

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for increase in water rates for Seven Springs System in Pasco County by Aloha Utilities, Inc. | DOCKET NO. 010503-WU
FILED: FEBRUARY 15, 2005

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-04-0728-PCO-WU, issued July 27, 2004, as revised by Order No. PSC-04-1712-PCO-WU, issued December 9, 2004, the Commission (Staff) files its prehearing statement as follows:

A. All Known Witnesses

Staff intends to call the following witness:

John R. Sowerby, P. E., of the Department of Environmental Protection (DEP). He will testify as to the utility's compliance with the regulations and statutes administered by the DEP and to the DEP rules concerning hydrogen sulfide concentrations.

B. Exhibits

Staff has not identified any exhibits at this time. Staff reserves the right to identify additional exhibits at the Prehearing Conference and at the hearing for purposes of cross-examination.

C. Staff's Statement of Basic Position

The information gathered through discovery and prefiled testimony indicates, at this point, that some additional treatment as regards sulfides in the water is required, and that testing to determine the effectiveness of the treatment is required. However, at this point in time, staff takes no position on where the tests should be taken, and the frequency and number of the tests. Except where staff has testified, staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

D. Issues of Fact, Law and Policy

The following are issues identified by Staff and its positions on these issues. Staff's positions are preliminary, are based upon materials filed by the utility or obtained through discovery and are intended to inform the parties of Staff's preliminary positions. Staff's final positions will be based upon an analysis of the evidence presented at the hearing.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

ISSUE 1: Should the reference to sulfide in "finished water" in the proposed agency action order be stated as a maximum contaminant level for total sulfides of 0.1 mg per liter of delivered water at the point of its entry into the domestic system at the domestic meter?

STAFF'S POSITION: Pending further development of the record, staff takes no position as to whether the reference to sulfide in the "finished water" for a level no greater than 0.1 milligrams per liter (mg/L) should be a maximum contaminant level, a goal, or an indication that some further action is required. Also, staff takes no position as to where the "finished water" should be tested, and also takes no position on the frequency and number of tests to be taken.

ISSUE 2: Should the improvements be such that sulfide present in raw water or generated during treatment and transmission be removed, not converted, to a level not to exceed 0.1 mg/L in finished water delivered at the point of entry into the domestic system?

STAFF'S POSITION: Pending further development of the record, staff takes no position as to whether the sulfides in the raw water should be removed or converted such that the sulfide level is less than 0.1 mg/L in the "finished water."

ISSUE 3: Should compliance with such requirements be determined based upon samples taken at least once a month at a minimum of two sites at domestic meters most distant from each of the multiple treatment facilities with such sites rotated to provide the greatest likelihood of detecting any departure from the maximum levels permitted?

STAFF'S POSITION: Pending further development of the record, staff takes no position as to where the "finished water" should be tested, and also takes no position on the frequency and number of tests to be taken, or whether the sites should be rotated.

ISSUE 4: Should this docket be closed?

STAFF'S POSITION: Upon issuance of a final order subsequent to the hearing on this matter, this docket should not be closed until the pending appeal on the refund issue has concluded, and the time for filing an appeal on the final order in this matter has run.

E. Stipulated Issues

There are no issues that have been stipulated at this time.

F. Pending Matters

There are no matters pending at this time.

G. Pending Confidentiality Claims or Requests

There are no pending confidentiality claims or requests at this time.

H. Requirements That Cannot Be Complied With

There are no requirements of Order Nos. PSC-04-0728-PCO-WU and PSC-04-1712-PCO-WU that cannot be complied with at this time.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the COMMISSION STAFF'S
PREHEARING STATEMENT has been furnished by U.S. Mail, this 15th day of February, 2005, to the
following:

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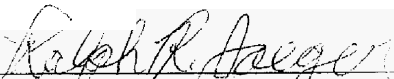
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