

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA PUBLIC SERVICE  
COMMISSION,

Petitioner,

PSC Docket No. 060606-WS  
ORDER No. PSC-08-0266-SC-WS

vs.

ALOHA UTILITIES, INC.,

Respondent.

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**ALOHA UTILITIES, INC.**  
**REQUEST FOR HEARING**

ALOHA UTILITIES, INC. ("Aloha"), by and through its undersigned  
counsel, and pursuant to Rule 28-106.2015(5), Florida Administrative Code,  
hereby files this Request for Hearing and states:

1. Aloha's name, address, telephone number, and facsimile is as

CMP \_\_\_\_\_

COM 5 follows:

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SGA \_\_\_\_\_

SEC \_\_\_\_\_

OTH \_\_\_\_\_

Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655  
(727) 372- 0110 5  
(727) 372-2677 facsimile

2. Name, address, telephone number, and facsimile of Rose,

Sundstrom and Bentley, LLP, is as follows:

Rosc, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive, Tallahassee, Florida 32301

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Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(850) 877- 6555  
(850) 656-4029 facsimile

3. Aloha hereby requests an administrative hearing on Order No. PSC-8-0266-SC-WS issued on April 30, 2008.

4. Aloha received notice of Order No. PSC-08-0266-SC-WS by downloading a copy from the Commission's website contemporaneous with the availability of same.

5. The following material facts set forth in Order No. PSC-08-0266-SC-WS are in dispute:

(a) "In February 2005, we initiated deletion proceedings in Docket No. 050018-WU for a portion of the Seven Springs service area based on a number of "black water" problems that ultimately resulted from the presence of hydrogen sulfide in the water in copper piping systems."

(b) "By Order No. PSC-06-0270-AS-WU, we approved the Settlement Agreement because it put a stop to lengthy and expensive litigation, resolved all outstanding dockets and court proceedings between Aloha and this Commission, and because it was believed to be the quickest solution to solving the customers' black water problems."

(c) "The critical element of the Settlement Agreement is the acknowledgement of the parties that it is prudent for Aloha to implement a new water treatment method – anion exchange – to address the current problems that stem from the presence of hydrogen sulfide in the water, thereby addressing the related taste, odor, and color problems."

(d) "Another key element of the Settlement Agreement was that after the effective date no further enforcement action against Aloha would be requested by the parties or taken by us (and no further disallowances or penalties would be assessed), based on Aloha's actions or inactions prior to the effective date relating to water quality or customer service issues which have been raised in prior dockets."

(e) "However, the Settlement Agreement explicitly states that we may initiate a new enforcement action based on actions or inactions after the effective date in the event we find probable cause that Aloha has violated its obligations under the Settlement Agreement."

(f) "Aloha agreed to file quarterly progress reports during the implementation of the project, and Commission staff agreed to meet to review each progress report with the Parties."

(g) "Pursuant to the Settlement Agreement, if our staff concludes that Aloha is not proceeding in good faith to meet the schedule, our staff may recommend enforcement action."

(h) "Aloha remains free to request any necessary extension of time, and the other parties remain free to seek other relief in the event the schedule is not being met."

(i) "The 24-month project time line has not been met."

(j) "Initially, the project was stalled in the design phase until April 11, 2007, due to delays in working out the bulk water purchases with Pasco County."

(k) "Aloha was not able to obtain all of the necessary bulk water engineering information until that time."

(l) "The parties discussed during that time period the need to expedite completion of the project, by making up the time in other phases."

(m) "Once the bulk water supply issues were resolved, Aloha proceeded to complete the final design phase of the project."

(n) "Based upon copies that our staff received of communications between Aloha, USF, and Dr. Levine, it appears that Aloha was aware for several months that project completion was threatened by its failure to receive data and design reports in timely fashion."

(o) "Aloha, however, failed to report these difficulties in its quarterly progress reports."

(p) "Dr. Levine finally submitted her report in two parts in October and November of 2007, after our staff intervened in the matter."

(q) "Based on delays in working out bulk water purchases with Pasco County, the project was stalled in the design phase until April 11, 2007, when the County provided Aloha all the needed bulk water information."

(r) "With this information in hand, Aloha had all information necessary to complete final engineering design."

(s) "To complete the design, Aloha had contracted with the University of South Florida (USF or University) for the engineering services of Dr. Audrey Levine (Dr. Levine or Levine)."

(t) "It appears that Dr. Levine made promises to the utility that she would provide the design even though she was leaving the University."

(u) "It is clear that her services were viewed as necessary to completion of the project."

(v) "It is not clear why the utility did not thereafter contract directly with Dr. Levine, or whether it took other steps to formalize the commitment."

(w) "It appears that well before the end of June 2007, Aloha was experiencing difficulty obtaining data and/or reports required under the contract in a timely manner."

(x) "Hence, Aloha stated that it had been unable to obtain not only the final design reports (which could not be completed until after bulk water service information was obtained in April 2007) but also the underlying data that formed the basis for the reports."

(y) "However, the fact that essential project information was not forthcoming for several months was not disclosed in quarterly progress reports required to be filed during the relevant time period. For example, the quarterly report filed on July 3, 2007, in which Aloha was required to provide details of the progress of implementation for the period of March 31, 2007, to June 30, 2007, failed to report that Levine's data and report were overdue."

(z) "That quarterly report, in fact, stated in several places, without reference to any difficulties, that the "entire project team" or the "science and engineering teams" had participated in assessing the bulk water information obtained and the impact of the information on the status of the project and its completion schedule."

(aa) "Moreover, Aloha's failure to report the project delay in its quarterly report is a violation of its obligations under Order No. PSC-06-0270-AS-WU."

(bb) "Aloha's reliance on verbal assurances by Dr. Levine, particularly in light of the continuing delays they observed in her failure to provide requested information, appears to have contributed to additional unnecessary delays."

(cc) "The utility has not provided circumstances or justification which satisfactorily mitigate the utility's apparent violation."

(dd) "Based on the above, Aloha shall show cause, in writing, within 21 days, why it should not be fined a total of \$15,000 for its apparent violation noted above."

6. Aloha also disputes the facts represented in the so-called "timeline of relevant events" in the anion exchange construction project attached to the Order as Attachment A.

7. Aloha disputes the chronology of events set forth in Order No. PSC-0809266-SC-WS.

8. Aloha disputes the omission of any fact needed or necessary to provide proper and appropriate context to any material fact in Order No. PSC-08-0266-SC-WS.

9. Nothing herein should be construed as a waiver by Aloha of its right to hearing on any particular material fact in Order No. 08-0266-SC-WS.

10. Quotations in Order No. PSC-08-0266-SC-WS from letters, e-mails, prior Commission Orders, and prior documents are assumed to be correct. Aloha reserves the right to correct, for the record, any misquote, mischaracterization, or incorrect paraphrase from any such document in Order No. PSC-08-0266-SC-WS.

11. Aloha disputes that it has knowingly refused to comply with, or has willfully violated any Commission rule, order, or any provision of Chapter 367, Florida Statutes

WHEREFORE, Respondent, Aloha, requests a hearing as set forth hereinabove.

Respectfully submitted this 21st day of May, 2008.



John L. Wharton  
F. Marshall Deterding  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(850)877-6555  
(850)656-4029 FAX




CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via hand delivery to the following parties on this 21st day of May, 2008:

Stephen C. Reilly, Esquire  
Associate Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399-1400

Jean Hartman, Esquire  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850



John L. Wharton

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