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October 27, 2000

VIA HAND DELIVERY

Blanca S. Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0862

Re: Aloha Utilities, Inc.; PSC Docket No. 991643-SU  
Petition for Wastewater Rate Increase for its Seven Springs System Customers in Pasco  
County, Florida  
Our File No. 26038.30

Dear Ms. Bayo:

Attached in accordance with the request of the presiding officer at the hearing, are the original and fifteen copies of late-filed exhibit SGW-2.

Should you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY

John L. Wharton  
For The Firm

APP \_\_\_\_\_  
CAF \_\_\_\_\_ JLW/tmg  
CMP \_\_\_\_\_ Enclosures  
COM 4 cc: Ralph Jaeger, Esquire  
CTR \_\_\_\_\_ Stephen Burgess, Esquire  
ECR \_\_\_\_\_ Stephen G. Watford  
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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ORIGINAL

ALOHA UTILITIES, INC.  
Docket No. 991643-SU

**Late-Filed Exhibit SGW-2**

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

I.  
GENERAL RESPONSE

A) Concerns regarding Water Quality:

The only subject of the proceeding before the Commission is whether Aloha's application for an increase in the wastewater rates for its Seven Springs System in Pasco County should be approved. In keeping with statutory requirements and long-standing Commission policy the quality of sewer service provided is the only quality of service issue in such cases. Several customers, despite the clear scope of this proceeding and despite the Presiding Officer's best efforts to explain the nature of this proceeding and the appropriate parameters for the evidence and testimony which should be heard in this proceeding, testified either exclusively or almost exclusively about water quality concerns. Certain water quality concerns of some customers have previously been the subject of exhaustive discovery, discussion, testimony and evidence in Docket No. 960545-WS, which ultimately resulted in the issuance of Order No. PSC-00-1285-FOF-WS. Order No. PSC-00-1285-FOF-WS instructed Aloha to undertake certain activities responsive to those concerns and Aloha is in compliance with that Order. Docket No. 960545-WS, and certain activities which occurred before the PSC both prior to Docket No. 960545-WS and since the time of the Final Order in Docket No. 960545-WS, have addressed the issue of water quality for Aloha to an unprecedented level of examination and detail. The consistent result of the lengthy and unprecedented review of this issue is a finding that the water service provided by Aloha Utilities is fully in compliance with all of the regulatory standards of all agencies having jurisdiction over water quality.

In order not to disrupt the proceeding, Aloha objected to customer testimony on the issue of water quality concerns and made that objection a continuing objection. TR Volume I, page 23, line 16; Volume III, page 289, line 9.

Additionally, the Presiding Officer stated, during the course of the proceedings, that

. . . in order to achieve our purpose today, which is to get the evidence and the information we need to address the request from the wastewater system, we need to make the best use of our time to get your comments about the quality of service of wastewater. Volume I, page 14, line 19.

The Presiding Officer also stated, at Volume I, page 16, line 25, that "If you would help us to be concise in our ability to do our job today and limit your comments to the wastewater issues."

The Presiding Officer also stated that "I would then say to you that during today's processes, we will be looking very clearly to hold our comments to the wastewater process.

If you would help us in that, I would very much appreciate that.” Volume I, page 17, line 12.

At the beginning of the evening session, The Presiding Officer stated

. . . that’s an important point to remember, that we can only look at information as it relates to the issues in the wastewater case. And that’s what Staff will be looking at when they take the evidence that you present here today. Volume III, page 285, line 14.

The Presiding Officer later stated, also in the evening session, that

We will ask you to limit your comments to your views about the quality of service that you receive from the wastewater company. Volume III, page 286, line 21.

The Presiding Officer had initially indicated, during argument on Aloha’s initial objection to this testimony, that

. . . any comments or evidence that are going to come forward regarding the quality of water, we do not have a box to fit that in for purposes of our process today. Volume I, page 24, line 22.

The nature of the proceeding, the fact that water quality concerns have been exhaustively and thoroughly reviewed by the PSC in the recent past, and the clear directives of the Presiding Officer that water quality testimony should not be included in this record, all demonstrate that the Commission should give no weight to customers’ testimony addressing water quality concerns. Customers have been given every opportunity to address those issues in the past and the Commission has heard and considered their collective voices on water quality issues.

Some customers also referenced or testified about the flushing of certain lines or the intermittent opening of certain fire hydrants by Aloha. Clearly, just as with the testimony regarding water quality, such testimony is unrelated to the issue of Aloha’s wastewater service and whether Aloha’s application should be granted. No customer even attempted to quantify with specificity either the timing, the gallons released, or the duration of any specific hydrant opening. This is another issue which was addressed thoroughly and exhaustively discussed in Docket No. 960545-WS, and it was clearly established in that case that Aloha’s method and timing of hydrant flushing is pursuant to a plan approved by the



Florida Department of Environmental Protection. The Commission should give no weight to customers' testimony addressing fire hydrant flushing.

A few of the customers expressed concern that what they perceived to be poor quality of water service has affected their sewer service through excess flushing of internal systems. As was noted repeatedly at the hearing and in the Orders related to the water quality Docket No. 960545-WS, the problems with discolored water are the result of reactions within the customers' homes and are outside Aloha's area of responsibility and are beyond its ability to correct. Therefore, this water quality issue, as well, is one that has been well documented and clarified through the water quality investigation and to the extent it does affect wastewater service or the cost of wastewater service for each customer, it is purely a matter within their own control and outside the control and responsibility of Aloha Utilities.

B) Concerns regarding irrigation meters:

A few customers expressed concern about the conditions under which irrigation meters are provided by Aloha Utilities, Inc. and their affect on sewer service.

It is Aloha's standard procedure to respond to any requests for an irrigation meter and to provide those meters, once the customers comply with the requirements for installation of such meters in accordance with the utility's standard approved tariffs and sound water utility operation. All customers are informed of the specific requirements related to installation of irrigation meters upon request for such information, and Aloha adheres to its approved tariff in all information and costs quoted to its customers. Aloha presently does have customers with separate irrigation service.

C) Customers whose testimony was limited to Water Quality:

39 customers testified during both the morning and evening sessions, which was set aside for customer testimony. Of that number, 6 did not address any subject or issue in any way, shape, or form, other than their concern about water quality. The following customers testified purely about their concerns about water quality, and therefore no response to that testimony will be included within this Late-file Exhibit.

- Raymond Hartinger
- George Vilk
- Deborah Walker
- Dominic Cifelli
- Neal Allen
- James Irwin

D) Customers who are not affected by Aloha's Application:

The following 5 customers testified despite the fact that they do not live in the Seven Springs area. Their testimony is , therefore, not relevant as they will be unaffected by Aloha's proposed rate increase:

- Rudy Valentic
- George Porter
- George Steele
- James Turtle
- Doris Boyce

II.

RELEVANT CUSTOMER TESTIMONY

The following customers testified during the customer testimony portion of the hearing. A synopsis of their concerns, and Aloha's response to that concern, is as follows:

- Mike Fasano

Synopsis:

Mr. Fasano spoke almost exclusively about water quality issues. Mr. Fasano acknowledged that water quality issues had been addressed in both the 1996 and 2000 proceedings held by the PSC. Mr. Fasano stated that he objected to the increase, but only to the extent that the expense "should have been planned for and absorbed in other ways" by Aloha. Mr. Fasano also addressed the issue of impact fees, but indicated that his opinion was based on his belief that "those who are creating the problem by the large expansion of homes that are built in the Seven Springs" should have to bear "these costs". Volume I, page 34, line 10.

Mr. Fasano acknowledged that he understood that the impetus for Aloha's filing for this rate increase was a result of its implementation of the directive of another agency (Volume I, page 35, line 5), and that he had only briefly reviewed Aloha's application. Mr. Fasano also testified about the salary for the vice president in issue 21 but stated he had undertaken no analysis on the issue. Volume I, page 35, line 14. Mr. Fasano also addressed the proposed fine regarding the failure to timely file the extension of the Mitchell Agreement, but indicated he was not aware of whether anyone was prejudiced by that late filing. Volume I, page 37, line 23.

Aloha's Response:

While Mr. Fasano did attempt to address some of the substantive issues in this case, it was clear by his own admission that he had neither undertaken any analysis or in-depth examination of any of those issues, nor had he ever even attempted to establish that he was qualified or competent to render an opinion on any of those issues. Mr. Fasano's scripted testimony did not even attempt to describe his own experience as an Aloha customer, and therefore should hardly be considered "customer testimony" and should be accorded absolutely no weight by the Commission.

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. Fasano has been a customer since September 1993. Mr. Fasano has never contacted Aloha Utilities with any service problem at his residence.

- Harry Hawcroft

Synopsis:

Mr. Hawcroft's testimony was almost exclusively related to water quality issues. Mr. Hawcroft did testify that he was concerned that when he flushed his lines that that water would then have to be treated and that the water was wasted.

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. Hawcroft has been a customer since January 1998. Mr. Hawcroft has never contacted Aloha Utilities with any service problem. Mr. Hawcroft stated that to the extent the public access reuse that Aloha is proposing constitutes a water conservation measure, that he thought "that's great". Volume I, page 44, line 3. We are pleased that our customer has stated in his testimony that he supports reuse facilities and look forward to providing this service to our customers.

- Orville LaMaire

Synopsis:

Mr. LaMaire expressed a concern about odor problems at a pump station and also addressed issues regarding the possibility of receiving an irrigation meter.

Aloha Response:

Aloha immediately responded to a single complaint, which was actually filed by another individual customer, regarding odor at this pump station and put into place both odor control measures and a cap on the pipe. Mr. LaMaire never filed a complaint regarding this issue and no complaint had been received from any customer after the time that Aloha implemented these responsive measures. As to testimony regarding the issue of an irrigation meter, please see Aloha's General Response to concerns regarding irrigation meters, set forth at Section I(B) hereof.

- Gary Willner

Synopsis:

Mr. Willner, whose qualifications and expertise are unknown, addressed Aloha's increase saying that he was opposed to "anything close to 57%", by comparing that increase to his understanding of the historic inflation rate and by discussing his understanding of how most businesses operate.

Aloha Response:

Mr. Willner provided no information about his credentials or qualifications or experience, if any, in rate-making matters or with regard with rate-making principles. Mr. Willner has been a customer since June of 1999. We have not received any complaints related to wastewater service from Mr. Willner. Mr. Willner's own testimony acknowledged that he was unfamiliar with some of the very concepts which he was discussing as they relate to the utility business.

- Gary Reethof

Synopsis:

Mr. Reethof's concerns addressed water quality issues, and also the issues of separate irrigation systems. It was Mr. Reethof's opinion that Aloha had not adequately communicated with him regarding what Aloha is doing to reduce costs and to improve services.

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. As to testimony regarding the issue of an irrigation meter, please see

Aloha's General Response to concerns regarding irrigation meters, set forth at Section I(B) hereof. Mr. Reethof has been a customer since June of 1999. Mr. Reethof has never contacted Aloha Utilities with any service problem nor with any questions regarding irrigation meters. Mr. Reethof indicated that he had not heard that the type of project that Aloha was proposing would give Aloha the capability of residential reuse and indicated his support of such facilities. Volume I, page 69, line 19. Aloha makes every reasonable attempt to be communicative with its customers, including the provision of informational mailouts.

- Ernest Lane

Synopsis:

Mr. Lane, other than addressing water quality concerns, also spoke to the issues of impact fees and urged that they be raised as quickly as possible. Mr. Lane also testified regarding his desire that separate water meters be available for irrigation service, to be installed at Aloha's expense including the "plumbing work from the meter to the irrigation system". Mr. Lane also said that he would like to see all new homes required to have dual meter systems. Mr. Lane also felt that all infrastructure costs should be born by Aloha with regard to any reuse water system.

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. Lane has been a customer since September of 1998. We have not received any complaints related to wastewater service from Mr. Lane nor with any questions regarding irrigation meters. Mr. Lane indicated he was not aware of any real details involving the impact fees. Volume I, page 77, line 6. He said he only had a general impression that perhaps the impact fees were not going to go as high as Mr. Fasano thought they should go. Volume I, page 77, line 7. He indicated he would support Aloha's position if that position was that those fees should be set at the maximum authorized by Commission rules. Volume I, page 77, line 15.

- Linwood Oberg

Synopsis:

Mr. Oberg's concerns were almost exclusively related to water quality, although he did intimate that the rate increase was, in his opinion, too high.

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. Oberg has been a customer since May of 1999. We have not received any complaints related to wastewater service from Mr. Oberg.

- Robert Lenahan

Synopsis:

Mr. Lenahan felt that Aloha's increase was too high and that he felt that Aloha personnel were rude and arrogant. He expressed a concern that the rate increase was being justified by "some very clever accounting", but did state that he did have no complaints about the wastewater service.

Aloha Response:

Mr. Lenahan has been a customer since November of 1994. This customer has never contacted Aloha Utilities with any service problem. Mr. Lenahan gave no specific examples nor related any specific instances of rudeness or arrogant behavior on the part of Aloha personnel.

- Edward Wood

Synopsis:

Mr. Wood testified, extensively but with no supporting detail or analysis, that he felt the wastewater rate was too high and he attempted to address many of the technical issues in the proceeding, which he appeared to have learned of by reviewing the Prehearing Order.

Aloha Response:

Mr. Wood did not reveal that he had any qualifications or competency to provide any opinions on any of the technical issues in this proceeding, which have been exhaustively addressed through discovery and by expert testimony by the parties and the staff. It is clear from Mr. Wood's testimony that he had not actually reviewed either Aloha's application or any of the testimony or evidence to be offered in this case. Mr. Wood's testimony clearly indicated that he did not have any sound understanding of the issues involving Aloha's new building. Mr. Wood understood that Aloha's intent was to build a new building. See e.g., Volume I, page 95, line 5. Mr. Wood has been a customer since April 1996. We have not received any complaints related to wastewater service from Mr. Wood.

- Jim Schermerhorn

Synopsis:

Mr. Schermerhorn addressed the issue of the fact that he had to irrigate his lawn and that that water was “built into the bill for my sewer”. He said he was unhappy about the idea of having a rate increase.

Aloha Response:

Mr. Schermerhorn has been a customer since November 1998. We have not received any complaints related to wastewater service from Mr. Schermerhorn.

- Charles Rifkin

Synopsis:

Mr. Rifkin said that the opening of fire plugs was inconsistent with water conservation. He asked if that was why Aloha was getting a rate increase to help pay for that water. Mr. Rifkin addressed his concerns regarding water quality in the pipes inside his house. Mr. Rifkin indicated that he has been writing on the back of his bills for five (5) years that he would like to hear from Mr. Watford.

Aloha Response:

See Aloha’s General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. Rifkin has been a customer since September 1994. We have not received any complaints related to wastewater service from Mr. Rifkin. Aloha consistently advises its customers that writing notes on bills is an ineffective way to communicate concerns to the utility. Mr. Rifkin has been advised of this fact before. In fact, Mr. Watford has met with Mr. Rifkin in the past.

- Helen Ketner

Synopsis:

Ms. Ketner indicated that she felt the bills were too high.

Aloha Response:

Mrs. Ketner provided no details or basis for her opinion. Mrs. Ketner has been a customer since 1978. We have not received any complaints related to wastewater service from Mrs. Ketner.

- Lucy Ruffle

Synopsis:

Ms. Ruffle stated that she believed her \$81.91 bill for a prior month, and that an \$80.58 bill for the most recent month were too high.

Aloha Response:

Ms. Ruffle provided no testimony whatsoever about her water use habits. Ms. Ruffle's meter was tested, determined to be working appropriately, and therefore Ms. Ruffle's bills are accurate. Ms. Ruffle has been a customer since 1978. We have not received any complaints related to wastewater service from Ms. Ruffle.

- Diane Shonitsky

Synopsis:

Ms. Shonitsky believed that the increase requested was too high and that it exceeded the raises which her and her husband have gotten at their jobs. She testified about the quality of water. Ms. Shonitsky objected that the customers should have to fund Aloha's new building.

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Ms. Shonitsky has been a customer since June 1996. We have not received any complaints related to wastewater service from Ms. Shonitsky.



- Dominic Cifelli, Sr.

Synopsis:

Mr. Cifelli objected to the costs for bench meter tests and said it was his understanding that it would cost him “a couple of hundred dollars to go to Georgia”. He also said that his water use tends to fluctuate from day to day, and appeared to question the accuracy of his meter.

Aloha Response:

At that time (in 1997), the Georgia company Aloha used for bench meter tests was the only available company. Now Aloha is equipped to conduct those bench meter tests utilizing its own facilities. Mr. Cifelli called the PSC and asked if a PSC staff member would be going to Georgia, and was informed they would not. The cost that he testified about was the cost if he personally had accompanied the meter to Georgia in order to witness the tests. The facility which was proposed to test the meter was a certified testing facility and he declined because he did not trust the result if he could not personally attend the bench test. Mr. Cifelli has been a customer since 1989. We have not received any complaints related to wastewater service from Mr. Cifelli.

- James Dean, Sr.

Synopsis:

Mr. Dean objected to the fact that it was his understanding that Mitchell’s Ranch got free effluent water, when it should be returned to the customers. He objected to the fact that lawns had to be watered with drinking water, and that there were deed restrictions which opposed irrigation wells. He felt that any rate increase requested by Aloha should be denied until individual homes were provided with effluent water and that this would generate a “revenue stream”.

Aloha Response:

Mr. Dean apparently did not comprehend that the application of effluent water to the Mitchell Ranch did not require public access reuse standards. Aloha is currently implementing a wastewater plant which meets Class I reliability standards and which will be approved for public access reuse. This issue was fully addressed in a prior case before the PSC, and the technical testimony in that case addressed this issue extensively. The application of reuse water to the Mitchell Ranch has been both necessary and the most cost-effective method of effluent disposal to the benefit of Aloha’s customers. Mr. Dean has

been a customer since October 1992. This customer has never contacted Aloha Utilities with any service problem.

- Joseph J. McMahon

Synopsis:

Mr. McMahon said he was confused about how Aloha calculated its charges. Mr. McMahon addressed the issue of "submetering" and objected to a letter he had received from Aloha which indicated that the total costs for what he was proposing could be \$2,800.00. Mr. McMahon said he felt there were other water companies operating in Florida that would sub-meter a request for a very small amount of money.

Aloha Response:

Mr. McMahon has been a customer since July 1994. This customer contacted our office on March 27, 1998 at 10:10 a.m. requesting assistance locating his sewer clean-out. The sewer clean-out is the customer's responsibility, however, we immediately called out a service representative to his home to assist him. Our service representative arrived at Mr. McMahon's residence and found no one at home. We sent another service representative to Mr. McMahon's residence the next business day and spoke with the customer, at which time he informed our representative that he would contact his plumber and dig out the clean-out. We have not received any further correspondence from this customer since that time. Additionally, Mr. McMahon returned to the stand and requested extensive information in the form of a letter, which the staff indicated it would supply to Mr. McMahon and other customers who requested the same. See e.g., Volume III, pages 356-359.

Mr. McMahon had questions regarding the calculation for wastewater fees and the Staff Engineer provided a detailed response, which the customer acknowledged he understood. Volume III, page 318-319. With regard to Mr. McMahon's testimony regarding "submetering", what Mr. McMahon requested was outside the point of delivery and Aloha's responsibility, and also was a physical impossibility. The line coming in from the main to Mr. McMahon's house is too small for both potable water service at the house and irrigation if it were implemented the way that Mr. McMahon seemed to suggest. Thus, his suggestion is not technically feasible and probably violative of Aloha's tariff in any case.

- Robert Dobrzykowski

Synopsis:

Mr. Dobrzykowski stated that he had contempt for Aloha and even more contempt for the PSC.

Aloha Response:

Mr. Dobrzykowski has been a customer since November 1998. This customer has never contacted Aloha Utilities with any service problem.

- Bob McCloskey

Synopsis:

Mr. McCloskey expressed his frustration with the progress which had been made by the PSC in the earlier hearings. Mr. McCloskey testified about water quality concerns and felt the rate increase should be denied.

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. McCloskey has been a customer since August 1999. We have not received any complaints related to wastewater service from Mr. McCloskey.

- John Hatsios

Synopsis:

Mr. Hatsios testified about water quality concerns almost exclusively. He expressed concerns about sludge in his hot water heater and about the quality of water that comes out from fire hydrants when they are open. Mr. Hatsios said that the Commission had become irrelevant and that customers were going to go around it. He discussed the possibility of a class action suit, but he also indicated that many of his "friends and neighbors" have indicated there was no reason to come to the meeting.

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. Hatsios has been a customer since August 1997. This customer has never contacted Aloha Utilities with any service problem.

- Gerry Rosin

Synopsis:

Mr. Rosin said that he thought the increase was too high and that it was well over the inflation rate. He indicated that workers who had come out from Aloha several times over the last seven (7) years had been very nice to them, both verbally and physically, and that he thinks they "are pretty good people".

Aloha Response:

Mr. Rosin has been a customer since June 1999. We have not received any complaints from Mr. Rosin related to wastewater service. It was a pleasure to hear Mr. Rosin acknowledge that the employees of Aloha continually strive to provide good quality customer service to our customers.

- Vincent Corelli

Synopsis:

Mr. Corelli expressed his concerns that Aloha had not opened its books even though the Commission had demanded that it do so, and said that any rate increases should be delayed until Aloha opened its books.

Aloha Response:

When asked if he was aware that in the last two (2) years the Public Service Commission (PSC) had audited Aloha five (5) times, and that one of those audits was ongoing, Mr. Corelli acknowledged that he was aware of that fact. Volume III, page 336, line 10. Mr. Corelli has been a customer since December 1994. We have not received any complaints from Mr. Corelli related to wastewater service.

- Dorthea Graca

Synopsis:

Ms. Graca testified almost exclusively about water quality concerns, but also said she thought the rate increase was too much.

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Ms. Graca has been a customer since September 1993. We have not received any complaints from Ms. Graca related to wastewater service.

- Robert Clayton

Synopsis:

Mr. Clayton indicated that his bills had risen since 1994, and he did not understand how that had happened since he was not using any more water. Mr. Clayton indicated that Aloha representatives had addressed his water quality concerns by discussing with him the possibility of replacing his copper piping with PVC. Mr. Clayton expressed a concern that Aloha was padding its payroll with relatives and friends, and doing business with related companies who had inflated prices and asked that the PSC take that into account.

Aloha Response:

Any and all increases to Aloha's wastewater rates have been duly approved by the PSC and implemented by Aloha pursuant to the PSC's authority. See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. Clayton has been a customer since April 1994. This customer has never contacted Aloha Utilities with any service problem. Since Mr. Clayton expressed concern about Aloha doing business with related parties, Aloha's acquisition of the new building, which is at issue in this proceeding should resolve that concern since it is not being purchased from a related party.

- Mary Rita Ward

Synopsis:

Ms. Ward wanted to know why the increase was only being levied in the Seven Springs area, and after an explanation from the staff engineer said that "(s)ounds like a lot of money to me for a treatment plant".

Aloha Response:

Ms. Ward asked why the rate increase only applied to the Seven Springs area, and the Staff Engineer provided an explanation to her question. Ms. Ward provided absolutely no basis, foundation or detail for her "conclusion" that the price for the treatment plant sounded too high. Ms. Ward has been a customer since 1989. This customer has never contacted Aloha Utilities with any service problem.

- Fred Green

Synopsis:

Mr. Green testified about water quality but also said he thought the sewage rate was too high now and that it should be reduced. He also testified that he thought any new buildings should be paid for by Aloha.

Aloha Response:

The extent to which any new building purchased by Aloha is added to Aloha's rate base is determined by the facts of the situation and Florida law. Mr. Green testified that he understood that improvements in new buildings were paid for by the investors of other utility companies. Volume III, page 345, line 21. See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. Green has been a customer since November 1990. We have not received any complaints related to wastewater service from Mr. Green.

- Al Shonitsky

Synopsis:

Mr. Shonitsky did not see how the rate increase was going to benefit the customers, particularly when he was out of town. He also addressed water quality concerns. He asked why so many at the Commission were drinking bottled water.

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof.

- Randy C. Packer

Synopsis:

Mr. Packer testified extensively about water quality concerns. He also indicated he thought the increase was too large, and that many persons were on a fixed income. He indicated the waste water plant should not be allowed to be built until other issues are "squared away".

Aloha Response:

See Aloha's General Response regarding water quality concerns as set forth in Section I(A) hereof. Mr. Packer has been a customer since February 1998. This customer has never contacted Aloha Utilities with any service problem.

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