

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 10, 2004
TO: Parties of Record and Interested Persons
FROM: Blanca S. Bayó, Commission Clerk and Administrative Services Director *BSB*
RE: Docket 020896-WS - Petition by customers of Aloha Utilities, Inc. for deletion of portion of territory in Seven Springs area in Pasco County

This is to inform you that the Commission is reporting the following communication in the above-referenced docket.

Letter via e-mail from Mr. Wayne Forehand, dated June 7, 2004.

The letter, a copy of which is attached, will be made a part of the record in this proceeding. Any party who desires to respond to this communication may send a response to the Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850.

BSB/hw

Attachment

cc: Mr. Rick Melson, General Counsel

DOCUMENT NUMBER-DATE

06470 JUN 10 3

FPSC-COMMISSION CLERK

ORIGINAL

State of Florida

Charles M. Davidson
Commissioner



Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Phone: (850) 413-6040
Fax: (850) 413-6395

Public Service Commission

DATE: June 7, 2004
TO: Blanca S. Bayó, Commission Clerk and Administrative Services Director
FROM: Katrina Tew, Chief Advisor to Commissioner Charles M. Davidson
RE: Communication from Mr. Wayne T. Forehand & Response by Commissioner Davidson in DN 020896-WS

RECEIVED
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COMMUNICATIONS

On June 7, 2004, Commissioner Davidson received a letter via e-mail from Mr. Wayne Forehand, an Aloha Utilities customer, pertaining to the above noted docket. Mr. Forehand's e-mail, along with Commissioner Davidson's response, is attached to this memorandum. On Commissioner Davidson's behalf, I ask that the attachment be placed in the docket file and disseminated to all parties in the docket.

Because the note from Mr. Forehand was from "an individual residential ratepayer," not appearing to represent anyone but himself,¹ the Commissioner's viewing of the e-mail is permissible under the provisions of section 350.042, Florida Statutes. While Mr. Forehand is the Chairman of the Citizens' Advisory Committee, his note to Commissioner Davidson gave no indication that it was on the committee's behalf. Furthermore, Mr. Forehand, despite his capacity as Chairman of the aforementioned committee, has the same opportunity to express his views to the Commission as any other residential customer of Aloha.

In replying to Mr. Forehand's note, Commissioner Davidson hit "Reply to All," not realizing that his fellow Commissioners on the docket were copied on the original note and would thus be copied on Commissioner Davidson's response. As the Commissioner had routinely added my name to the "cc" list on his response to Mr. Forehand, I discovered that his response had been inadvertently shared with other Commissioners. Therefore, I ask that the original message from Mr. Forehand and Commissioner Davidson's response (attached) be placed in the docket file for Docket No. 020896-WS and disseminated to all parties in the docket. In accordance with Section 350.042, Florida Statutes, this will allow any party who desires to respond the opportunity to do so.

CMP
COM
CTR — Attachment

cc: Parties of Record & Interested Persons, Docket No. 020896-WS
Rick Melson, General Counsel
OPC — Dr. Mary A. Bane, Executive Director
MMS — Chief Advisors to Commissioners (Arisso, Hinton, Chase, Harris)

RCA
SCR — Mr. Forehand's signature immediately precedes the following description, "Petitioner for deletion of territory from Aloha Utilities." Nowhere in the e-mail does Mr. Forehand mention his capacity as the Citizens' Advisory Committee Chairman. (The Citizens' Advisory Committee is not currently an official party of record in this docket.)

SEC
OTH

Katrina Tew

From: Charles Davidson
Sent: Monday, June 07, 2004 12:23 PM
To: 'Wayne Forehand'
Cc: 'Marshall Willis; Rosanne Gervasi; John Williams; Terry Deason PSC Commissioner; Rudy Bradley; Lila Jaber; Braulio Baez; Mike Fasano; Steve Burgess; Tom Anderson; Tom Walden; Katrina Tew'
Subject: RE: PSC Docket 020896-WS

Dear Mr. Forehand,

Please be assured that all possible options will be considered by the Commission. The concerns of the citizens are being heard and will be addressed.

Thank you for taking the time to write

Sincerely

Charles M. Davidson
Commissioner, Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Phone: 850.413.6040
Fax: 850.413.6025
Davidson@psc.state.fl.us

-----Original Message-----

From: Wayne Forehand [mailto:wwwtf@worldnet.att.net]
Sent: Monday, June 07, 2004 12:12 PM
To: Marshall Willis
Cc: Rosanne Gervasi; John Williams; Terry Deason PSC Commissioner; Rudy Bradley; Lila Jaber; Charles Davidson; Braulio Baez; Mike Fasano; Steve Burgess; Tom Anderson; Tom Walden
Subject: Re: PSC Docket 020896-WS

Wayne T Forehand

1216 Arlinbrook Drive
Trinity, FL 34655-4556
Telephone 727-372-2104
E-mail: wwwtf@att.net

June 7, 2004

Mr. Marshall Willis
Florida Public Service Commission Staff

6/7/2004

2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Fax: 1-800-511-0809

Dear Mr. Willis,

Re: PSC Docket 020896-WS

Dear Mr. Willis,

Two weeks ago we discussed that there is a national trend in which small utilities are being absorbed or taken over by larger utilities because of the "economies of scale."

You explained that Aloha Utilities services 10,000 homes and is not considered a "small utility." I have questioned why Aloha Utilities could not then install a system to remove hydrogen sulfide similar to that used both by Pasco County and Pinellas County Utilities at a reasonable cost to its customers.

After some deliberation, I understand and want to share the following facts; Aloha is a utility company internally made up of a series of smaller operations and is not a centralized water utility servicing 10,000 homes. To explain: at well #8 Aloha operates a small stand-alone water processing plant independent of the other water processing systems; at well #9, Aloha has still another small stand-alone processing plant. At numerous other wells throughout the Aloha area, they operate more small water processing plants. In other words, Aloha Utilities does not have a centralized processing plant providing water to 10,000 homes, but has many small water processing plants scattered around its area. It becomes obvious that this is not efficient and there is not an "economy of scale" in the Aloha Utilities operation. With the absence of a central water processing plant, Aloha Utilities does not have the capability to provide the same high quality of water as the large utilities in the area at a reasonable price to the customers.

Aloha is now planning a large investment in the construction of many small hydrogen peroxide oxidation plants at the various sites around their area. Aloha will then operate these decentralized small plants with a new unproved process, which we understand has recently been rejected, after 15 months of study by a large Hillsborough County utility. This new process is not used by any other drinking water utility in this country. Even Dr. Levine reports that with the new hydrogen peroxide process, "Elemental sulfur or sulfate can revert to hydrogen sulfide in the distribution system." Neither Dr. Levine nor David Porter will guarantee that the black water and "rotten egg" smell will be reduced in our domestic plumbing. Dr. Levine has further told us if this process does not work to improve the problem, more fixes can be added. This should clearly indicate that even she is unsure of success. Do we the

petitioners have to live with this black water for another 10 years while Aloha spends large sums of money on their experiment for which they will probably be allowed to pass the cost on to the customers without fixing the problems?

As a petitioner for deletion of territory from Aloha Utilities, in the public interest, I again urge that the PSC provide for deletion of territory from Aloha Utilities because we know that Pasco County Utilities is ready, willing and able to provide good water to the petitioners.

Respectfully,

Wayne Forehand

Petitioner for deletion of territory from Aloha Utilities

Cc: PSC commissioners
Rosanne Gervasi
Tom Walden
John Williams
Steve Burgess
Senator Mike Fasano
Representative Tom Anderson