 7% interest on an annual basis.

Refund of Deposits:

Customers must have a satisfactory payment record and have had continuous service for a period of (23) months providing that the customer has not, in the preceding (12) months:

1. made more than one late payment of a bill (after the expiration of 20 days from the date of mailing by the utility),
2. paid with check refused by a bank,
3. been disconnected for nonpayment, or at any time,
4. tampered with the meter, or
5. used service in a fraudulent or unauthorized manner.

Upon termination of service, the deposit and accrued interest may be credited against the final account and the balance, if any, shall be returned to the customer by check.

Commercial customer's deposits remain on account until closed.

CUSTOMER RECEIPTS

Receipts are issued for NEW CUSTOMER DEPOSIT AND EVERY CASH TRANSACTION. This includes money orders and when a partial payment is made in cash and the remainder by check. Each receipt will be written legibly with the following information:

1. Date of payment.
2. Complete name of the customer of record.
3. Customers account number if it is not a new deposit.
4. Payment amount.
5. Type of payment (cash/check/money order) and number.
6. Initial of customer service representative receiving payment.

An example is provided on the following page.

ALOHA UTILITIES, INC.
6915 Perrine Ranch Road (727) 372-0115
New Port Richey, FL 34655-3904

081808
DATE Nov. 14, 2002

RECEIVED FROM Joe Smith

THE SUM OF _____ DOLLARS \$ 63.²⁷

FOR Cust # 01010 / 4269 Jenner Ave

AMOUNT OF ACCOUNT \$ _____
AMOUNT PAID \$ _____
BALANCE DUE \$ _____

CASH CHECK M.O CREDIT CARD BY py

Thank You!

ALOHA UTILITIES, INC.
6915 Perrine Ranch Road (727) 372-0115
New Port Richey, FL 34655-3904

081809
DATE Nov. 14, 2002

RECEIVED FROM Joe Smith

THE SUM OF \$20 cash - \$43.27 check DOLLARS \$ 63.27

FOR Cust # 01010 / 4269 Jenner Ave

AMOUNT OF ACCOUNT \$ _____
AMOUNT PAID \$ _____
BALANCE DUE \$ _____

CASH CHECK M.O CREDIT CARD BY py

CK# 432
Thank You!

DEPOSIT PROCEDURE

Separate deposits are to be made for each of the following:

- Checks received in the mail.
- Checks received in the drop box.
- Checks received in the Front Office
- New customer deposits and area connection fees.
- Impact Fees, meter box & riser fees.
- Cash deposit for each customer service representative.

Mail is opened and the checks and stubs are checked for the following elements:

- (a) Check Amount must match printed stub amount or printed stub amount needs to be crossed out with one line only and paid amount needs to be written in on the stub legibly.
- (b) Dollar amount on check must match the written amount.
- (c) Check issuer name must match customer last name, or check info needs to be written on stub.
- (d) If no stub is enclosed, a stub needs to be hand-written and a copy of the check needs to be attached to the back of the stub. Hand-written stubs **must** include customer number, customer name, service address and amount paid.
- (e) Check for signature on check.
- (f) Check date must not be postdated. Postdated checks or those with missing information need to be returned to the customer with the form letter checked next to the line item for the discrepancy.
- (g) Tapes are to be run twice on checks and once on stubs and **must** balance. All (3) three tapes need to be labeled with the date received, origin of the payments, the date the deposit will go to the bank, and initialized by the person who prepared deposit.
- (h) Deposit slips are written and check tapes are attached. Deposit slips are to be dated for the date received, regardless of when the deposit goes to the bank. One tape goes on the bank slip and one goes on the yellow carbon copy. The Stub tape gets attached to the stubs and goes to the Data Entry Operator's in-box to be posted.

Yellow deposit slips are to be held by the depositor and matched with the receipts that are returned by the bank. Deposit receipts are to be stapled once in the upper left-hand corner of the yellow deposit slip. Please align all pieces of paper and eliminate as much bulk as possible without exceeding the size of the yellow slip.

Any exceptions to these procedures must be approved in advance by the Accountant.

CUSTOMER CORRESPONDENCE

Any information sent to a customer must always have a cover letter with the following information:

- 1.) Date
- 2.) Customer Name
- 3.) Complete Address
- 4.) Subject Matter (account number)
- 5.) Body of letter to include, "as per your request of (date), enclosed please find (description) for your records. Should you have any questions, please feel free to contact our office."
- 6.) Signature and title of employee sending letter.

NSF CHECK PROCEDURES

1. NSF Checks that come back through the mail go to the Data Entry Supervisor first. A copy is then made for the Accountant.
2. If the NSF check was a payment in response to a late notice, a service order is issued to pull the meter, and the field is called to pull the meter before 2:00 p.m. Monday – Thursday and before Noon on Friday.
3. The Data Entry Supervisor looks up the customer number if it is not already written on the check and separates them by Aloha Gardens and Seven Springs.
4. The Data Entry Supervisor goes in through Adjustments to enter adjustments as follows to put a \$30.00 NSF fee on the customer's account:
 - a. Enter Adjustments (NOT Quick Entry)
 - b. Current Date
 - c. \$A = Aloha Gardens
 - d. \$\$ = Seven Springs
 - e. \$30.00 Fee
5. The Data Entry Supervisor then goes into cash receipts in order to reverse out the payment posting of the NSF check.
6. The NSF fee slips from the bank go to the Accountant to reduce the bank balance for the NSF checks.
7. The checks then go to the Receptionist to send out the Certified form letter to the customer. The original letter is sent certified/return receipt and a copy of the letter is sent via regular mail. The customer has seven (7) days to make payment
8. The checks and postal receipts are stapled to a copy of the appropriate letter and are held in a folder on the desk of the Data Entry Supervisor.
9. All customers **MUST** come into the office to pay **CASH** or **CASHIERS CHECK** for a NSF check and NSF fees to prevent the water service from being disconnected.
10. The Data Entry Supervisor goes through the folder on a regular basis to see if any checks are still unpaid after the seven-day limit. In the case of old NSF checks, the Data Entry Supervisor will issue a Service Order to pull the meter.
11. In cases where the meter has been pulled, the customer will be required to pay a \$20.00 reconnection fee in addition to the NSF fee and the check amount to have the service restored. A new deposit is not required on a reconnect unless the account is closed.
12. If the meter has been pulled, upon payment **before 11:30 a.m.**, a NRA (Aloha) or NRS (Seven Springs) service order is scheduled to be sent out to reconnect with the afternoon paperwork. If payment is received **after 11:30 a.m.**, the service order is prepared and it is called out to the field to be reconnected the same day.