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ORIGINAL

JOHNNIE BYRD
Speaker



Charles J. Beck
Deputy Public Counsel

November 18, 2004

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

RECEIVED-FPSC
04 NOV 18 PM 1:52
COMMISSION
CLERK

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

Dear Ms. Bayo:

Enclosed for filing, on behalf of the Petitioners, are the original and 15 copies of the Direct Testimony of William Coogan.

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

- CMP _____
- COM 5
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- ECR _____
- GCL 1
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC 1 CJB:bsr
- OTH _____

Sincerely,

Charles J. Beck
Deputy Public Counsel

cc: All parties of record

RECEIVED & FILED
R. v. N.
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
12401 NOV 18 04
FPSC-COMMISSION CLERK

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

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 COOGAN

1 **BEFORE THE FLORIDA THE PUBLIC SERVICE COMMISSION**

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

3 **DIRECT TESTIMONY OF**

4 **WILLIAM COOGAN**

5

6 **Q. PLEASE STATE YOUR NAME AND ADDRESS AND THE NAME OF**
7 **THE UTILITY FROM WHICH YOU GET YOUR DRINKING WATER**

8 A. William Coogan, 1430 Davenport Drive, New Port Richey, FL 34655
9 I get my drinking water from Aloha Utilities.

10

11 **Q. HOW LONG HAVE YOU BEEN A CUSTOMER OF ALOHA?**

12 A. 13 years.

13

14 **Q. ARE YOU SATISFIED WITH THE QUALITY OF WATER IN YOUR**
15 **DOMESTIC PLUMBING?**

16 A. No.

17

18 **Q. DO YOU DRINK ALOHA WATER FROM YOUR TAPS?**

19 A. Not directly. We use a reverse osmosis system to filter the water.

20

21 **Q. WHAT IS IT THAT DISTRESSES YOU ABOUT THE QUALITY OF**
22 **WATER?**

23 A. Its color and smell. Most of our white clothes are ruined.

24

1 **Q. HOW OFTEN DO YOU EXPERIENCE POOR QUALITY?**

2 A. Couple of times a month.

3

4 **Q. DO YOU EXPERIENCE POOR QUALITY IN WATER FROM BOTH**
5 **THE HOT WATER AND COLD WATER TAPS?**

6 A. Yes.

7

8 **Q. UNDER WHAT CIRCUMSTANCES OF USE HAVE YOU**
9 **EXPERIENCED POOR QUALITY?**

10 A. When I am home using water on a daily basis.

11

12 **Q. HAVE YOU EXPERIENCED POOR QUALITY EVEN WHEN YOU**
13 **ARE USING WATER ON A DAILY BASIS?**

14 A. Yes, in our showers and laundry room.

15

16 **Q. WHAT KIND OF PIPES DO YOU HAVE?**

17 A. Copper.

18

19 **Q. DO YOU HAVE WATER CONDITIONING APPLIANCES? IF SO,**
20 **WHAT KIND?**

21 A. Yes, reverse osmosis filter and water softener.

22

1 **Q. HAVE YOU SOUGHT THE HELP OF ALOHA UTILITY IN**
2 **UNDERSTANDING WHY THE WATER QUALITY IS**
3 **INTERMITTANTLY POOR IN YOUR HOME?**

4 A. I try to understand, but being lied to so often, how can you trust Aloha? I
5 believe it was around 1995 Mr. David Porter addressed the Chelsea Place
6 homeowners at a special meeting and made a promised statement that Aloha
7 would be putting an inhibitor in the water to coat the lines and in 6-8 weeks we
8 would definitely see results. Here it's 8 years later and still nothing!

9
10 **Q. DO YOU FEEL THAT THE UTILITY HAS GIVEN YOU A**
11 **SATISFACTORY EXPLANATION OF WHY THE WATER**
12 **QUALITY IN YOUR HOME PLUMBING IS INTERMITTANTLY**
13 **UNSATISFACTORY?**

14 A. No. I question why are we the only people having this problem! I have not
15 heard any other group of people complaining about black water.

16
17 **Q. WHO DO YOU THINK SHOULD TAKE THE PRIMARY INITIATIVE**
18 **IN IMPROVING WATER QUALITY?**

19 A. Aloha.

20
21 **Q. HAVE YOU MADE ANY SUGGESTIONS TO ALOHA TO IMPROVE**
22 **WATER QUALITY?**

23 A. No.

24

1 **Q. WHAT HAS BEEN YOUR EXPERIENCE OF THE CUSTOMER**
2 **SERVICE OF ALOHA UTILITY?**

3 A. Lack of respect for customers.

4 **Q. HAVE YOU ATTENDED THE RECENT CUSTOMER WORKSHOPS**
5 **OF ALOHA?**

6 A. No.

7

8 **Q. IF YOU HAD A CHOICE IN RECEIVING WATER FROM ANOTHER**
9 **UTILITY AT REASONABLE RATES WOULD YOU CONTINUE TO**
10 **BUY WATER FROM ALOHA UTILITY?**

11 A. No.

12

13 **Q. HOW WOULD YOU RATE THE CUSTOMER SERVICE OF ALOHA,**
14 **TAKING INTO ACCOUNT THE QUALITY OF ITS PRODUCT, THE**
15 **CUSTOMER SERVICE YOU HAVE RECEIVED AND YOUR**
16 **ASSESSMENT OF ITS ATTITUDE TOWARDS ITS CUSTOMERS?**

17 A. Poor.

18

19 **Q. HAVE YOU BROUGHT YOUR COMPLAINTS TO THE ATTENTION**
20 **OF THE UTILITY AND/OR TO THE ATTENTION OF THE**
21 **REGULATORY AGENCIES?**

22 A. Yes. I don't remember the year exactly; it could have been in 1999, when
23 Louis Bagnato and myself did a survey on our own about the quality of water
24 and service that Aloha was providing to us in Chelsea Place (Exhibit WC-1).

1 We submitted the results of that survey to the PSC and the Office of Public
2 Counsel. The majority of the people surveyed did not like Aloha's water and
3 did not drink it. Most of the residents bought bottled water. The result of the
4 survey was against Aloha's water quality. Aloha used to say, if you had a
5 water softener, that was the bad guy. If you had a reverse osmosis system, that
6 was the bad guy. When it was mentioned that some people didn't have either
7 one they were at a loss for words.

8

9 **Q. IS THAT THE END OF YOUR TESTIMONIAL?**

10 A. Yes.

EXHIBIT

**CHELSEA PLACE RESIDENTS'
STUDY ON
ALOHA WATER**

**EXTENT OF BLACK WATER AND PIN HOLES
NOVEMBER 1999**

SATURDAY, December 18, 1999

The Suncoast News

Chelsea Place residents do their own water quality survey

BY CARL ORTH
SUNCOAST NEWS
BUREAU CHIEF

SEVEN SPRINGS — Chelsea Place homeowners recently submitted their own water quality survey to state regulators, even as public hearings on Aloha Utilities were postponed for a fourth time.

"It will become readily apparent that there are serious problems in the water supply to this community," William Coogan, president of Chelsea Place Homeowners Association, wrote in the report on the unscientific public opinion survey in conjunction with other association officials.

The vast majority of the residents responding to the survey, Coogan reports, complained about water quality from the privately owned Aloha Utilities, which serves some 8,400 customers, primarily in the Seven Springs and Veterans Village areas.

The survey recently was forwarded to staff of the Florida Public Service Commission, which is reviewing the document. The allegations in the survey might come up during PSC public hearings reset for Wednesday and Thursday, March 29 and 30, in New Port Richey.

Aloha Utilities officials didn't return phone calls before press time requesting a reaction to the Chelsea Place survey.

Utility executives have maintained Aloha's water meets acceptable standards. They have said the problem lies within corroding, copper pipes within homes of resi-

dents. Residents have blamed "black water" problems on the source.

"Many residents report concerns about health problems if they drink or cook with the water as delivered by Aloha Utilities," Coogan wrote in a summary. "They have seen no improvement in the water quality," frustrated the topic has bounced around government agencies for four years.

The association disputes the contention water problems are limited to spotty areas within the subdivision. Chelsea Place encompasses 140 home sites built since 1992, with 118 residents responding to the survey, the document shows. That represents a response rate of 87.5 percent.

Among those 118 respondents, 101 rated color of their water as "poor," the survey shows. Fourteen rated it as fair while only one resident labeled it "good." For odor, 69 people graded water as poor, with 42 saying it was fair and five saying it was good. For taste, 51 called the water poor, eight said it was fair and one said it was good.

Among other questions, 104 respondents said they don't drink tap water. Another 85 said they have a water softener while 45 rely on reverse osmosis systems.

Other highlights:

- Some residents said they experienced pinhole leaks in copper pipes installed less than five years prior to the leak developing. Some say the leaks develop in pipes where the water enters the house.

- Three residents whose

homes have plastic pipes said they have incidents of black water and water odor. One homeowner, who switched from copper pipe to plastic, said problems became more severe.

- Residents fear the impact on home resale values. "This area is getting a reputation for water quality problems," the survey reads. "Recent home buyers have commented that, had they known in advance about the water conditions, they would not have purchased their home."

Association officials complained about rescheduling of the PSC public hearings, even before the fourth postponement to March 29 and 30.

"This again shows a lack of interest and initiative of those responsible to solve this problem," the association leaders wrote in the survey.

On Monday, PSC officials notified state Rep. Mike Fasano, R-New Port Richey, about the latest delay, a Fasano aide, Greg Giordano, said. The hearings have been reset four times, originally Sept. 30 and Oct. 1, then Dec. 13 and 14, March 1 and 2 and now March 29 and 30. Conflicts in the schedules of PSC commissioners necessitated the latest rescheduling, Fasano was told.

An estimated 1,000 people showed up for the last set of hearings in September 1996 at Spartan Manor.

Survey of Aloha Utilities services to the Chelsea Place community.

This survey is conducted by the Chelsea Place Homeowners Association, (CPHA), New Port Richey, FL November 24, 1999

PURPOSE OF THIS SURVEY

The residents of Chelsea Place have an ongoing serious problem with the quality of water delivered to our homes from Aloha Utilities. The residents have been told by Aloha Utilities that the severe water quality problem experienced at Chelsea Place is restricted to a very small part of their customer base. They further state their water testing programs indicate the water is of an acceptable standard as delivered to other homes by Aloha Utilities and other water utility companies in the Tampa Bay Area. This survey is made to dispute this misleading information and to impress upon responsible parties the extent of the problem and dissatisfaction in this and surrounding communities with Aloha Utilities water and service over the past five years.

SUMMARY:

When studying the results of this survey it will become readily apparent that there are **SERIOUS** problems in the water supply to this community. The results of this report are extremely negative towards Aloha Utilities and their assertions of acceptable water standards, with only a very minor percentage of the community giving Aloha Utilities a **FAIR** rating or better. Many residents report concerns about health problems if they drink or cook with the water as delivered by Aloha Utilities. They express a complete lack of confidence in the information received from Aloha in view of the obvious poor water quality that Aloha Utilities delivers to their homes. Most residents volunteer that they are very frustrated with the fact that over the intervening years of this problem, they have seen **NO IMPROVEMENT** in the water quality. Further, they are frustrated that our City, County or State governments have not given our community support and assistance in solving this serious problem.

THE SURVEY

Chelsea Place is a community of 140 homes. The homes were built in the period from 1992 to present. Since 1995, the community has been experiencing severe poor water quality in respect to color, taste, and odor. The complaints of this community have been well documented with Aloha Utilities and the State of Florida, Public Service Commission. Unfortunately, even with all the public forums and individual complaints to local and state groups that have the responsibility for enforcing acceptable water standards, this problem has continued without abatement for the last 5 years. Aloha continually issues reports that indicate the water is of good quality and meets all the prevailing standards in this or surrounding communities yet the water is dirty, smelly and poor tasting and not considered fit to drink or prepare food.

Aloha has offered many reasons for this continuing problem including copper piping systems, water conditioners, water heaters, etc. Many of our residents have made efforts to maximize water quality by adding water conditioners and water purifiers as well as modifications to water heaters and piping at significant cost with very little improvement. The cost of these improvements, the cost of bottled water, the cost of wasted water and the energy waste and cost to heat water that is flushed to the sewers in an attempt to minimize the water problems has imposed an inordinate expense on Aloha Utility customers.

ABOUT THE SURVEY:

Chelsea Place has 140 home sites. Presently 134 homes are occupied, 6 being in phases of ownership transfer. Of the 135 homes currently occupied, 118 responded to the survey. Those reading this survey should not assume the 16 homes that did not respond are satisfied with Aloha Utilities services. They simply were not available to respond to the survey. If one reviews the survey results, it will become apparent that these 16 homes must have the same experience as the balance of the community.

W. Coogan, President of CPHA, H. Hawkins, Secretary of CPHA and L. Bagnato, CPHA board member, conducted the survey. The homeowners were interviewed personally and asked to respond to 10 questions as follows:

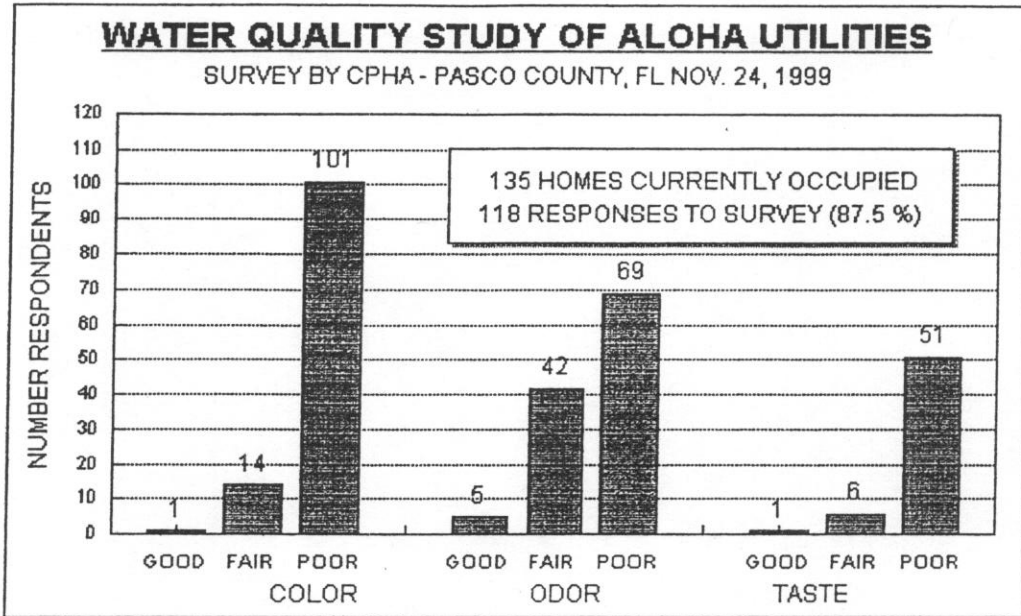
SURVEY QUESTIONS AND RESULTS:

Question 1: Rate water COLOR as good, fair or poor.

Question 2: Rate water ODOR as good, fair or poor.

Question 3: Rate water TASTE as good, fair or poor.

See responses below.

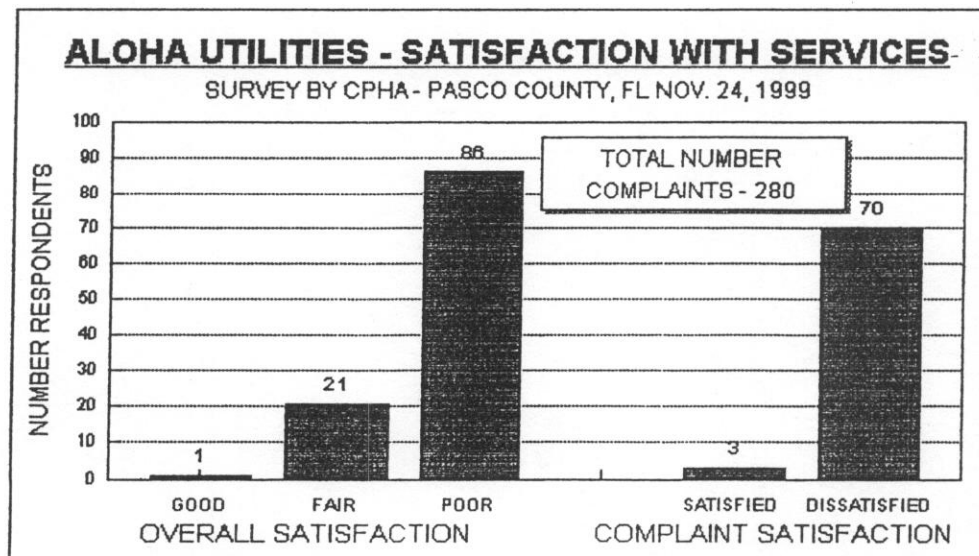


Question 4: Overall satisfaction with Aloha utilities as Good, Fair Poor.

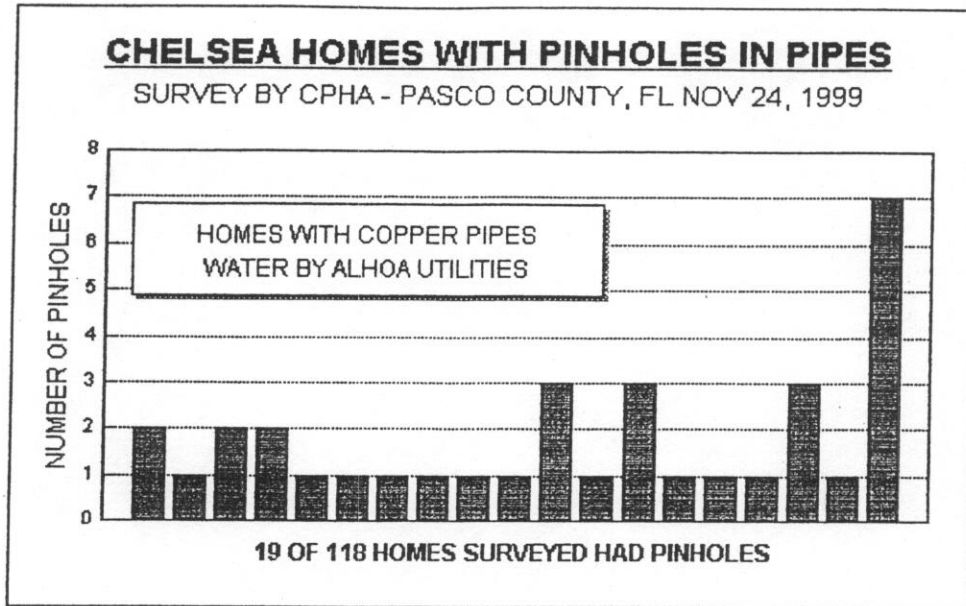
Question 5: If you have filed complaints with Aloha, how many times?

Question 6: Did Aloha's responses result in an improvement? Yes or No?

See responses below.



Question 7: Have you experienced pinhole leaks in your piping? How many?
 See responses below.

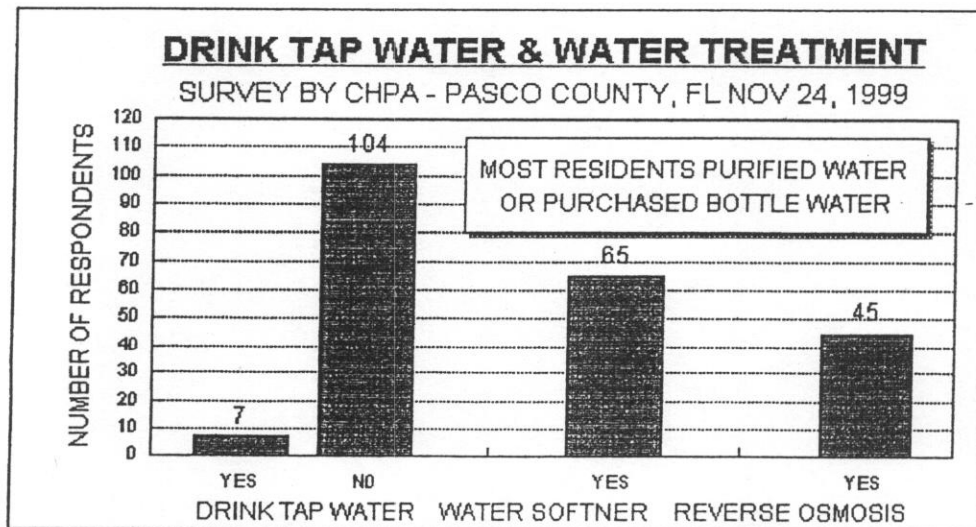


Question 8: Do you drink water directly from the tap?

Question 9: Do you have a water conditioner?

Question 10: Do you have reverse osmosis water conditioning?

See responses below.



RESIDENT COMMENTS:

WATER HEATERS:

Aloha has indicated many times that the water heater contributes to the water quality problems. In this survey many residents reported they had personally flushed their system or had it done by a licensed plumber. Flushing generally consisted of, adding about 3 gallons of bleach, letting it sit for a time period and then flushing the system. This alleviated the discoloration problem for a very short period.

WATER CONDITIONING:

Aloha has indicated many times that a water softener contributes to the water quality problems. Water conditioner suppliers emphatically disagree with this and report it is a great asset in cleaning the internals of the plumbing and fixtures and extends the life of the copper piping. Many in this survey concur with the water conditioner suppliers.

COPPER PIPING:

Aloha contends that copper pipe is a major contributor to the water quality problems.

It is generally accepted that copper pipes deteriorate with age and develop pinhole leaks over time. The source of the pinholes is suspected as chemicals in the water supply to the home and the flux used to solder the pipe joints. When a pinhole appears in a pipe span away from the joints, it would appear that the solder flux could not be a cause. It is not unusual for copper pipe to start deteriorating after 15 to 20 years of use. However, Pasco County Building Code approves the use of copper pipe in homes in this community. It would not appear they would be likely to do so if they expected the normal life of copper pipe to be five years or less. Most homebuilders in this area supply copper pipes in new homes.

Our residents, in some cases, reported experiencing pinholes in their copper pipe in less than 5 years. It is also interesting that Aloha blames both the water heater and water conditioner as a source of poor water quality problems. Many residents reported that pinholes occurred in their pipes where the water enters the house BEFORE THE WATER CONDITIONER AND WATER HEATER.

A continuing question asked of the survey interviewers was: "Why is the copper pipe in our homes causing water discoloration and poor water quality when thousands of homes in the area use copper pipe and do not experience the problems of water quality found in Chelsea Place?"

PVC PIPING SYSTEMS

During this survey three residents reported they have PVC pipe though out their home. All these homeowners reported incidents of black water and water odor. In two instances the homes use both water softeners and water filtering systems. The third home, that was re-piped from copper to PVC, did not have a water softener or filtering system and complains of a very strong obnoxious odor from the water, even more objectionable than when the house had copper pipe. This leaves one to conclude that PVC pipe is not the total answer that has been suggested by Aloha Utilities as a remedy for poor water quality.

ALOHA RESPONSE TO COMPLAINTS

Some residents reported that Aloha was prompt and the service people courteous when answering their complaints. The predominate comment however is concern that Aloha Utility responses did not result in improvement of the water condition. Aloha service people no longer enter the premises in response to water quality complaints. They draw water from the outside of the house and leave pamphlets that discuss the causes of water quality problems or results of Aloha water testing.

Many of the residents objected VERY STRONGLY to a recent report from Aloha Utilities that stated that testing of Aloha water showed very high quality test results in all aspects. In view of the obvious water quality problems these people felt that the report was misleading and typical of the response received when making complaints to Aloha Utilities

Once again, at the writing of this report we view another setback. A meeting to discuss these problems with Aloha and others scheduled for December 13, 1999 has been postponed to March 2000. This appears like an unnecessarily long reschedule. Chelsea Place's concern with this reschedule is that this again shows a lack of interest and initiative of those responsible to solve this problem.

HOME RESALE VALUE

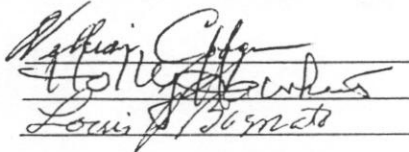
An additional impact that Aloha Utility poor water quality has on this community is the resale of our homes. Although most of our residents are happy living in this area, many due to employment or other considerations find it necessary to sell their homes. This area is getting a reputation for water quality problems. Recent homebuyers have commented that had they known in advance about the water conditions, they would not have purchased their home.

Persons selling their homes have a concern that the water problem and the name of Aloha Utility associated with the property has made selling their home more difficult.

Attachment:
Compilation of survey results-2 sheets.

Original signed respondent documents available on request.

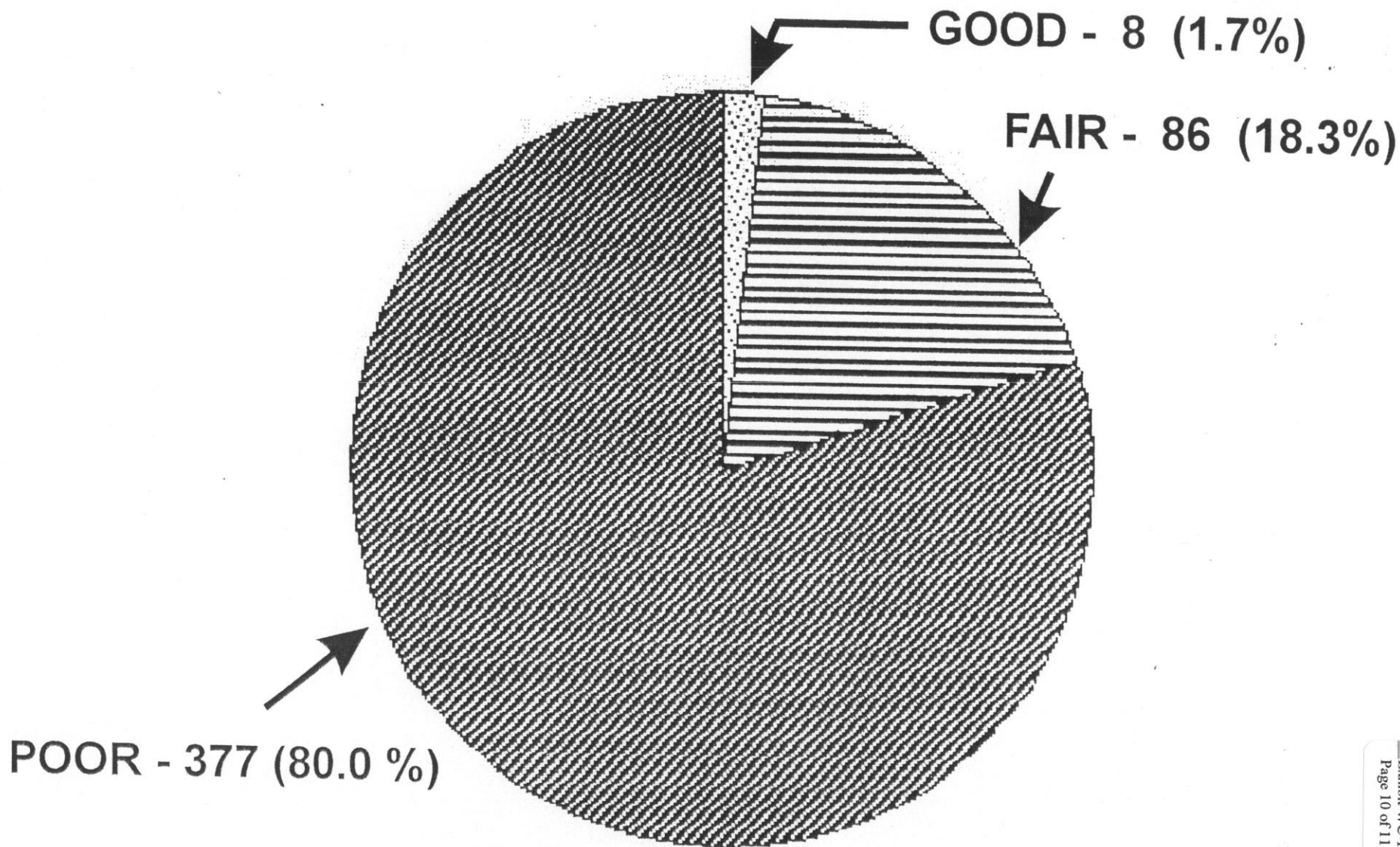
W. Coogan
H. Hawkins
L. Bagnato



Report date: December 2, 1999

CC: Aloha Utilities
State of Florida, Public Service Commission
Representative Mike Fasano
Chelsea Place Board Members
Additional as determined by Chelsea Place Board

RATIO - POSITIVE vs. NEGATIVE RESPONSES



WATER QUALITY SURVEY - ALOHA UTILITIES
BY CHELSEA PLACE HOMEOWNERS ASSOCIATION - NOVEMBER 24, 1999
(RESULTS - QUESTIONS 1, 2, 3, 4, & 6)



2

Florida House of Representatives

Majority Floor Leader

Mike Fasano
Representative, 45th District

Committees
Chair, Health Care Licensing
& Regulation
Government Services Council
Finance & Taxation
Governmental Operations
Regulated Services

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December 7, 1999

Harold McLean
Office of the Public Counsel
111 West Madison Street
Tallahassee, FL 32399-1400

Dear Mr. McLean,

The board of directors of the Chelsea Place subdivision recently conducted a survey of that community's residents regarding the quality and service of water provided by Aloha Utilities. I am attaching a copy of those results. I believe this information may be helpful in our upcoming public hearing. I would appreciate it if you would make this report available to anyone whom you believe may benefit from it.

I have also enclosed an article provided by Mr. Harry Hawcroft who is another Aloha Utilities customer. This article, which deals with the corrosivity of water, may be of interest to Mr. Ted Bidy. I would appreciate it very much if you would review this material and pass it on to Mr. Bidy.

Thank you for your assistance with the review and distribution of these materials. As always, if there is ever anything I can do for you please do not hesitate to call on me.

Yours truly,

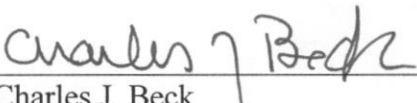
Mike Fasano
State Representative, District 45
Majority Floor Leader

MF/gg

cc: Bill Coogan
Harry Hawcroft

**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.


Charles J. Beck

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