

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-**

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**DATE:** September 30, 2004  
**TO:** All Parties of Record & Interested Persons  
**FROM:** Rosanne Gervasi, Senior Attorney, Office of the General Counsel  
**RE:** Docket No. 020896-WS - Petition by customers of Aloha Utilities, Inc. for deletion of portion of territory in Seven Springs area in Pasco County.  
Docket No. 010503-WU – Application for increase in water rates for Seven Springs System in Pasco County by Aloha Utilities, Inc.

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Please note that an informal meeting between Commission staff, Aloha Utilities, Inc., and customers has been scheduled for the following time and place:

Wednesday, October 13, 2004, 2:00 p.m.  
Florida Public Service Commission  
2540 Shumard Oak Blvd., Room 154  
Tallahassee, FL

The purpose of the meeting is to discuss the attached preliminary list of issues for the March 8 – 10, 2005 hearing on the petitions for deletion of territory and protest to Order No. PSC-04-0712-PAA-WS. Parties and interested persons may participate by telephone by dialing SunCom 291-6433 or 850-291-6433. If you have any questions about the meeting, please call Rosanne Gervasi, at (850) 413-6224.

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FPSC-COMMISSION CLERK

Preliminary List of Issues – Aloha (from 9/20/04 staff mtg.)

Legal Issues

1. Has Aloha knowingly refused to comply with, or willfully violated, any provision of the statutes, rules, or orders of the Commission?
2. Does the Commission have the statutory authority to delete the territory at issue?
3. Does the Commission have the statutory authority to delete the territory at issue contingent upon Pasco County's ability and willingness to provide the service?
4. Does the Commission have the authority to require Aloha to sell or lease its facilities used to provide service to the customers in the area at issue?
5. Does the Commission have the statutory authority to delete the territory at issue based upon a finding of constructive abandonment?

Factual Issues

6. What portions of Aloha's Seven Springs service territory are included within the three requests for deletion of territory?
7. Are the customer complaints concerning smelly black water and poor customer service sufficient to show that Aloha has refused or neglected to provide reasonably adequate water service to the area at issue?
8. If a decision is made to delete any portion of the water service area at issue, should the corresponding wastewater service area also be deleted from Aloha's service territory?
9. Is there another service provider in the area that is ready, willing, and able to provide water and wastewater service in the event the Commission deletes any portion of Aloha's service area?
10. If any portion of Aloha's service territory is deleted, what connection fees, monthly service charges, and other associated costs would the customers be required to pay?
11. What are the stranded costs, if any, that would result from deletion of territory?
12. Is it in the public interest for the Commission to grant the petitions for deletion of territory, and should the three petitions for deletion of territory be granted?

13. By proposed agency action memorialized in Order No. PSC-04-0712-PAA-WS, the Commission ordered the following: "Aloha shall make improvements to its wells 8 and 9 and then to all of its wells as needed to meet a goal of 0.1 mg/L of sulfides in its finished water as that water leaves the treatment facilities of the utility. Compliance with such requirement shall be determined based upon samples taken at least annually from a point of connection just after all treatment systems and before entry of such water into the transmission and distribution system of the utility. Aloha shall implement this standard no later than February 12, 2005." Should any of these requirements be modified?