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Charles J. Beck  
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November 18, 2004

Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

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04 NOV 18 PM 1:54  
COMMISSION  
CLERK

Re: Docket Nos. 020896-WS & 010503-WU

Dear Ms. Bayo:

CMP \_\_\_\_\_ Enclosed for filing, on behalf of the Petitioners, are the original and 15 copies of the  
COM 5 Direct Testimony of William F. Humphrey.

CTR orig  
ECR Please indicate the time and date of receipt on the enclosed duplicate of this letter  
and return it to our office.

GCL 1

OPC \_\_\_\_\_

MMS \_\_\_\_\_

RCA \_\_\_\_\_

SCR \_\_\_\_\_

SEC 1

OTH \_\_\_\_\_ ec: All parties of record

Sincerely,

Charles J. Beck  
Deputy Public Counsel

CJB:bsr

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FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by customers of Aloha )  
Utilities, Inc. for deletion of portion )  
of territory in Seven Springs area in )  
Pasco County )

Docket No. 020896-WS

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In re: Application for Increase in )  
Water Rates for Seven Springs )  
System in Pasco County by Aloha )  
Utilities, Inc. )

Docket No. 010503-WU

Filed: November 18, 2004

DIRECT TESTIMONY

OF

WILLIAM F. HUMPHREY

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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**OF**

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1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **Docket Nos. 020896-WS & 010503-WU**

3   DIRECT TESTIMONY

4   OF

5   WILLIAM F. HUMPHREY

6  
7   **Q.    Please state your name, and address and the name of the Utility from**  
8           **which you get your drinking water.**

9   A.    William Humphrey, 2120 Larchwood Court, New Port Richey, 34655-4952  
10         Aloha Utilities.

11  
12 **Q.    How long have you been a customer of Aloha Utilities?**

13 A.    Since purchasing my home in June 2001.

14  
15 **Q.    Are you satisfied with the quality of water in your domestic plumbing?**

16 A.    No.  Water is often discolored; usually has odor of hydrogen sulfide; water  
17         leaves rings in toilet bowls; when absent for vacations (4 to 8 weeks) previous  
18         symptoms are much worse.  In the previous six homes I owned in three states,  
19         I have never experienced anything like this anywhere.  In addition to the  
20         foregoing the water pressure is too low for a quality shower.

21  
22 **Q.    Do you drink Aloha water from your taps?**

23 A.    Would not consider doing so unless dying of thirst probably for the same  
24         reason the USF professor said she wouldn't – it is unpleasant to smell or taste.

1 **Q. What is it that distresses you about the quality of water?**

2 A. The water has a faint odor of hydrogen sulfide and often has a brownish  
3 tint to it.

4

5 **Q. How frequently do you experience poor quality?**

6 A. Weekly/daily – it is irregular in pattern.

7

8 **Q. Do you experience poor quality in water from both the hot water and cold  
9 water taps?**

10 A. Yes.

11

12 **Q. Under what circumstances of use have you experienced poor quality?**

13 A. Problem is more pronounced after periods of absence, however, it occurs even  
14 on a daily or weekly basis frequently.

15

16 **Q. Have you experienced poor quality water even while you are using the  
17 water on a daily basis? If so, in what locations?**

18 A. All taps in the home has similar water.

19

20 **Q. What kind of pipes do you have?**

21 A. CPVC.

22

23 **Q. Do you have water-conditioning appliances? If so what kind?**

24 A. Water softener.

1 **Q. Do you use any type of filters?**

2 A. Refrigerator has a filter built in to the coldwater/icemaker. Water from this  
3 tap is more clear and less smelly, but still unacceptable.

4

5 **Q. What kind of filters do you use? How often do you change them?**

6 A. Filters are changed when indicator light changes color – about once a year.

7

8 **Q. How does the poor quality of water affect you and your family?**

9 A. Inconvenience of buying bottled water. Pinhole leaks have developed in two  
10 solid brass hose nozzles over a period of two years.

11

12 **Q. Have you sought the help of Aloha Utility in understanding why the  
13 water quality is intermittently poor in your home?**

14 A. No, because it is a waste of time. Aloha tells customers the problem is  
15 after the meter and therefore is not its responsibility.

16

17 **Q. Do you feel that the utility has given you a satisfactory explanation of why  
18 the water quality in your home plumbing is intermittently unsatisfactory?**

19 A. At customer seminars and meetings, Aloha has said the problem is related to  
20 the quality of the water from the source.

21

22 **Q. Have you made enquiries about the quality of water that customers of  
23 other utilities in the neighboring areas receive?**

1 A. Pasco Water is on an adjacent street to my home. The homeowners on that  
2 street do not experience the poor water quality that I do. Costs for the  
3 combined water/sewer charges seem to be similar for the two utilities at the  
4 bottom line.

5

6 **Q. What has been your experience of the quality of water in domestic pipes,  
7 if you have lived in other parts of our state or other states?**

8 A. California, Virginia, New Jersey all have superior quality water than Aloha.

9

10 **Q. Who do you think should take the primary initiative in improving water  
11 quality? Explain why.**

12 A. Aloha Utilities. They are the provider – its obvious they control the quality of  
13 the product and should have the responsibility for ensuring it is pleasing to  
14 look at, smell and taste, as well as meet federal and state water quality  
15 standards. If Aloha was not a regulated monopoly, market forces would force  
16 them to correct the problem, but as a franchised utility, customers do not have  
17 the freedom to choose the product that comes from the tap.

18

19 **Q. Have you made any suggestions to Aloha to improve your water quality?  
20 Describe. What has been the Utility's response? Explain.**

21 A. No. My suggestions would be no different from the thousands of  
22 suggestions Aloha has received over the past ten years and like those,  
23 they too would be ignored. Aloha has no incentive to improve water

1 quality. As a regulated monopoly, they would sell essentially the same  
2 volume of poor quality water as they would a better quality product  
3 that would cost additional money to produce, the cost of which may or  
4 may not be allowed in the rate base – a risk to profit they do not have  
5 to take.

6

7 **Q. If a reasonable increase in cost is necessary to improve water quality, will**  
8 **you be willing to accept an increase in water rates similar to what**  
9 **neighboring utilities charge?**

10 A. My perception is that neighboring utilities (Pasco Utilities) produces a quality  
11 product at similar cost. I urge the PSC to mandate Aloha meet their quality  
12 at rates no higher than Pasco Utilities or give up their franchise.

13

14 **Q. What has been your experience of the customer service of Aloha**  
15 **Utility?**

16 A. When moving to Florida and buying a home here, I called the electric,  
17 gas and water utilities to start service. I had been forewarned about how  
18 difficult it would be with Aloha Utilities. This was the only utility  
19 I ever dealt with in three states and six homes that required a deposit for two  
20 years. Every other utility simply would take references from prior utility  
21 providers. Futhermore, Aloha would not offer direct debit as a payment  
22 option – a practice every modern utility had adopted many years ahead of  
23 2004 when finally instituted by Aloha Utilities.



1 **Q. Have you attended the recent customer workshops of Aloha utility?**

2 **Describe your impression?**

3 A. I have attended one. There was too much control of the meeting by

4 Aloha management and too little opportunity for customer feedback

5

6 **Q. Have you found the utility to be concerned about solving the problems its**  
7 **customers face?**

8 A. No.

9

10 **Q. If you had a choice in receiving water from another utility at reasonable**  
11 **rates would you continue to buy water from Aloha Utility?**

12 A. Absolutely not.

13

14 **Q. How would you rate the customer service of Aloha, taking into account**  
15 **the quality of its product, the customer service you have received and**  
16 **your assessment of its attitude towards its customers?**

17 A. Unsatisfactory. The water quality has been previously described; my  
18 experience starting service was previously described; my other customer  
19 service experience was a call to report low water pressure. I was left a hang-  
20 tag saying it met the minimum standard – never mind it dribbles out of my  
21 shower!

1 **Q. Have you brought your complaints to the attention of the utility**  
2 **and/or to the attention of regulatory agencies? If so have you been**  
3 **satisfied with the responses?**

4 A. I have attended PSC hearings and spoke about poor water quality. I was  
5 pleased the PSC denied Aloha's rate increase request and mandated refund of  
6 the interim increase collected. However, it took too long.

7  
8 **Q. Have you attended any of the PSC hearings on Aloha? If so, did you have**  
9 **the impression that your complaints were isolated instances of poor water**  
10 **quality?**

11 A. I attended the PSC hearing at the Clarion Hotel. It was packed with people  
12 who were outraged by the quality of water provided by Aloha and the lack of  
13 responsiveness by the company.

14  
15 **Q. Is there any other comment that you want to make about Aloha, your**  
16 **monopoly drinking water company?**

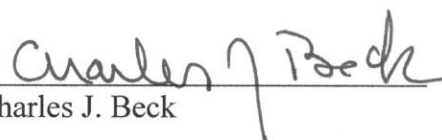
17 A. Aloha Utilities has demonstrated by its conduct over a substantial period of  
18 time that it is no longer worthy of the privilege of a government issued  
19 monopoly franchise.

20  
21 **Q. Is that the end of your testimonial?**

22 A. Yes.

**DOCKET NOS. 001503-TP and 020896-WU  
CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S. Mail  
or hand-delivery to the following parties on this 18th day of November, 2004.

  
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