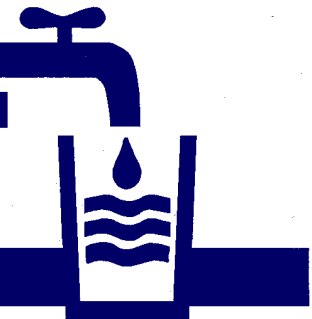


# SPECIAL REPORT



MARCH 2000 NO. 7

## Investigation of Utility Rates of **Aloha Utilities, Inc.**

Aloha Utilities, Inc. (Aloha) is a Class A water and wastewater utility in Pasco County. (A Class A utility is one with annual operating revenues of \$750,000 or more.) The utility provides water and wastewater service to two distinct service areas — Aloha Gardens and Seven Springs. As of December 31, 1998, Aloha was serving approximately 8,457 water customers in the Seven Springs service area.

On April 30, 1996, a petition signed by 262 customers within the utility's Seven Springs service area was filed with the Commission, requesting that the Commission investigate the utility's rates and water quality. Customer hearings were held on September 9-10, 1996, in New Port Richey, and concluded on October 28, 1996, in Tallahassee. Those customer hearings were attended by more than 500 customers, many of whom provided testimony about such quality-of-service problems as black water, low pressure and odor, as well as customer-service-related problems.

After evaluation of the evidence, the Commission rendered a decision that the quality of service, to include Aloha's responses to customer complaints, provided by Aloha's water system was unsatisfactory. Because it appeared that the black water was based, in part, on the presence of hydrogen sulfide in the water, the Commission ordered Aloha to prepare a report that evaluated the costs and efficiencies of several treatment options for the removal of hydrogen sulfide from its source water.

Subsequently, Aloha filed the report and informed the Commission that it was willing to take several measures to improve the quality of its water. One of these measures called for the construction of three water treatment plants that would utilize a process called packed tower aeration to reduce hydrogen sulfide levels. Aloha estimated that construction of the three treatment plants and other system upgrades would increase customer rates by 398 percent. However, before Aloha would construct these facilities, the utility requested that the Commission issue an Order declaring it prudent for Aloha to do so.

On January 7, 1999, the Commission issued a Proposed Agency Action (PAA) Order denying Aloha's request for an Order declaring it prudent to begin construction of the three water treatment plants. Since that time, the utility has not begun construction on the plants. Because of a protest to the PAA portion of that Order, a formal hearing has been scheduled for March 29-30, 2000.

The customer service hearings and technical hearing listed on the right side of this page are being conducted in the utility's service area to hear and respond to customer comments on the quality of service and to discuss what action (if any) the Commission should require Aloha to take to improve the quality of service.

PSC staff is scheduled to make a recommendation to the Commission on June 8, 2000, and the Commission vote on this matter is scheduled for June 20, 2000.

## **CUSTOMER HEARING**

DOCKET NO. 960545-WS

**March 29, 2000** - 10:00 a.m. - 6:00 p.m.  
Clarion Hotel Ballroom  
5316 U.S. Highway 19 North  
New Port Richey, Florida

(A technical hearing, at the same location, will be held at the conclusion of the customer service hearings and on Thursday, March 30, 2000, at 10:00 a.m.)

### **PSC Staff & Reference Numbers**

#### **For technical questions:**

Bob Crouch (850) 413-6946  
Marshall Willis (850) 413-6914

#### **For legal questions:**

Ralph Jaeger (850) 413-6234  
Jason Fudge (850) 413-6236

#### **For general information:**

Barry Ray (850) 413-6111  
Robby Cunningham (850) 413-6129  
or call toll free 1-800-342-3552  
1-800-511-0809 to fax  
Internet: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)  
Home page: <http://www.floridapsc.com>

**AUDIO  
ACCESS  
TO PSC EVENTS  
on the  
INTERNET  
SEE PAGE 3**

## FPSC Commissioners



### Joe Garcia

Chairman Garcia was appointed by the late Governor Lawton Chiles in August 1994 to complete a term ending in January 1998, and was then reappointed by Governor Chiles to a new term ending in January 2002. He was installed as Chairman of the Florida Public Service Commission in January 1999. Prior to his service on the Commission, he was Executive Director of the Cuban Exodus Relief Fund, the Cuban American National Foundation's private sector resettlement program, and was Assistant Director of the Salvadoran American Foundation, where he coordinated fund-raising efforts for humanitarian relief campaigns. Chairman Garcia is currently Chair of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on International Relations and serves on the NARUC Committees on Telecommunications and Consumer Affairs. In addition, he was appointed to NARUC's Federal-State Joint Board on Universal Service. He is Second Vice-Chair of the Southeastern Association of Regulatory Utility Commissioners (SEARUC). He has also served on the Department of Energy's National Electric and Magnetic Fields Advisory Committee. He received a bachelor of arts degree in politics and public affairs, as well as a law degree, from the University of Miami. He is a director of The Beacon Council and the Latin Chamber of Commerce of USA (CAMACOL).



### J. Terry Deason

Commissioner Deason was first appointed by the Florida Public Service Commission Nominating Council in February 1991 for a term ending in January 1995. He has been reappointed to consecutive terms by the late Governor Lawton Chiles and Governor Jeb Bush. Commissioner Deason's current term ends in January 2003. He served as Commission Chairman from January 5, 1993, through January 2, 1995. Commissioner Deason is an active member of the National Association of Regulatory Utility Commissioners (NARUC). He currently serves on NARUC's Board of Directors, its Finance and Technology Committee, and its Utility Association Oversight Committee. Prior to his appointment, he served as Chief Regulatory Analyst in the Office of Public Counsel. In that capacity, he was responsible for the coordination of accounting and financial analysis used by the Public Counsel in cases before the Public Service Commission, presented testimony as an expert witness, and consulting with the Public Counsel on technical issues and ratemaking policies concerning regulated utilities in the State of Florida. From 1981 to 1987, he served as Executive Assistant to PSC Commissioner Gerald L. Gunter, during which time he reviewed and analyzed staff recommendations and advised the Commissioner on those recommendations and other pertinent policy determinations. From 1977 to 1981, he served as a Legislative Analyst with the Office of Public Counsel. He attended the U.S. Military Academy at West Point, and in 1975 received his bachelor of science degree in accounting, summa cum laude, from Florida State University. Deason also received his master of accounting degree from FSU in 1989.



### Susan F. Clark

Commissioner Clark was first appointed to the Commission in August 1991 and was recently reappointed to a term ending in 2003. She served as Commission Chairman from January 2, 1995, through January 7, 1997. She served the Commission as General Counsel, representing the Commissioners in all state and federal courts, from 1988 until she was appointed Commissioner. Prior to that, she served as Associate General Counsel and Deputy General Counsel. Before her employment with the Public Service Commission, she was staff attorney with the Florida Joint Administrative Procedures Committee, and was staff attorney for Florida Senate Legislative Services. She received her bachelor's degree in political science and her juris doctor degree from the University of Florida. She is a member of the Florida Bar and is admitted to practice in several federal courts, including the U.S. Supreme Court. She serves as Chair of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Electricity, and Chair of the Ad Hoc Committee on Electric Industry Restructuring. She represents NARUC on the North American Electric Reliability Council, and is a member of the Electric Power Research Institute Advisory Council and the Steering Committee of the National Council on Competition.



### E. Leon Jacobs, Jr.

Commissioner Jacobs was appointed by the late Governor Lawton Chiles to a four-year term beginning January 1998. Prior to his appointment, he was a staff attorney for the House Committees on Tourism and Economic Development, Insurance, and Financial Services in the Florida House of Representatives, where he authored reforms to the state's minority business enterprise programs and managed health insurance and workers' compensation issues. He was staff counsel to the Florida Senate Committee on Reapportionment addressing redistricting issues, which involved support of court appeals of the political districts up through the U.S. Supreme Court. He also was an attorney with the Florida Public Service Commission, where he served as counsel to Commission staff and litigator of administrative proceedings. He is a member of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Water and Committee on Consumer Affairs. He is also a volunteer guardian in the Guardian Ad Litem Program (GAL) in the Second Judicial Circuit. Additionally, Commissioner Jacobs formerly chaired NARUC's Ad Hoc Task Force on Y2K Readiness. He also formerly served as President of the Board of Directors of the Tallahassee affiliate of Habitat for Humanity. Commissioner Jacobs is a member of the Florida Bar. He received a bachelor of technology degree, with honors, in data processing from Florida A&M University, and his juris doctor degree from the College of Law at Florida State University.



### Lila A. Jaber

Commissioner Jaber was appointed to the Florida Public Service Commission (PSC) by Governor Jeb Bush in February 2000 to complete a term ending in January 2001. From April 1999 to November 1999, she served as Assistant to PSC Commissioner Julia L. Johnson. From 1994 to 1999, Jaber served as a Bureau Chief with the PSC's Division of Legal Services, Bureau of Water and Wastewater, implementing law and policies on the regulation of more than 1,500 water and wastewater facilities throughout the state of Florida. She also served as an attorney with the Division of Legal Services from 1991 to 1994. She was presented with the PSC's Extraordinary Accomplishment Award in 1993 and was presented the Great Manager Esquire Award by the Florida Bar in 1997. She is a member of the Florida Bar Administrative Law Section, the Florida Bar Government Lawyer Section, the Florida Bar Public Utilities Law Committee, and the Florida Barristers Association. She is a court-certified mediator and a member of the Florida Bar and the National Bar Association. She also serves on the National Association of Regulatory Utility Commissioners' Committee on Consumer Affairs and Committee on Water. She received a bachelor of arts degree in political science and business from Stetson University in Deland, FL, and a juris doctorate from the Stetson University College of Law in St. Petersburg, FL.

## Consumer Statements at PSC Hearings

The PSC is interested in what consumers have to say about the Investigation of Utility Rates of Aloha Utilities, Inc in Pasco County. The main purpose of this meeting is to receive comments from the public.

Anyone may make a statement, and speaking is an effective way to let the Commission know how you feel about the case under review. Those consumers who wish to speak should arrive early. The meeting will begin as scheduled and continue until all the consumers have been heard.

At the beginning of the hearing, procedures will be set up to establish an order for comments. The PSC staff will have sign-up sheets, and consumers will be called in the order of those sheets. The PSC staff will be available to coordinate consumer comments and assist members of the public.

Any person who wishes to comment or provide information to the PSC staff may do so at the meetings, orally or in writing. Written comments may be sent to the Commission at: Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Your letter will be placed in the correspondence file of this docket (Docket No. 960545-WS). For your convenience, a comment form is attached to this Special Report. You may also call the Commission's toll-free number, **1-800-342-3552**, or **1-800-511-0809** to FAX.

Any person who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so by writing to: Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850.

### Florida Public Service Commission

BUREAU OF

#### Consumer Information and Conservation Education

2540 Shumard Oak Boulevard  
Betty Easley Conference Center, Room 184  
Tallahassee, Florida 32399-0850

The Public Service Commission's Bureau of Consumer Information and Conservation Education provides a staff of information specialists who are available to answer questions from the media and from Florida consumers.

To reach a PSC media representative, please call the Bureau of Consumer Information and Conservation Education during business hours at (850) 413-6100 or send a fax to 1-800-511-0809. See the PSC's Internet home page at <http://www.floridapsc.com>.

### Audio Access to PSC Events on the Internet

Public Service Commission hearings are accessible as live audio broadcasts on the PSC's Internet Home Page. To access a hearing, you must have a computer equipped with a soundboard and speakers. The necessary helper application software, Progressive Networks' Real Player, may be downloaded at the PSC Web site.

The PSC's Internet home page address is <http://www.floridapsc.com>. After logging onto the home page, the listener must choose the option "**Audio Access to PSC Event**" and follow the prompts.





STAMP

Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Fold Here

Tape

Fold Here