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Public Service Commission

July 21, 2004

Second Staff Data Request

Joseph D. Richards, Esq.  
Assistant County Attorney  
West Pasco Government Center  
7530 Little Road, Suite 340  
New Port Richey, FL 34654

Re: Docket No. 020896-WS - Petition by customers of Aloha Utilities, Inc. (Aloha) for deletion of portion of territory in Seven Springs area in Pasco County.

Dear Mr. Richards:

As you know, the Public Service Commission (Commission) has voted to proceed directly to a full evidentiary hearing in the above-referenced docket. The formal hearing is currently scheduled to take place from March 8-10, 2005 in New Port Richey, with customer service hearings scheduled for January 27-28, 2005. The purpose of the proceeding will be for the Commission to determine, from an evidentiary record made pursuant to Sections 120.569 and 120.57(1), Florida Statutes, whether it is in the public interest to grant the petitions for deletion of a portion of Aloha's Seven Springs water service territory. Alternatively, the Commission could consider whether it is in the public interest to grant the deletion petitions contingent upon the customers receiving continued service from another entity.

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- ECR \_\_\_\_\_
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Clearly, a major factor in making such a public interest determination is whether there is an alternative service provider in the area that is ready, willing and able to serve the area. Through its May 14, 2004 response to an earlier staff data request, the County has advised that it is ready, willing and able to pursue a purchase of the Aloha system, or a portion thereof, and that the County's policy is to pursue the acquisition of private utilities only when the utility is willing to transfer ownership.

It is our understanding that Pasco County Utilities is the only water utility service provider that is adjacent to, and has infrastructure in place near, Aloha's Seven Springs water service area such that interconnection of the County's system with a portion of that service area may be feasible. Therefore, it appears that the County's position on the issue of continued service to the Aloha customers in the event of a Commission decision granting the deletion petitions is very important to the case.

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By this letter, we are requesting the County to advise us as to whether the County is willing to assist the Commission in some manner in the case. To that end, we are hoping that you will be able to address the following questions and advise us accordingly:

- 1) Does the County intend to seek to intervene in the Commission's deletion proceeding for the purpose of putting on evidence concerning the feasibility of, and costs involved in, the County providing service to the portion of Aloha's service territory in question in the event that a court ordered sale or lease to the County results from a Commission order granting the deletion petitions?
- 2) If the County chooses not to seek to intervene as a full party to the Commission's deletion proceeding, would the County be willing to respond to interrogatories propounded by parties to the case concerning the feasibility of, and costs involved in, the customers at issue receiving service from the County in the event that a court ordered sale to the County results from a Commission order granting the deletion petitions? (Under the Commission's discovery rules, non-parties can be deposed and can be required to respond to document production requests.)
- 3) Section 367.165(2), Florida Statutes, requires a county to petition the circuit court for the appointment of a receiver in the event of an abandonment or placement into receivership of a utility. Does the County have an ordinance or charter in place authorizing or obligating the County to provide water service when another water utility located within the County limits abandons the utility or ceases to provide adequate service to its customers?
- 4) Is such authorization or obligation contained in the County Comprehensive Plan?
- 5) Upon receipt of information delineating the specific service area in question, will the County be willing to undertake a hydraulic modeling analysis to determine line capacities and prepare a preliminary design of line extensions or any necessary upgrades of its existing lines to the service area in question so that the Commission can consider this information in determining whether to grant the deletion petitions?
- 6) If so, what information would the County need from Aloha in order to perform such a hydraulic modeling analysis?

Joseph D. Richards, Esq.

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A response to these questions will assist the Commission staff in our efforts to assure that the Commission has a complete record upon which to base its decision on the deletion petitions. We thank you for your prompt attention to this request.

✍

Sincerely,



Rosanne Gervasi  
Senior Attorney

RG/md

cc: Division of the Commission Clerk and Administrative Services  
F. Marshall Deterding, Esquire  
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