

COMMISSIONERS:
LILA A. JABER, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

STATE OF FLORIDA



ORIGINAL

TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 3, 2003

F. Marshall Deterding
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Re: Docket No. 010503-WU - Application for increase in water rates for Seven Springs System in Pasco County by Aloha Utilities, Inc.

Dear Mr. Deterding:

We received your letter dated February 20, 2003, regarding the status of Aloha Utilities, Inc.'s (Aloha or utility) compliance with two Commission ordered customer service measures set forth in Order No. PSC-02-0593-FOF-WU. With regard to the Citizens' Advisory Committee (CAC) customer service measure, the utility stated that it has not held its first CAC meeting, because only 14 homeowner associations have expressed an interest in participating.

Aloha apparently believes that this limited number would not comply with the requirements that the committee represent a cross-section of the utility's customers and that the CAC be composed of 15 to 20 citizens. Aloha further indicates that it will only schedule the first CAC meeting once it obtains at least 15 homeowner associations representing 50% of the utility's customers which agree to participate.

Pursuant to Order No. PSC-02-0593-FOF-WU, the Commission ordered in pertinent part the following:

Aloha shall form a Citizens' Advisory Committee (CAC). . . .

The committee would be comprised of 15-20 citizens representing a cross-section of individual customers and various homeowners' associations in Aloha territory who have interests and about the utility's ongoing customer service. . . .

The CAC would meet, at a minimum, once a month

DOCUMENT NUMBER - DATE
02097 MAR -3 03
FPSC-COMMISSION CLERK.

US
AF
MP
OM
TR
CR
SCL
PC
AMS
SEC
DTH

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0865

An Affirmative Action/Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

F. Marshall Deterding

Page 2

March 3, 2003

A CAC mailing list would be developed by members of the CAC and Aloha, and it would continue to evolve as new citizens and interested persons call to get on the mailing list.

In the above order, the Commission did not quantify what a "cross-section" of individual customers and various homeowners' associations must be. However, it did state that the CAC should be formed within 120 days which expired on November 20, 2002, and that meetings would be conducted, at a minimum, monthly. Therefore, in order to comply with the Commission Order, staff believes that Aloha should immediately schedule the first CAC meeting no later than March 21, 2003.

Staff believes that the requirements to form a CAC and start having regular meetings was much more important to the Commission than the idea that the meetings be comprised of 15-20 citizens. Staff further believes that the failure to conduct at least monthly meetings violates the requirements of Order No. PSC-02-0593-FOF-WU, and could subject Aloha to the initiation of a show cause proceeding.

With regard to the utility's concern of obtaining more CAC members, staff suggests contacting the 14 associations that have already expressed an interest in participating and have them inquire whether another association officer or member would be interested in becoming a CAC member. As notifications of CAC meetings appear in Aloha's existing newsletter, it could spark an interest for other citizens to become CAC members. Further, at the first CAC meeting, one item on the agenda could be to discuss how to obtain more CAC members.

Moreover, please provide the following requested information by Thursday, March 27, 2003: 1) a copy of the agenda and meeting summary of the first CAC meeting; 2) if not included in the agenda or meeting summary, state where the CAC meeting was held; and 3) provide a current copy of the CAC mailing list. If you have any questions, please contact Bart Fletcher at (850) 413-7017 or by e-mail at bfletche@psc.state.fl.us.

Sincerely,



Marshall W. Willis

Bureau Chief of Rate Filings

MWW:sbf

cc: Division of Economic Regulation (Devlin, Merchant, Fletcher)
Division of Consumer Affairs (DeMello)
Office of the General Counsel (McLean, Helton, Jaeger)
Division of the Commission Clerk and Administrative Services