

090120

1672 Canoe Creek Rd.,  
Oviedo, Fl. 32766  
May 23, 2009

RECEIVED-FPSC  
09 MAY 26 AM 9:17  
COMMISSION  
CLERK

Office of the Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Fl. 32399 – 0850

Re: Docket No. 090120 – SU, Alafaya Utilities, Inc.

I am a 90 year old resident of Oviedo, Florida, who has been a customer of Alafaya Utilities for the past 12 years.

I have no complaint regarding the services supplied by Alafaya Utilities (I have needed none) but I strongly protest their blatant attempt to *again* increase their rates by a whopping 28%! They were granted an increase of 1.28% just 3 months ago!

The city of Oviedo supplies my water and FPL my electricity; both are monopolies, just as Alafaya Utilities is, and each has increased their rates over the years but always in a more restrained manner and less frequently than the sewer company.

Alafaya Utilities bases my monthly charges upon my water usage but in the dry winter months, nearly one-third of that water is consumed by my lawn irrigation system and *does not* go into the sewer system. This is a grossly unfair policy which enriches the company.

I strongly urge the Commission to reject Alafaya Utilities latest money grab entirely or, at the minimum, tamp it down to a more reasonable level.

I can't afford a \$15 a month increase in my bill!

Manuel Baker

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. <u>02368-09</u>		
DISTRIBUTION: <u>ECR GCL</u>		

**Ann Cole**

090120

**From:** Ann Cole  
**Sent:** Wednesday, April 08, 2009 1:19 PM  
**To:** Bill McNulty  
**Cc:** Cristina Slaton; Larry Harris; Roberta Bass; William C. Garner; Lorena Holley  
**Subject:** RE: From an Aloha customer - SPTimes 4/1/09-Escrow?

Sure thing. This information will be placed in *Docket Correspondence - Consumers and their representatives*, Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

**From:** Bill McNulty  
**Sent:** Wednesday, April 08, 2009 9:44 AM  
**To:** Ann Cole  
**Cc:** Cristina Slaton; Larry Harris; Roberta Bass; William C. Garner; Lorena Holley  
**Subject:** FW: From an Aloha customer - SPTimes 4/1/09-Escrow?

Ann,

Please place this in the correspondence side of the docket file for the following dockets:  
Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

Thank You,

Bill

*Bill McNulty*  
*Chief Advisor to Commissioner Skop*  
*Florida Public Service Commission*  
*2540 Shumard Oak Boulevard*  
*Tallahassee, FL 32399-0855*  
*(850) 413-6028 (office)*  
*(850) 413-6029 (fax)*  
*bmcnulty@psc.state.fl.us*

FPSC, CLK - CORRESPONDENCE  
Administrative Parties / Consumer  
DOCUMENT NO. 02368-09  
DISTRIBUTION: \_\_\_\_\_

**From:** Nathan A. Skop  
**Sent:** Wednesday, April 01, 2009 12:22 PM  
**To:** Bill McNulty  
**Subject:** FW: From an Aloha customer - SPTimes 4/1/09-Escrow?

Please request the clerk to add this to the correspondence side of the appropriate Aloha dockets.

**From:** wayne forehand [mailto:wayneforehand@verizon.net]  
**Sent:** Wednesday, April 01, 2009 8:30 AM  
**To:** Katrina McMurrian; Lisa Edgar; Matthew Carter; Nancy Argenziano; Nathan A. Skop

4/8/2009

**Cc:** Senator Mike Fasano; Jean Hartman; Governor Crist; John Andrews Chairman BWN; Steve Reilly OPC; Brian Armstrong FGUA

**Subject:** From an Aloha customer - SPTimes 4/1/09-Escrow?

The following article appears in the St. Petersburg Times, 4/1/09, Pasco Times section, p1.

The Rose Sundstrom Law firm and very greedy Aloha Utilities is still at it. For 14 years customers have been forced to tolerate the abuse of this law firm and private water utility, now they have improperly walked away with the customers PSC ordered refund. The removal of the customers escrow fund was at very unethical action by professional attorneys, and as I see it completely illegal.

We are looking for PSC action to have funds returned to the joint escrow account for proper disposition and strong civil action on the parties involved.

From: Wayne Forehand

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**Attorney: Aloha Money Move Legal**

But one legislator wants the state to investigate the transfer of funds.

By Lisa Buie, Times Staff Writer

In print: Wednesday, April 1, 2009

TRINITY — The lawyer for Aloha Utilities says his clients did nothing improper by putting the \$375,000 in disputed escrow money in a separate account. The former utility merely wants a fair decision about who gets what, he said.

"The point of this is it's obvious to us that this matter is going to be resolved by a judge," said William Sundstrom, the attorney for the now defunct Aloha. "Customers have demanded a solution that is not acceptable to us and we have demanded a solution that is not acceptable to them. At the end of the day, a judge is going to have to resolve this issue. We want to do the right thing here."

4/8/2009

At issue is whether the money belongs to Aloha's shareholders or its 25,000 former customers in the Seven Springs and Trinity area.

The money came from customers who paid temporary rate hikes that ultimately weren't approved. Instead of getting a refund, however, the customers agreed to let Aloha put the money toward system upgrades — but those improvements were scrapped when Aloha sold its water and wastewater systems earlier this year to the Florida Governmental Utility Authority.

The money was being held in an escrow account at a Regions Bank branch in Holiday. The dispute was set to be heard by the Florida Public Service Commission.

Aloha revealed in a lawsuit filed Friday against the PSC that it had been holding the money in a "separate, segregated account" since March 23.

The company filed a motion Tuesday and express mailed it to Pasco County Circuit Court asking for an order to put the money into the court registry until a judge can hear the case.

Officials have questioned how Aloha could move the funds out of the escrow account without the PSC's blessing. Sundstrom said the recent Bank Rescue Act abolished the two-party check rule, which required two signatures for money to be released from joint accounts.

The lawsuit argues that the PSC has no authority to decide the matter

as Aloha ceased being a utility when its assets were sold.

It also says the PSC is a politically appointed body and would be pressured to side with former customers.

The news that Aloha had possession of the money drew outrage from critics, including state Sen. Mike Fasano. He sent letters Tuesday to Florida's Attorney General Bill McCollum and Chief Financial Officer Alex Sink asking them to investigate.

"In my opinion an escrow account that is created to hold funds in trust, and was created with two signatories, cannot be emptied without the permission of both parties," the letters said. "I believe that the bank mentioned in the article, Regions Bank of Holiday, may have broken the law. I would appreciate it if you would investigate the actions taken by Regions Bank in this situation."

Fasano, who is also a former Aloha customer, called Sundstrom's explanations "farfetched" and said even if it was legal, bankers should have had the sense to notify a second party if that party is a government agency.

Tim Dayton, a spokesman for the Alabama-based bank, said Tuesday that laws prohibited him from commenting on details of client relationships but that the bank was aware of the situation.

"We're working with the organizations to resolve the issue," he said.

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Lisa Buie can be reached at [buie@sptimes.com](mailto:buie@sptimes.com) or (813) 909-4604.

**Ann Cole**

090120

**From:** Ann Cole  
**Sent:** Friday, March 27, 2009 11:22 AM  
**To:** Bill McNulty  
**Cc:** Jean Hartman; Lorena Holley; Roberta Bass; William C. Garner; Larry Harris; Cristina Slaton  
**Subject:** RE: Latest Aloha Complaints

Thanks, Bill. The six attachments were printed and this information will be placed in *Docket Correspondence - Consumers and their representatives*, Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

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**From:** Bill McNulty  
**Sent:** Thursday, March 26, 2009 4:31 PM  
**To:** Ann Cole  
**Cc:** Jean Hartman; Lorena Holley; Roberta Bass; William C. Garner; Larry Harris; Cristina Slaton  
**Subject:** Latest Aloha Complaints

Ann,

Please place these in the correspondence side of the docket file for the following dockets:  
Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

Thank You,

Bill

*Bill McNulty*  
*Chief Advisor to Commissioner Skop*  
*Florida Public Service Commission*  
*2540 Shumard Oak Boulevard*  
*Tallahassee, FL 32399-0855*  
*(850) 413-6028 (office)*  
*(850) 413-6029 (fax)*  
*bmcnulty@psc.state.fl.us*

FPSC, CLK - CORRESPONDENCE  
 \_Administrative\_ Parties  Consumer  
 DOCUMENT NO. 02308-09  
 DISTRIBUTION: \_\_\_\_\_

ce the attached correspondence i

**Ann Cole**

090120

**From:** Nathan A. Skop  
**Sent:** Thursday, March 26, 2009 3:45 PM  
**To:** Bill McNulty  
**Subject:** FW: From a customer of Aloha Utilities

FPSC, CLK - CORRESPONDENCE  
Administrative Parties ~~Consumer~~  
DOCUMENT NO. 02368-09  
DISTRIBUTION: \_\_\_\_\_

Please request the clerk to add this to the correspondence side of the appropriate Aloha dockets.

**From:** Mary Mahon [mailto:nomor425@tampabay.rr.com]  
**Sent:** Wednesday, March 25, 2009 5:48 PM  
**To:** Nathan A. Skop  
**Subject:** From a customer of Aloha Utilities

To: PSC Commissioners

I am writing to say that as a customer, I am delighted to finally be relieved of the unresponsive and negligent management of the Old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities. This request is totally bizarre and improper.

These funds are the customers' funds awarded as a refund of overpayment. On April 30, 2002 (7 years ago), the Commission issued Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate increase and ordered a refund of the interim rates. Of course Aloha appealed the Final Order as they did almost every action by the PSC over the past 10 years.

On May 6, 2003, the First DCA affirmed the Commission's Final Order No. PSC-02-0593-FOF-WU, including the Commission's requirement of a complete refund of the interim rate increase. The customers have been waiting a long time. In 2006, a Settlement Agreement was implemented under the direction of, and facilitated by, the PSC General Counsel. Paragraph 3 (d) of this Settlement agreed that the customers were willing to apply the net refund monies (unpaid refunds plus interest less agreed \$45,000) to pay for the permanent and effective solution to the long-standing black water problems in the Aloha Utilities system. The customers never agreed that these refund monies would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the Settlement Agreement, not one penny of the customers' refund monies was to be applied as CIAC until the Commission issued its Final Order establishing Phase III rates, and the Order was final and non-appealable. I remind the PSC staff and Commissioners that Aloha never even had approval of a full Phase I increase, much less the required Phase II or Phase III. Aloha did not install the promised improvements to resolve the "Black Water" problems. This escrow remains the customers' refund. The intent of the Settlement Agreement was based on the good faith of the implementation of the improvements within a two-year time period as promised to the customers at signing. Aloha has now sold at an extravagant profit. I as a customer suggest that the customers' refund held in escrow be released to a "rate stabilization escrow fund" to cover future rate increases required to improve the black water condition, not to be released to the obsessive stockholders.

Jack & Mary Mahon  
1035 Maravista Drive  
Trinity, FL 34655

3/27/2009

Ann Cole

090120

From: Nathan A. Skop  
 Sent: Thursday, March 26, 2009 3:43 PM  
 To: Bill McNulty  
 Subject: FW: (no subject)

Please request the clerk to add this to the correspondence side of the appropriate Aloha dockets.

From: Jtomsuden@cs.com [mailto:Jtomsuden@cs.com]  
 Sent: Tuesday, March 24, 2009 4:15 PM  
 To: Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
 Cc: Jean Hartman  
 Subject: (no subject)

FPSC, CLK - CORRESPONDENCE  
Administrative Parties  Consumer  
 DOCUMENT NO. 02368-09  
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To: PSC Commissioners

I am writing to say that as a customer, I am delighted to finally be relieved of the **unresponsive and negligent management** of the old Aloha Utilities. However, after the closing of the sale, *I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities.\**  
**\*This request is totally bizarre and improper.**

These funds are the customers' funds awarded as a refund of overpayment. On April 30, 2002 (7 years ago), the Commission issued Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate increase and ordered a refund of the interim rates. Of course Aloha appealed the Final Order as they did almost every action by the PSC over the past 10 years. On May 6, 2003, the First DCA affirmed the Commission's Final Order No. PSC-02-0593-FOF-WU, including the Commission's requirement of a complete refund of the interim rate increase. **The customers have been waiting a long time.**

In 2006, a Settlement Agreement was implemented under the direction of, and facilitated by, the PSC General Counsel. Paragraph 3 (d) of this Settlement agreed that the customers were willing to apply the net refund monies (unpaid refunds plus interest less\* \*agreed \$45,000) to pay for the permanent and effective solution to the long-standing black water problems in the Aloha Utilities system.

**The customers never agreed that these refund monies**

3/27/2009

**would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the Settlement Agreement, not one penny of the customers' refund monies was to be applied as CIAC until the Commission issued its Final Order establishing Phase III\* \*rates, and the Order was final and non-appealable.** I remind the PSC staff and Commissioners that Aloha never even had approval of a full Phase I increase, much less the required Phase II or Phase III.

**Aloha did not install the promised improvements to resolve the "Black Water" problems. This escrow remains the customers' refund.** The intent of the Settlement Agreement was based on the good faith of the implementation of the improvements within a two-year time period as promised to the customers at signing.

Aloha has now sold out at an extravagant profit to themselves.

I, as a customer, suggest that the customers' refund held in escrow be released to a "rate stabilization escrow fund" to cover future rate increases required to improve the black water condition, **not be released to the obsessive stockholders of Aloha.**

Yours truly,

John & Barbara Tomsuden  
1719 Cortleigh Drive  
Trinity, FL 34655

**Ann Cole**

0910120

**From:** Nathan A. Skop  
**Sent:** Thursday, March 26, 2009 3:43 PM  
**To:** Bill McNulty  
**Subject:** FW: Aloha Escrow Account Refund Request

Please request the clerk to add this to the correspondence side of the appropriate Aloha dockets.

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**From:** Wayne and Judy Studebaker [mailto:wjstudie@verizon.net]  
**Sent:** Tuesday, March 24, 2009 1:07 PM  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrin; Lisa Edgar; Matthew Carter  
**Cc:** Jean Hartman  
**Subject:** Aloha Escrow Account Refund Request

To: PSC Commissioners

We are strongly opposed to the Aloha Utilities request to release to them the more than \$350,000 that was placed in escrow to help pay for an anion exchange treatment system. This treatment system, intended to help solve the poor quality of water delivered to customers, was never built. The Florida Government Utility Authority, having paid more than \$90 million for the water and wastewater assets, has more than adequately compensated Aloha Utilities for a system which still needs significant improvements. The escrowed funds should be made available to the Florida Government Utility Authority to reduce the cost to be incurred as they work to improve the quality of water provided to their customers.

Wayne and Judy Studebaker  
 1940 Winsloe Drive  
 Trinity, FL 34655-4940

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Administrative Parties  Consumer  
 DOCUMENT NO. 02368-09  
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3/27/2009

**Ann Cole**

090120

**From:** Nathan A. Skop  
**Sent:** Thursday, March 26, 2009 3:42 PM  
**To:** Bill McNulty  
**Subject:** FW: From an Aloha Utilities customer

Please request the clerk to add this to the correspondence side of the appropriate Aloha dockets.

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**From:** wayne forehand [mailto:wayneforehand@verizon.net]  
**Sent:** Tuesday, March 24, 2009 7:50 AM  
**To:** Katrina McMurrian; Lisa Edgar; Matthew Carter; Nancy Argenziano; Nathan A. Skop  
**Cc:** Jean Hartman; Tom Walden; Tom Anderson Representative; Ryder Rudd; Marshall Willis; Bart Fletcher; Senator Mike Fasano; Brian Armstrong FGUA; Steve Reilly OPC  
**Subject:** From an Aloha Utilities customer

The following **editorial** appears in the St. Petersburg Times,  
 3/24/09, Pasco Times section, p2, Opinion/Times Editorial.

From: Wayne Forehand in Trinity, Florida

FPSC, CLK - CORRESPONDENCE  
 \_Administrative\_Parties X Consumer  
 DOCUMENT NO. 02368-09  
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### State Should Deny Aloha Bid for Escrow

There is no end to Aloha Utilities' greed and arrogance, even now  
 that the water and sewer company is no longer in business.

After closing on a \$90.5 million sale of the utility's assets to the  
 Florida Governmental Utility Authority last month, the company's  
 shareholders claimed entitlement to more than \$375,000 sitting in  
 escrow from a disputed rate increase eight years ago.

It's an absurd money grab, akin to cashing in a winning lottery  
 ticket at a convenience store then grabbing pennies from the  
 countertop change cup on the way out the door.

The Public Service Commission should ignore this request. Aloha

3/27/2009

already has been compensated handsomely for its inability to solve more than a dozen years of customer complaints about dark, smelly water coming from household taps in Wyndtree, Chelsea Place and other Trinity area locations in southwest Pasco.

The escrowed money stems from \$473,000 paid by customers for a 15 percent temporary rate increase that began November 2001 but later was invalidated by the PSC. Aloha refunded \$142,000, about \$7 per customer, but the balance remained in dispute.

In 2006, Aloha dropped its appeal of the rate case and put the refund into an interest-bearing account to help finance a new treatment system to improve the quality of the water. The sale to Florida Governmental Utility Authority negated that planned improvement, which led Aloha to claim the refund as its own.

We disagree. Twice the PSC has indicated the money should benefit the customers either through a refund or through better water. Neither happened under Aloha's watch. So, the state should order the money be used to offset the customers' costs of underwriting the FGUA purchase of Aloha.

At a PSC hearing five years ago, Sen. Mike Fasano asked Aloha to refund the escrow account to customers as an act of good faith as it supposedly worked toward a solution to customer complaints.

Obviously, that didn't happen. The PSC now has the opportunity to demonstrate to customers it has a better understanding than Aloha of acting in good faith.

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490 First Avenue South • St. Petersburg, FL 33701 • 727-893-8111

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<BR><BR><BR>\*\*\*\*\*<BR>Feeling the pinch at the grocery store? Make dinner for \$10  
or less.  
(<http://food.aol.com/frugal-feasts?ncid=emlcntusfood00000001>)</HTML>

**Ann Cole**

090120

**From:** Nathan A. Skop  
**Sent:** Thursday, March 26, 2009 3:42 PM  
**To:** Bill McNulty  
**Subject:** FW: From a customer of the former Aloha Utilities

Please request the clerk to add this to the correspondence side of the appropriate Aloha dockets.

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**From:** Kevin Gallagher [mailto:doctorg@tampabay.rr.com]  
**Sent:** Monday, March 23, 2009 6:05 PM  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
**Subject:** From a customer of the former Aloha Utilities

Dear PSC Commissioners,

I agree with the below letter.

Thank you,

Dr. Kevin M. Gallagher

FPSC, CLK - CORRESPONDENCE  
 \_Administrative\_Parties X Consumer  
 DOCUMENT NO. 07368-09  
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**To:** PSC Commissioners

I am writing to say that as a customer, I am delighted to finally be relieved of the unresponsive and negligent management of the Old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities. This request is totally bizarre and improper.

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On May 6, 2003, the First DCA affirmed the Commission's Final Order No. PSC-02-0593-FOF-WU, including the Commission's requirement of a complete refund of the interim rate increase. The customers have been waiting a long time.

In 2006, a Settlement Agreement was implemented under the direction of, and facilitated by, the PSC General Counsel. Paragraph 3 (d) of this Settlement agreed that the customers were willing to apply the net refund monies (unpaid refunds plus interest less agreed \$45,000) to pay for the permanent and effective solution to the long-standing black water problems in the Aloha Utilities system. The customers never agreed that these refund monies would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the Settlement Agreement, not one

3/27/2009

penny of the customers' refund monies was to be applied as CIAC until the Commission issued its Final Order establishing Phase III rates, and the Order was final and non-appealable. I remind the PSC staff and Commissioners that Aloha never even had approval of a full Phase I increase, much less the required Phase II or Phase III. Aloha did not install the promised improvements to resolve the "Black Water" problems. This escrow remains the customers' refund.

The intent of the Settlement Agreement was based on the good faith of the implementation of the improvements within a two-year time period as promised to the customers at signing. Aloha has now sold at an extravagant profit. I as a customer suggest that the customers' refund held in escrow be released to a "rate stabilization escrow fund" to cover future rate increases required to improve the black water condition, not to be released to the obsessive stockholders.

**Wayne Forehand**  
**1216 Arlinbrook Drive**  
**Trinity, FL 34655**

Kevin M. Gallagher D.C.  
Palm Harbor Chiropractic &  
Wellness Center  
550 Alt. 19 North  
Palm Harbor, FL. 34683  
(727) 789-0800

Ann Cole

690120

**From:** Nathan A. Skop  
**Sent:** Thursday, March 26, 2009 3:41 PM  
**To:** Bill McNulty  
**Subject:** FW: Florida Resident - SOLAR ENERGY POLICY - REC system vs Feed-in-Tariff

**Attachments:** As Florida shifts to solar, a fight looms - HeraldTribune.com -March 23 2009.pdf



As Florida  
fts to solar, a

Please request the clerk to add this to the correspondence side of the RPS docket.

-----Original Message-----

**From:** Hubert Fladung [mailto:hubert.fladung@gmail.com]  
**Sent:** Monday, March 23, 2009 9:39 AM  
**To:** Nathan A. Skop  
**Cc:** FASANO MICHAEL B & Joan; Nancy Argenziano; Lisa Edgar; zac.anderson@heraldtribune.com  
**Subject:** Florida Resident - SOLAR ENERGY POLICY - REC system vs Feed-in-Tariff

Honorable Commissioner Skop,

About a year ago we spoke on the phone about this, and here we go - Florida again goes with the 'big company approach'. Why is it, that it seems that there are always other things going on in the background, that don't seem logical or do they?

The attached article (HeraldTribune.com) sums it up pretty well.

A federally funded research study shows the REC system is less cost effective in the long term, but Florida still goes the other way - why?  
'Big money' from big companies prevails.

The last 6-12 month should be proof enough that the so called 'free-market' systems do NOT necessarily work. One big company (AIG) and the banking systems dependency on it's insurance contracts has brought this countries economy to it's knees.

Florida's legislature should make better decisions for our future and rely less on the 'big company approach' but on it's residents and small business owners.

Hubert J Fladung  
1214 Trafalgar Dr  
New Port Richey, FL 34655  
Tel (727) 375-0879

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Printed on page 1A

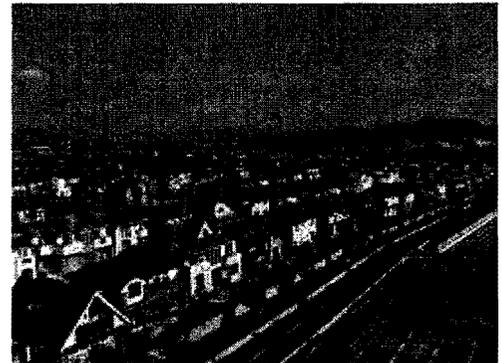
# As Florida shifts to solar, a fight looms

By Zac Anderson

Published: Sunday, March 22, 2009 at 1:00 a.m.

Billions of dollars are at stake in a battle under way in Florida over who profits from the pending expansion of solar energy: Big energy companies or individuals and businesses with extra roof space.

Solar power is poised to hit the big time in Florida with the expected passage next month of a new energy law requiring power companies to generate 20 percent of their electricity from renewable sources, including the sun, by 2020. The mandate should provide a huge boost to Florida's nascent renewable energy industry.



While there are many ways to reach the goal, some business and environmental groups say lawmakers favor a system that would give windfall profits to large energy companies, cost consumers more and generate fewer local jobs and less clean energy.

The system is known as "renewable energy credits," or RECs, which would allow utilities to decide who can sell them solar energy based on a bidding process, resulting primarily in large, centralized solar developments.

Opponents of the REC system say an alternative program, called a "feed-in tariff," encourages more small-scale solar development on homes and businesses by setting a price for solar energy that makes it profitable for anyone with open land or roof space. The system also forces electric utilities to buy energy from everyone.

Few Floridians know much about these obscure energy policies. Incentives for clean energy are just starting to gain momentum in the United States.

Yet the direction Florida takes could profoundly affect the state's energy future and every state resident.

Both policies would initially increase electricity prices because solar energy is more expensive than coal, oil and natural gas -- Florida's main energy sources.

But data compiled by the National Renewable Energy Laboratory, a federal research center, shows that countries with feed-in tariffs have cheaper renewable electricity than those with RECs. The tariff system is less risky, and investors are willing to accept lower profits for long-term stability.

"We deal with data and the evidence is very clear," said Toby Couture, a researcher with the lab. "Feed-in tariffs have consistently proven to be cheaper for consumers. That's the bottom line."

Despite these studies, Florida's top energy regulators have recommended the REC system over feed-in tariffs, and lawmakers have been slow to embrace the feed-in concept, characterized by opponents as too "European" and less free-market.

Florida Power & Light, the state's largest energy provider, criticizes feed-in tariffs as expensive and anti-competitive. So do representatives for large solar companies such as Maryland-based SunEdison, which has begun contracting with utilities to build big solar power plants in Florida.

The deals have stirred intense infighting in the solar industry nationwide as small local businesses are pushed aside by larger corporations.

Dismissing the Renewable Energy Lab's conclusions, FPL's vice president and chief development officer, Eric Silagy, said, "Any time you get into prescriptive government-set rates, you chill innovation."

The REC system has resulted in substantially higher energy profits in places like New Jersey and the United Kingdom and much higher electricity prices for consumers than the more simplified feed-in tariff policy. Feed-ins have been adopted by 46 countries and Gainesville's municipal electric provider.

But energy reform advocates are worried that electric utilities are blocking a fair hearing on feed-in tariffs in Tallahassee this year.

"There are real concerns right now that this idea won't even get a proper discussion," said Jerry Karnas, who monitors energy issues in the Legislature for the group Environmental Defense.

Rep. Paige Kreegel, R-Punta Gorda, who heads the House Energy and Utilities Policy Committee and wants to allow discussion of the feed-in approach along with the REC system, said last week that House leaders have not yet permitted him to file an energy bill and begin hearings.

Kreegel said that legislative leaders are overwhelmed with the state budget crisis. But he acknowledged that there has also been opposition from utilities over his plan to allow a feed-in tariff debate.

"It would be a threat to their core business model," Kreegel said. "Their feeling is, 'Things are good so shut up and leave us alone,' and you can't blame them."

Jerry Paul, a former Florida lawmaker from Charlotte County and a lobbyist for Maryland's SunEdison, said RECs drive down solar prices because they require competitive bidding.

"Government is not very good about picking an artificial price," said Paul, who said he was speaking for himself and not SunEdison. "The marketplace is."

But Couture said there is an obvious reason why big energy companies support the REC system. "The research shows there is the potential to make much higher profits," he said.

Some people say the systems can coexist. Legislators could decide within a few weeks.

When Gov. Charlie Crist took office in 2006 he made it clear he would push for more renewable energy in Florida, which still has no major sources of solar or wind power. In 2007, Crist vetoed the Legislature's energy bill for not sufficiently promoting solar and other renewable sources.

Crist began pushing for a strict quota -- known as a "renewable portfolio standard" -- setting deadlines for power companies to generate or purchase a certain amount of electricity from renewable sources.

One Crist goal was diversifying Florida's economy and developing high-wage "green tech" businesses.

Legislators approved the concept last year and Florida's big electricity companies saw the writing on the wall.

Since then, electric utilities have announced plans for large-scale solar energy projects. But they have largely contracted with big out-of-state companies for their solar energy production fields.

Early last year, FPL signed a deal with one of the largest solar companies in the United States, SunPower Corp., to build two solar power plants.

The company, based in San Jose, Calif., has about 5,000 employees and global revenues of \$1.43 billion, up 85 percent from 2007. The company does not have an office in Florida.

One of SunPower's main rivals, SunEdison, announced deals last year for a solar plant in Lakeland, and other plants that would be spread out across the state for the Florida Municipal Power Agency.

SunEdison bills itself as "North America's largest solar services provider" and has contracts in several states, though no Florida office.

"The genius of these two companies is, they've hired more lobbyists and lawyers than the rest of the industry combined and they were smart enough to realize the money they spent on those people is tiny compared to the billions they can reap," said Lyle Rawlings, president of the New Jersey Solar Energy Industry Association, whose members engaged in a bitter battle over RECs and feed-in tariffs.

SunPower representatives did not return calls last week.

Rawlings says Florida is at a crossroads. A similar battle played out in New Jersey in 2007, with the REC system prevailing.

The same solar companies seeking to prevail in Florida now dominate solar markets in Maryland, Colorado and other places with REC systems. No state has yet adopted a full scale feed-in tariff model, but Hawaii and a few others are on the verge of doing so.

Small-scale solar developers such as Sarasota engineer Raymond Kaiser say big utilities oppose feed-in tariffs because they are less profitable and threaten the utility business model.

"Their bias is towards centralized power generation," Kaiser said. "They feel very comfortable about solar power if you put it in a field somewhere in DeSoto County, but they don't want it on everybody's house."

Solar producers in states that have adopted REC policies say they have seen many small and medium-size businesses fold and fewer overall jobs, in part because of the complexity. Rawlings said New Jersey has lost perhaps three or four dozen companies in the last few years.

In Maryland, SunEdison dominates the solar market, signing a deal with the state's big electric utility to provide 60 percent of all solar energy this year.

In contrast, Germany's feed-in tariff system allows citizens to profitably develop small solar systems on homes, churches, businesses and schools because power companies are required to buy the energy back at a set rate -- calculated to cover expenses with a small profit added in -- that is well above the price for fossil fuel energy.

But REC advocates say that with credits that are traded on a commodities market, the price fluctuates based on supply and demand. If electric companies miss their solar quotas, demand for credits will rise and solar developers will respond to cash in on high prices.

The key, Paul said, is solar developers "have to compete with each other, and the utility selects the proposal with the cheapest price to the ratepayers."

That sounds good in theory, said the Renewable Energy Lab's Couture, but does not reflect reality.

"All the research shows feed-in tariffs have demonstrated a higher degree of cost efficiency than REC trading models," he said. "That's not a controversial conclusion. All the evidence points to that."

This story appeared in print on page 1A

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**Ann Cole**

090120

**From:** Ann Cole  
**Sent:** Monday, March 23, 2009 8:48 AM  
**To:** Bill McNulty  
**Cc:** Commissioners Advisors; Administrative Assistants - Commission Suite  
**Subject:** RE: From a customer of the former Aloha Utilities in New Port Richey, Florida

Thanks Bill. This information will be placed in *Docket Correspondence - Consumers and their representatives*, Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

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**From:** Bill McNulty  
**Sent:** Monday, March 23, 2009 8:03 AM  
**To:** Ann Cole  
**Cc:** Jean Hartman; Larry Harris; Lorena Holley; Roberta Bass; William C. Garner; Cristina Slaton  
**Subject:** FW: From a customer of the former Aloha Utilities in New Port Richey, Florida

Ann,

Please place this in the correspondence side of the docket file for the following dockets:  
Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

Thank You,

Bill

*Bill McNulty*  
Chief Advisor to Commissioner Skop  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0855  
(850) 413-6028 (office)  
(850) 413-6029 (fax)  
bmcnulty@psc.state.fl.us

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Administrative Parties ~~X~~ Consumer  
DOCUMENT NO. 02348-09  
DISTRIBUTION: \_\_\_\_\_

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**From:** Nathan A. Skop  
**Sent:** Friday, March 20, 2009 6:51 PM  
**To:** Bill McNulty  
**Subject:** Fw: From a customer of the former Aloha Utilities in New Port Richey, Florida

Please ask the clerk to add this to the correspondence side of the appropriate Aloha dockets.

---

**From:** David Rowan <davidrowan2@gmail.com>  
**To:** Nathan A. Skop  
**Cc:** David Rowan <davidrowan2@gmail.com>

3/23/2009

**Sent:** Fri Mar 20 17:03:50 2009

**Subject:** From a customer of the former Aloha Utilities in New Port Richey, Florida

Dear Commissioner Skop:

As you know, Aloha Utilities in New Port Richey was purchased by the Florida Governmental Utility Authority (FGUA). However, the three stockholders of Aloha Utilities have demanded that the Florida Public Service Commission release \$375,000 worth of customers refunds to them—not the customers. This self-serving and erroneous request by Aloha stockholders, and lawyers, for the release of customer funds would be totally wrong. In 2006 Aloha agreed with its customers to use this refund money to build an anion exchange treatment system. This system was never built. We former Aloha customers would like to ask the Florida Public Service Commission to keep the money in escrow to pay for future needed improvements by the FGUA.

The chronology of events are as follows:

--On April 30, 2002 (almost 7 years ago), the Florida Public Service Commission issued Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate increase and **ordered a refund of the interim rates**. [Of course Aloha appealed the Final Order as they did almost every action by the PSC over the past 10 years.]

--On May 6, 2003, the **First DCA affirmed the Commission's Final Order** No. PSC-02-0593-FOF-WU, including the Commission's requirement of a complete refund of the interim rate increase.

--In 2006, a *Settlement Agreement* was implemented under the direction of, and facilitated by, the PSC General Counsel. Paragraph 3 (d) of this Settlement agreed that **the customers were willing to apply the net refund monies to pay for the permanent and effective solution to the long-standing black water problems in the Aloha Utilities system**. The customers never agreed that these refund monies would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the *Settlement Agreement*, not one penny of the customers' refund monies was to be applied as CIAC until the Commission issued its Final Order establishing Phase III rates, and the Order was final and non-appealable.

**Aloha Utilities did not install the promised improvements to resolve the "Black Water" problems. This escrow remains the customers' refund.**

I as a former Aloha customer I respectfully suggest that the Florida Public Service Commission rule that customers refund held in escrow be released to a "rate stabilization escrow fund" to cover future rate increases required to improve the black water condition. **Aloha's greedy and immoral stockholders have no right to the customers**

3/23/2009

**money.**

Very respectfully,

*David W. Rowan, BS, MA, MA*

10338 Tecoma Drive

Trinity, Florida 34655

Ann Cole

69 0120

**From:** Ann Cole  
**Sent:** Monday, March 23, 2009 8:18 AM  
**To:** Bill McNulty  
**Cc:** Jean Hartman; Larry Harris; Roberta Bass; William C. Garner; Lorena Holley; Cristina Slaton  
**Subject:** RE: Additional Aqua Complaints

**Tracking:**

Recipient	Read
Bill McNulty	
Jean Hartman	
Larry Harris	
Roberta Bass	Read: 3/23/2009 8:29 AM
William C. Garner	Read: 3/23/2009 8:32 AM
Lorena Holley	
Cristina Slaton	

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Administrative Parties  Consumer  
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Thank you for this information. The 4 email attachments have been printed and will be placed in *Docket Correspondence - Consumers and their representatives*, Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

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**From:** Bill McNulty  
**Sent:** Friday, March 20, 2009 5:19 PM  
**To:** Ann Cole  
**Cc:** Jean Hartman; Larry Harris; Roberta Bass; William C. Garner; Lorena Holley; Cristina Slaton  
**Subject:** Additional Aqua Complaints

Ann,

Please place these in the correspondence side of the docket file for the following dockets:  
Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

Thank You,

Bill

*Bill McNulty*  
Chief Advisor to Commissioner Skop  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0855  
(850) 413-6028 (office)  
(850) 413-6029 (fax)  
bmcnulty@psc.state.fl.us

3/23/2009

**Ann Cole**

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**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 11:59 AM  
**To:** Bill McNulty  
**Subject:** FW: FPL Base Rate Increase

Please request the clerk to add this to the correspondence side of the record for the appropriate FPL dockets.

---

**From:** John Hernandez [mailto:johnhern99@gmail.com]  
**Sent:** Wednesday, March 18, 2009 8:34 PM  
**To:** jdorschner@MiamiHerald.com; eve\_samples@pbpost.com; Matthew Carter; Nancy Argenziano; Lisa Edgar; Katrina McMurrian; Nathan A. Skop; Mary Bane; Judy Harlow; Bev DeMello; Bob Trapp  
**Subject:** FPL Base Rate Increase

To Whom It May Concern:

The article in the Miami Herald about FPL's base rate increase proposal is ridiculous. We all saw how fast prices went up last summer in our fuel / oil, etc. If FPL wants a 12+% return on investment for their shareholders, their CEO and executives should consider the sale of the \$150 + million corporate jet / helicopter holdings. The 3 jets they have are overboard in the price tags, as well as the mileage range these jets have. There is no need for Lew Hay to be picked up via helicopter / rooftop at headquarters and transported to the \$40 million Falcon that has a range of NY to Tokyo to fly to Orlando. There is no justification for the use of a jet fleet that is used by a mid sized international corporation with offices and execs overseas.

I certainly hope that the Public Service Commission takes this lavish spending, the state of the economy, the press that corporations are getting on use of corporate jets and improper use of funds, and look at this rate proposal seriously. It is time for someone to step in and take control, rather than let FPL dictate.

3/23/2009

**Ann Cole**

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**From:** Nathan A. Skop  
**Sent:** Friday, March 20, 2009 12:00 AM  
**To:** Bill McNulty  
**Subject:** Fw: Aloha Customer Refund Escrow Account

Please ask the clerk to add this to the correspondence side of the appropriate Aloha dockets.

---

**From:** Jim Colegrove <jimcolegrove10@yahoo.com>  
**To:** 'Karen Vaughn-Kerns' <kkerns1@tampabay.rr.com>; 'shirley sturgeon' <sturgeonshirley@verizon.net>; 'Isilverlcs' <Isilverlcs@tampabay.rr.com>; 'Holly' <hlsilver@tampabay.rr.com>; 'Marge Lurz' <margelurz@hotmail.com>; 'George Valdes' <jvaldes4167@yahoo.com>; 'Ron Jackson' <RonJackson@YourTampaBayMove.com>; 'Karen Lane' <klane@pasco.k12.fl.us>; LERains@aol.com <LERains@aol.com>; 'Krissy Vaughn' <krissyvaughn@verizon.net>; 'Jim Colegrove' <jim@jimcolegrove.com>; 'Susan Colegrove' <susancolegrove@yahoo.com>; Franintrinity@aol.com <Franintrinity@aol.com>; 'WAYNE STUDEBAKER' <wjstudie@verizon.net>; 'Gus and Jennifer Hatzistefanou' <gus13letter@tampabay.rr.com>; 'Jesse and Shannon Erickson' <shannonA73@hotmail.com>; 'Harold and Joyce Hatcher' <harjoy10@aol.com>; 'Stacy Romano' <stacylromano@yahoo.com>; 'Mark Romano' <pastormarkromano@yahoo.com>; 'Toni and Paul Remek' <tonic777@msn.com>; 'Vonda Hudson' <dHUDSON11@tampabay.rr.com>; 'Darrell Triggs' <darrellt@iegllc.com>; 'Bryan Vaughn' <bv99@verizon.net>; 'Bob and Bea Steer' <rsteer@tampabay.rr.com>; 'Becky Jackson' <beck98@verizon.net>; 'wilbert vaughn' <whvmv@frontiernet.net>  
**Cc:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter; Jean Hartman  
**Sent:** Thu Mar 19 21:30:48 2009  
**Subject:** RE: Aloha Customer Refund Escrow Account

Dear PSC Commissioners:

**Aloha** being able to wrongfully keep escrow monies is equivalent to **AIG Executives** being awarded bonus money for running their company into the ground.

**PSC Commissioners** allowing this to happen without a fight would be equivalent to **Congress** awarding taxpayer money to mismanaged companies that don't deserve it.

Don't be Congress. Don't support Aloha, a losing cause. Don't ignore this situation thinking it will just go away, we won't.

Respectfully,

Jim Colegrove  
1953 Winsloe Drive  
Trinity, FL 34655  
----- Original Message -----

**From:** bill.humphrey  
**To:** bill.humphrey@earthlink.net  
**Sent:** Wednesday, March 18, 2009 9:10 PM  
**Subject:** Aloha Customer Refund Escrow Account

**For Fox Wood customers of the former ALOHA UTILITIES:**

3/23/2009

You may have read in the paper how Aloha Utilities is now trying to get to keep the \$350,000 that was placed in escrow by the PSC and later agreed by all parties to be used to fund improvements in Aloha's system so we would have better water (if you didn't the article is at the end of this message). Those improvements were never completed, but Aloha wants to keep the money.

It is essential that we write to the PSC to protest this latest attempt by Aloha to extort money from their former customers

We know that Commissioner Nancy Argenziano supports our efforts (see her email below), but she only one of five – we need for the others to hear from us loud and clear – we want that escrowed money to go to improving the water treatment facilities as originally agreed.

The email addresses of the commissioners are below. Be sure the subject line of your message says **From a customer of the former Aloha Utilities** since the commissioners can not read mail from utilities.

Bill

Addresses for the PSC commissioners are as follow:

[nskop@PSC.state.fl.us](mailto:nskop@PSC.state.fl.us)  
[nargenziano@PSC.state.fl.us](mailto:nargenziano@PSC.state.fl.us)  
[Katrina.McMurrian@psc.state.fl.us](mailto:Katrina.McMurrian@psc.state.fl.us)  
[ledgar@PSC.state.fl.us](mailto:ledgar@PSC.state.fl.us)  
[mcarter@PSC.state.fl.us](mailto:mcarter@PSC.state.fl.us)

CC; Attorney [JHARTMAN@PSC.STATE.FL.US](mailto:JHARTMAN@PSC.STATE.FL.US)

---

To: PSC Commissioners

I am writing to say that as a customer, I am delighted to finally be relieved of the unresponsive and negligent management of the Old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities. This request is totally bizarre and improper.

These funds are the customers' funds awarded as a refund of overpayment. On April 30, 2002 (7 years ago), the Commission issued Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate increase and ordered a refund of the interim rates. Of course Aloha appealed the Final Order as they did almost every action by the PSC over the past 10 years.

On May 6, 2003, the First DCA affirmed the Commission's Final Order No. PSC-02-0593-FOF-WU, including the Commission's requirement of a complete refund of the interim rate increase. The customers have been waiting a long time.

In 2006, a Settlement Agreement was implemented under the direction of, and facilitated by, the PSC General Counsel. Paragraph 3 (d) of this Settlement agreed that the customers were willing to apply the

3/23/2009

net refund monies (unpaid refunds plus interest less agreed \$45,000) to pay for the permanent and effective solution to the long-standing black water problems in the Aloha Utilities system. The customers never agreed that these refund monies would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the Settlement Agreement, not one penny of the customers' refund monies was to be applied as CIAC until the Commission issued its Final Order establishing Phase III rates, and the Order was final and non-appealable. I remind the PSC staff and Commissioners that Aloha never even had approval of a full Phase I increase, much less the required Phase II or Phase III. Aloha did not install the promised improvements to resolve the "Black Water" problems. This escrow remains the customers' refund.

The intent of the Settlement Agreement was based on the good faith of the implementation of the improvements within a two-year time period as promised to the customers at signing. Aloha has now sold at an extravagant profit. I as a customer suggest that the customers' refund held in escrow be released to a "rate stabilization escrow fund" to cover future rate increases required to improve the black water condition, not to be released to the obsessive stockholders.

Wayne Forehand  
1216 Arlinbrook Drive  
Trinity, FL 34655

Reply to above letter from Commissioner Argenziano to Wayne Forehand:

----- Original Message -----

**From:** Nancy Argenziano

**To:** wayneforehand@verizon.net

**Sent:** Wednesday, March 18, 2009 6:26 PM

**Subject:** Fw: From a customer of the OLD ALOHA Utilities

I am getting many e mails from aloha customers and I commend them for doing so. I wonder if there is a way that you may help me let them know I am working on the issue and that I believe that money belongs to them. I am having difficulty trying to answer them. I would appreciate any help you can give. \

Thanks.

Nancy

The following is the article from the SPTimes.

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## Aloha, Pasco customers clash over escrow cash

By Jodie Tillman, Times Staff Writer

In Print: Wednesday, March 18, 2009

3/23/2009

TRINITY — Like a lot of bad break-ups, the split between Aloha Utilities and its former customers is ending in a fight over who owns what.

At issue: More than \$375,000 left in an escrow account.

Less than three weeks after Aloha sold its water and wastewater assets for \$90.5 million to the Florida Governmental Utility Authority, the company's shareholders say that the escrow money is theirs and they want state regulators to release it.

Customers and their representative say: Not so fast. That's our refund money from 2002-03.

The Florida Public Service Commission has not made a decision, said spokeswoman Kirsten Olsen.

Here's how the money ended up in the escrow account:

Back in March 2006, Aloha and representatives of its 25,000 customers in the Seven Springs and Trinity area entered into a settlement agreement to resolve a number of outstanding issues.

One of those issues: Aloha's appeal of a 2004 commission order to refund nearly \$300,000 to customers who had been paying temporary rate hikes that were ultimately not approved.

As part of the 2006 settlement, Aloha agreed to drop its appeal of the rate case and put the refund money into an interest-bearing account to help pay for an "anion exchange" treatment system intended to solve long-standing water quality problems.

The agreement says that once a third series of rate increases to pay for the system got approved, Aloha could record the escrow money as its contribution to the construction, and then the money would be released to the utility.

The treatment system never got built, of course. And when the Florida Governmental Utility Authority bought Aloha's assets this year, that group scrapped the anion exchange treatment system, saying it had other plans for improving the water quality.

Lawyers for Aloha say that since the treatment system was abandoned, Aloha should get the escrow money, in part to defray what it had spent already on plans for the system. The company also says it would use the money to finish paying off commission fees and fines as well as Pasco County for work it did at Aloha's request.

"Aloha is legally entitled to the money," said lawyer William Sundstrom, who estimates his client spent roughly \$1 million on the plans. "It's not the customers' money, it's Aloha's."

Not so, say customers and Stephen Reilly, a lawyer from the Office of Public Counsel working on their behalf.

Reilly wrote in filings to the commission that customers agreed that Aloha would get the money only if and when construction of the treatment system was finished. He wrote that Aloha's investment "will be fully compensated" by the \$90.5 million sales price.

Trinity resident Wayne Forehand said he was "appalled" by Aloha's request. He said customers will ask the commission to keep the money in escrow to help cover other improvements. Their goal is to defray

future rate increases that come with the authority's purchase of Aloha's assets.

"Let's use it for the good of the community," he said.

State Sen. Mike Fasano, R-New Port Richey, a customer and longtime critic of Aloha, said Tuesday that he would also fight the utility's request.

"It seems like Aloha just wants to stick their finger in the customers' eye," he said, "one more time, as they leave."

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Version: 8.0.238 / Virus Database: 270.11.15/2004 - Release Date: 03/18/09 07:17:00

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Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 8.0.238 / Virus Database: 270.11.18/2009 - Release Date: 03/18/09 07:17:00

**Ann Cole**

**From:** Nathan A. Skop  
**Sent:** Friday, March 20, 2009 12:01 AM  
**To:** Bill McNulty  
**Subject:** Fw: from a customer of Aloha utilities

Please ask the clerk to add this to the correspondence side of the appropriate Aloha dockets.

---

**From:** JOHN DI PRIMA <johnd151@verizon.net>  
**To:** Nathan A. Skop  
**Sent:** Thu Mar 19 22:32:40 2009  
**Subject:** Fw: from a customer of Aloha utilities

Dear PSC Commissioners,

can you please tell me what your position is in regards to the below letter sent to you from Mr. Wayne Forehand.

Sincerely

John Di Prima

---

> To: PSC Commissioners

>

> I am writing to say that as a customer, I am delighted to finally be relieved of the unresponsive and negligent management of the Old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities.\* \*This request is totally bizarre and improper.

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> The intent of the Settlement Agreement was based on the good faith of the implementation of the improvements within a two-year time period as promised to the customers at signing. Aloha has now sold at an extravagant profit. I as a customer suggest that the customers' refund held in escrow be released to a "rate stabilization escrow fund" to cover future rate increases required to improve the black water condition, not to be released to the obsessive stockholders.

> Wayne Forehand

> 1216 Arlinbrook Drive

> Trinity, FL 34655

> The following is the article from Today's SPTimes.

---

3/23/2009

## Aloha, Pasco customers clash over escrow cash

By Jodie Tillman <mailto://Users/joelaza/Library/Thunderbird/Profiles/da2jjch.default/Mail/Local%20Folders/Inbox?number=676213940>, Times Staff Writer  
In Print: Wednesday, March 18, 2009

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Trinity resident Wayne Forehand said he was "appalled" by Aloha's request. He said customers will ask the commission to keep the money in escrow to help cover other improvements. Their goal is to defray future rate increases that come with the authority's purchase of Aloha's assets.

"Let's use it for the good of the community," he said.

State Sen. Mike Fasano, R-New Port Richey, a customer and longtime critic of Aloha, said Tuesday that he would also fight the utility's request.

"It seems like Aloha just wants to stick their finger in the customers' eye," he said, "one more time, as they leave."

**Ann Cole**

**From:** Nathan A. Skop  
**Sent:** Friday, March 20, 2009 10:50 AM  
**To:** Bill McNulty  
**Subject:** Fw: FROM A CUSTOMER OF THE FORMER ALOHA UTILITIES

Please ask the clerk to add this to the correspondence side of the appropriate Aloha dockets.

---

**From:** aloharmb@aol.com <aloharmb@aol.com>  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
**Cc:** JHARTMEN@pPSC.STATE.FL.US <JHARTMEN@pPSC.STATE.FL.US>  
**Sent:** Fri Mar 20 10:42:07 2009  
**Subject:** FROM A CUSTOMER OF THE FORMER ALOHA UTILITIES

To: PSC Commissioners

I am writing to say that as a customer, I am delighted to finally be relieved of the unresponsive and negligent management of the Old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities. This request is totally bizarre and improper.

These funds are the customers' funds awarded as a refund of overpayment. On April 30, 2002 (7 years ago), the Commission issued Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate increase and ordered a refund of the interim rates. Of course Aloha appealed the Final Order as they did almost every action by the PSC over the past 10 years.

On May 6, 2003, the First DCA affirmed the Commission's Final Order No. PSC-02-0593-FOF-WU, including the Commission's requirement of a complete refund of the interim rate increase. The customers have been waiting a long time.

In 2006, a Settlement Agreement was implemented under the direction of, and facilitated by, the PSC General Counsel. Paragraph 3 (d) of this Settlement agreed that the customers were willing to apply the net refund monies (unpaid refunds plus interest less agreed \$45,000) to pay for the permanent and effective solution to the long-standing black water problems in the Aloha Utilities system. The customers never agreed that these refund monies would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the Settlement Agreement, not one penny of the customers' refund monies was to be applied as CIAC until the Commission issued its Final Order establishing Phase III rates, and the Order was final and non-appealable. I remind the PSC staff and Commissioners that Aloha never even had approval of a full Phase I increase, much less the required Phase II or Phase III. Aloha did not install the promised improvements to resolve the "Black Water" problems. This escrow remains the customers' refund.

The intent of the Settlement Agreement was based on the good faith of the implementation of the improvements within a two-year time period as promised to the customers at signing. Aloha has now sold at an extravagant profit. I as a customer suggest that the customers' refund held in escrow be released to a "rate stabilization escrow fund" to cover future rate increases required to improve the black water condition, not to be released to the obsessive stockholders.

3/23/2009

Joseph & RoseMarie Beraducci  
10110 Green Ivy Drive  
Trinity, FL 34655

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**Ann Cole**

090120

**From:** Ann Cole  
**Sent:** Thursday, March 19, 2009 3:38 PM  
**To:** Bill McNulty  
**Cc:** Jean Hartman; Larry Harris; Roberta Bass; Lorena Holley; William C. Garner; Cristina Slaton  
**Subject:** RE: Aloha Correspondence

Thank you for this information. The 11 email attachments have been printed and will be placed in *Docket Correspondence - Consumers and their representatives*, Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

**From:** Bill McNulty  
**Sent:** Thursday, March 19, 2009 2:12 PM  
**To:** Ann Cole  
**Cc:** Jean Hartman; Larry Harris; Roberta Bass; Lorena Holley; William C. Garner; Cristina Slaton  
**Subject:** Aloha Correspondence

Ann,

Please place these in the correspondence side of the docket file for the following dockets:  
Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

Thank You,

Bill

*Bill McNulty  
Chief Advisor to Commissioner Skop  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0855  
(850) 413-6028 (office)  
(850) 413-6029 (fax)  
bmcnulty@psc.state.fl.us*

FPSC, CLK - CORRESPONDENCE  
Administrative Parties ~~Consumer~~  
DOCUMENT NO. 02368-09  
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3/19/2009

## Ann Cole

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**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 12:00 PM  
**To:** Bill McNulty  
**Subject:** FW: From a customer of the former Aloha Utilities

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**From:** rowe [mailto:microvent7@tampabay.rr.com]  
**Sent:** Wednesday, March 18, 2009 9:33 PM  
**To:** Nathan A. Skop  
**Subject:** From a customer of the former Aloha Utilities

It is ridiculous that Aloha is trying to keep that money for it's shareholders!!! Here we go again...Helping Wall Street and Screwing Main Street! That money either needs to be returned or be put in a different escrow account for future rate increases. Aloha has some nerve...collecting money, never using it for the intended purpose, and then trying to keep it!? Are they serious?

Sincerely,  
Former Aloha customer, thank goodness!

## Ann Cole

---

**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 11:56 AM  
**To:** Bill McNulty  
**Subject:** FW: From a customer of the former Aloha Utilities

---

**From:** bill.humphrey [mailto:bill.humphrey@earthlink.net]  
**Sent:** Wednesday, March 18, 2009 12:44 PM  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
**Cc:** Jean Hartman  
**Subject:** From a customer of the former Aloha Utilities

I have read that Aloha Utilities, Inc is trying to get their hands on the \$350 thousand escrow account that was supposed to be refunded to customers when their rate increase was not approved. The customers had later agreed under duress that the money could be used by Aloha to fund the anion exchange installation, which they did not complete. Our agreement was they got the money when the job was done. It was never completed, the water quality was never improved and they should not get the money.

The money should be released to FGUA, the new owners, to use to help fund the improvements needed to improve the infrastructure so we get acceptable water!

The \$90.5 million sale price more than compensates the owners of Aloha for the costs incurred in preliminary engineering for the anion process installation.

William F. Humphrey  
2120 Larchwood Court  
Trinity, FL 34655

727-808-4483

## Ann Cole

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**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 11:57 AM  
**To:** Bill McNulty  
**Subject:** FW: From An Aloha Customer

---

**From:** Gary Franck [mailto:g.franck@verizon.net]  
**Sent:** Wednesday, March 18, 2009 3:13 PM  
**To:** Matthew Carter; Lisa Edgar; Katrina McMurrian; Nancy Argenziano; Nathan A. Skop  
**Cc:** Jean Hartman  
**Subject:** From An Aloha Customer

Where is the outrage?

I read in this morning's St Pete Times, the PSC has received a request from the former owners of Aloha Water to liquidate an escrow account in their favor.. It is beyond my belief that this request is not rejected out of hand as some kind of bad joke. Well, the joke has been on us as residents of Trinity for the past 12 years. We have had to put up with a company that cared only to line their pockets with our cash and not give a hoot about the quality of their product or customer service. Now they want money drawn from an escrow account that belongs to us and was set up to assure they completed a project as demanded by your organization. Although it shouldn't surprise you (it surely doesn't me), now that the sale has been completed and the former owners did not perform as required, I must ask; why would they be entitled to these funds?

You folks know the details of the agreement to place customer funds in escrow better than I. However, I do know these funds belong to the customers of Aloha. They should either be refunded to us or continue to be held in escrow to offset some of the anticipated rate increases that are the result of making system improvements that should have been made years ago.

Thank you kindly for your consideration in addressing this "outrage".

Respectfully submitted.

Gary Franck  
1118 Hominy Hill Dr  
Trinity, Fl.

**Ann Cole**

**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 11:57 AM  
**To:** Bill McNulty  
**Subject:** FW: Aloha Customer Refund Escrow Account

---

**From:** MidgenBill [mailto:wscudero@tampabay.rr.com]  
**Sent:** Wednesday, March 18, 2009 7:18 PM  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
**Cc:** Jean Hartman  
**Subject:** Aloha Customer Refund Escrow Account

To: PSC Commissioners;

I am writing to say that as a customer, I am delighted to finally not have to try to work with the unresponsive and negligent management of the Old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested, and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities. This request is totally improper.

These funds are the customers' funds awarded as a refund of overpayment. On April 30, 2002 (7 years ago), the Commission issued Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate increase, and ordered a refund of the interim rates. Of course Aloha appealed the Final Order as they did almost every action by the PSC over the past 10 years.

On May 6, 2003, the First DCA affirmed the Commission's Final Order NO. PSC-02-0593-FOF-WU, including the Commission's requirement of a complete refund of the interim rate increase. The customers, of then Aloha, have been waiting a long time. In 2006, a Settlement Agreement was implemented under the direction of, and facilitated by, the PSC General Counsel. Paragraph 3 (d) of this Settlement agreed that the customers were willing to apply the net refund monies (unpaid refunds plus interest less agreed \$45,000) to pay for the permanent and effective solution to the long-standing black water problems in the Aloha Utilities system. The customers never agreed that these refund monies would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the Settlement Agreement, not one penny of the customers' refund monies was to be applied as CIAC until the Commission issued its Final Order establishing Phase III rates, and the Order was final and non-appealable. I remind the PSC staff and Commissioners that Aloha never even had approval of a full Phase I increase, much less the required Phase II or Phase III. Aloha did not install the promised improvements to resolve the "Black Water" problems. This escrow remains the customers' refund.

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Margaret Scudero  
 1430 Jutland Drive  
 Trinity, FL 34655

cc: [JHARTMAN@PSC.STATE.FL.US](mailto:JHARTMAN@PSC.STATE.FL.US)

Aloha Customer Refund Escrow Account Letter to PSC Commissioners

3/19/2009

## Ann Cole

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**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 12:00 PM  
**To:** Bill McNulty  
**Subject:** FW: From a customer of the former Aloha Utilities

---

**From:** rowe [mailto:microvent7@tampabay.rr.com]  
**Sent:** Wednesday, March 18, 2009 9:33 PM  
**To:** Nathan A. Skop  
**Subject:** From a customer of the former Aloha Utilities

It is ridiculous that Aloha is trying to keep that money for it's shareholders!!! Here we go again...Helping Wall Street and Screwing Main Street! That money either needs to be returned or be put in a different escrow account for future rate increases. Aloha has some nerve...collecting money, never using it for the intended purpose, and then trying to keep it!? Are they serious?

Sincerely,  
Former Aloha customer, thank goodness!

## Ann Cole

---

**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 12:00 PM  
**To:** Bill McNulty  
**Subject:** FW: From a customer of the former Aloha Utilities

---

**From:** Andrea Nazzaro [mailto:[babygirlnazz@tampabay.rr.com](mailto:babygirlnazz@tampabay.rr.com)]  
**Sent:** Wednesday, March 18, 2009 10:24 PM  
**To:** Nathan A. Skop  
**Subject:** From a customer of the former Aloha Utilities

As a former Aloha Utilities customer, I want the escrowed money (\$350,000) to go to improving the water treatment facilities as originally agreed upon.

Thank you in advance.

Andrea Nazzaro  
1751 Winsloe Dr.  
Trinity, FL 34655  
[babygirlnazz@tampabay.rr.com](mailto:babygirlnazz@tampabay.rr.com)

## Ann Cole

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**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 12:00 PM  
**To:** Bill McNulty  
**Subject:** FW: Aloha Escrow Account

---

**From:** Ravensmom4@aol.com [mailto:Ravensmom4@aol.com]  
**Sent:** Wednesday, March 18, 2009 10:31 PM  
**To:** Nathan A. Skop  
**Subject:** Re: Aloha Escrow Account

I am a former Aloha customer and I want to protest Aloha's refusal to release the escrow monies that was set aside to improve the water. This is our money and should be released to clean up the problems we have with our water.

Patricia Cusumano  
1746 Citron Ct  
Trinity, FL 34655

---

Feeling the pinch at the grocery store? [Make dinner for \\$10 or less.](#)

**Ann Cole**

---

**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 12:00 PM  
**To:** Bill McNulty  
**Subject:** FW: From a customer of the former Aloha Utilities

---

**From:** Steven Beisner [mailto:SBeisner@medquist.com]  
**Sent:** Thursday, March 19, 2009 7:46 AM  
**To:** Nathan A. Skop  
**Subject:** From a customer of the former Aloha Utilities

I am writing to say that as a customer, I am delighted to finally be relieved of the unresponsive and negligent management of the Old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities. This request is totally bizarre and improper.

These funds are the customers' funds awarded as a refund of overpayment. On April 30, 2002 (7 years ago), the Commission issued Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate increase and ordered a refund of the interim rates. Of course Aloha appealed the Final Order as they did almost every action by the PSC over the past 10 years. On May 6, 2003, the First DCA affirmed the Commission's Final Order No. PSC-02-0593-FOF-WU, including the Commission's requirement of a complete refund of the interim rate increase. The customers have been waiting a long time.

In 2006, a Settlement Agreement was implemented under the direction of, and facilitated by, the PSC General Counsel. Paragraph 3 (d) of this Settlement agreed that the customers were willing to apply the net refund monies (unpaid refunds plus interest less agreed \$45,000) to pay for the permanent and effective solution to the long-standing black water problems in the Aloha Utilities system. The customers never agreed that these refund monies would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the Settlement Agreement, not one penny of the customers' refund monies was to be applied as CIAC until the Commission issued its Final Order establishing Phase III rates, and the Order was final and non-appealable. I remind the PSC staff and Commissioners that Aloha never even had approval of a full Phase I increase, much less the required Phase II or Phase III. Aloha did not install the promised improvements to resolve the "Black Water" problems. This escrow remains the customers' refund.

The intent of the Settlement Agreement was based on the good faith of the implementation of the improvements within a two-year time period as promised to the customers at signing. Aloha has now sold at an extravagant profit. I as a customer suggest that the customers'

refund held in escrow be released to a “rate stabilization escrow fund” to cover future rate increases required to improve the black water condition, not to be released to the obsessive stockholders.

**Steve Beisner**

Project Manager  
Customer Support Services  
5430 Metric Place  
Suite 200  
Norcross, GA 30092  
Phone: 678.826.5692  
Fax: 856.879.6704  
Cell: 727.992.1713  
[sbeisner@medquist.com](mailto:sbeisner@medquist.com)  
[www.medquist.com](http://www.medquist.com)

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## Ann Cole

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**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 12:01 PM  
**To:** Bill McNulty  
**Subject:** FW: from a customer of Aloha utilities

---

**From:** Joe Abelleira [mailto:abelleira@msn.com]  
**Sent:** Thursday, March 19, 2009 9:12 AM  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
**Subject:** from a customer of Aloha utilities

To: PSC Commissioners

>  
 > I am writing to say that as a customer, I am delighted to finally be  
 > relieved of the unresponsive and negligent management of the Old Aloha  
 > Utilities. However, after the closing of the sale, I'm appalled to  
 > read that Aloha has requested and demanded that the Public Service  
 > Commission agree, "forthwith, to execute and transmit such  
 > documentation as is necessary and required to release" the customers'  
 > refund currently maintained in Account No. 3720776209 at AmSouth Bank  
 > to the old stockholders of Aloha Utilities.\* \*This request is totally  
 > bizarre and improper.  
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 > overpayment. On April 30, 2002 (7 years ago), the Commission issued  
 > Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate  
 > increase and ordered a refund of the interim rates. Of course Aloha  
 > appealed the Final Order as they did almost every action by the PSC  
 > over the past 10 years.  
 > On May 6, 2003, the First DCA affirmed the Commission's Final Order  
 > No. PSC-02-0593-FOF-WU, including the Commission's requirement of a  
 > complete refund of the interim rate increase. The customers have been  
 > waiting a long time.  
 > In 2006, a Settlement Agreement was implemented under the direction  
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 > constructed, and after the facilities were fully operational. Pursuant  
 > to the expressed terms of the Settlement Agreement, not one penny of  
 > the customers' refund monies was to be applied as CIAC until the  
 > Commission issued its Final Order establishing Phase III\* \*rates, and  
 > the Order was final and non-appealable. I remind the PSC staff and  
 > Commissioners that Aloha never even had approval of a full Phase I  
 > increase, much less the required Phase II or Phase III. Aloha did not

3/19/2009

- > install the promised improvements to resolve the "Black Water"
- > problems. This escrow remains the customers' refund.
- > The intent of the Settlement Agreement was based on the good faith of
- > the implementation of the improvements within a two-year time period
- > as promised to the customers at signing. Aloha has now sold at an
- > extravagant profit. I as a customer suggest that the customers' refund
- > held in escrow be released to a "rate stabilization escrow fund" to
- > cover future rate increases required to improve the black water
- > condition, not to be released to the obsessive stockholders.

Sincerely,

Joe Abelleira  
7532 Cheltnam Ct.  
New Port Richey, FL 34655

**Ann Cole**

---

**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 12:01 PM  
**To:** Bill McNulty  
**Subject:** FW: From a customer of the former Aloha Utilities

---

**From:** CARLEEN NARY [mailto:MsTabasco@verizon.net]  
**Sent:** Thursday, March 19, 2009 9:13 AM  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
**Cc:** Jean Hartman  
**Subject:** From a customer of the former Aloha Utilities

To: PSC Commissioners

I am writing to say that as a customer, I am delighted to finally be relieved of the unresponsive and negligent management of the old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities. This request is totally bizarre and improper.

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3/19/2009

Carleen Nary  
1906 Terralyn Ln  
Trinity, FL 34655

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Version: 8.0.238 / Virus Database: 270.11.15/2004 - Release Date: 03/18/09 07:17:00

3/19/2009

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**Ann Cole**

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**From:** Nathan A. Skop  
**Sent:** Thursday, March 19, 2009 1:25 PM  
**To:** Bill McNulty  
**Subject:** FW: from a customer of Aloha Utilitie

---

**From:** John Simmons [mailto:js-ss@hotmail.com]  
**Sent:** Thursday, March 19, 2009 1:02 PM  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
**Subject:** from a customer of Aloha Utilitie

To: PSC Commissioners

I am writing to say that as a customer, I am delighted to finally be relieved of the unresponsive and negligent management of the Old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities. This request is totally bizarre and improper.

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John Simmons  
8144 Brumby Ct  
Trinity, FL 34655

---

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3/19/2009

Katie Ely

090120

**From:** Ellen Plendl  
**Sent:** Thursday, March 19, 2009 9:24 AM  
**To:** Katie Ely  
**Cc:** Dorothy Menasco; Ann Cole  
**Subject:** emails

**Attachments:** FW: From a customer of the former Aloha Utilities; FW: From a customer of the former Aloha Utilities; FW: Aloha Customer Refund Escrow Account; RE: From a customer of the former Aloha Utilities; RE: From a customer of the former Aloha Utilities; RE: Aloha Customer Refund Escrow Account



FW: From a customer of the former Aloha Utilities; FW: From a customer of the former Aloha Utilities; FW: Aloha Customer Refund Escrow Account; RE: From a customer of the former Aloha Utilities; RE: From a customer of the former Aloha Utilities; RE: Aloha Customer Refund Escrow Account

Dockets 010503-WU, 060606-WS,

060122-WU, 090120-WS.

Emails received and responses sent.

FPSC, CLK - CORRESPONDENCE  
Administrative Parties ~~Consumer~~  
DOCUMENT NO. 02368-09  
DISTRIBUTION: \_\_\_\_\_

**Katie Ely**

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**From:** Lois Graham  
**Sent:** Thursday, March 19, 2009 8:11 AM  
**To:** Ellen Plendl  
**Subject:** FW: From a customer of the former Aloha Utilities

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**From:** Matthew Carter  
**Sent:** Thursday, March 19, 2009 7:36 AM  
**To:** William C. Garner; Lois Graham  
**Subject:** Fw: From a customer of the former Aloha Utilities

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**From:** rowe <microvent7@tampabay.rr.com>  
**To:** Matthew Carter  
**Sent:** Wed Mar 18 21:33:09 2009  
**Subject:** From a customer of the former Aloha Utilities

It is ridiculous that Aloha is trying to keep that money for it's shareholders!!! Here we go again...Helping Wall Street and Screwing Main Street! That money either needs to be returned or be put in a different escrow account for future rate increases. Aloha has some nerve...collecting money, never using it for the intended purpose, and then trying to keep it!? Are they serious?

Sincerely,  
Former Aloha customer, thank goodness!

3/19/2009

**Katie Ely**

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**From:** Lois Graham  
**Sent:** Thursday, March 19, 2009 8:12 AM  
**To:** Ellen Plendl  
**Subject:** FW: From a customer of the former Aloha Utilities

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**From:** Matthew Carter  
**Sent:** Thursday, March 19, 2009 7:36 AM  
**To:** Lois Graham  
**Subject:** Fw: From a customer of the former Aloha Utilities

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**From:** Andrea Nazzaro <[babygirlnazz@tampabay.rr.com](mailto:babygirlnazz@tampabay.rr.com)>  
**To:** Matthew Carter  
**Sent:** Wed Mar 18 22:25:29 2009  
**Subject:** From a customer of the former Aloha Utilities

As a former Aloha Utilities customer, I want the escrowed money (\$350,000) to go to improving the water treatment facilities as originally agreed upon.

Thank you in advance.

Andrea Nazzaro  
1751 Winsloe Dr.  
Trinity, FL 34655  
[babygirlnazz@tampabay.rr.com](mailto:babygirlnazz@tampabay.rr.com)

3/19/2009

**Katie Ely**


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**From:** Lois Graham  
**Sent:** Thursday, March 19, 2009 8:12 AM  
**To:** Ellen Plendl  
**Subject:** FW: Aloha Customer Refund Escrow Account

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**From:** Matthew Carter  
**Sent:** Thursday, March 19, 2009 7:37 AM  
**To:** William C. Garner; Lois Graham  
**Subject:** Fw: Aloha Customer Refund Escrow Account

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**From:** MidgenBill <wscudero@tampabay.rr.com>  
**To:** Jean Hartman  
**Cc:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
**Sent:** Wed Mar 18 21:24:41 2009  
**Subject:** Aloha Customer Refund Escrow Account

To: PSC Commissioners;

I am writing to say that as a customer, I am delighted to finally not have to try to work with the unresponsive and negligent management of the Old Aloha Utilities. However, after the closing of the sale, I'm appalled to read that Aloha has requested, and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers' refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stockholders of Aloha Utilities. This request is totally improper.

These funds are the customers' funds awarded as a refund of overpayment. On April 30, 2002 (7 years ago), the Commission issued Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate increase, and ordered a refund of the interim rates. Of course Aloha appealed the Final Order as they did almost every action by the PSC over the past 10 years.

On May 6, 2003, the First DCA affirmed the Commission's Final Order No. PSC-02-0593-FOF-WU, including the Commission's requirement of a complete refund of the interim rate increase. The customers, of then Aloha, have been waiting a long time. In 2006, a Settlement Agreement was implemented under the direction of, and facilitated by, the PSC General Counsel. Paragraph 3 (d) of this Settlement agreed that the customers were willing to apply the net refund monies (unpaid refunds plus interest less agreed \$45,000) to pay for the permanent and effective solution to the long-standing black water problems in the Aloha Utilities system. The customers never agreed that these refund monies would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the Settlement Agreement, not one penny of the customers' refund monies was to be applied as CIAC until the Commission issued its Final Order establishing Phase III rates, and the Order was final and non-appealable. I remind the PSC staff and Commissioners that Aloha never even had approval of a full Phase I increase, much less the required Phase II or Phase III. Aloha did not install the promised improvements to resolve the "Black Water" problems. **This escrow remains the customers' refund.**

The intent of the Settlement Agreement was based on the good faith of the implementation of the improvements within a two-year time period as promised to the customers at signing. Aloha has now sold at an extravagant profit. I as a customer suggest that the customers' refund held in escrow be released to a "rate stabilization escrow fund" to cover future rate increases required to improve the black water condition, not to be released to the obsessive stockholders.

Margaret Scudero  
 1430 Jutland Drive  
 Trinity, FL 34655

cc: nskop@PSC.state.fl.us; nargenziano@PSC.state.fl.us; Katrina.McMurrian@psc.state.fl.us; ledgar@PSC.state.fl.us; mcarter@PSC.state.fl.us

3/19/2009

**Katie Ely**

---

**From:** Ellen Plendl  
**Sent:** Thursday, March 19, 2009 9:08 AM  
**To:** 'microvent7@tampabay.rr.com'  
**Subject:** RE: From a customer of the former Aloha Utilities

microvent7@tampabay.rr.com

Dear Sir/Madam:

This is in response to your letter to Chairman Matthew M. Carter II, Florida Public Service Commission, regarding Aloha Utilities (Aloha). Given the nature of your concerns, Chairman Carter feels it would be appropriate for specialized staff of the Division of Service, Safety and Consumer Assistance to respond directly to you.

You expressed a concern about the disposition of Aloha's escrow account. We appreciate your comments regarding this matter and will add your correspondence to Docket Nos. 010503-WU, 060606-WS, 060122-WU, 090120-WS.

If you have any questions or concerns please contact me at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Ellen Plendl  
Regulatory Specialist  
Florida Public Service Commission  
Division of Service, Safety, & Consumer Assistance  
1-800-342-3552 (phone)  
1-800-511-0809 (fax)

**Katie Ely**

---

**From:** Ellen Plendl  
**Sent:** Thursday, March 19, 2009 9:08 AM  
**To:** 'babygirlnazz@tampabay.rr.com'  
**Subject:** RE: From a customer of the former Aloha Utilities

Ms. Andrea Nazzaro  
babygirlnazz@tampabay.rr.com

Dear Ms. Nazzaro:

This is in response to your letter to Chairman Matthew M. Carter II, Florida Public Service Commission, regarding Aloha Utilities (Aloha). Given the nature of your concerns, Chairman Carter feels it would be appropriate for specialized staff of the Division of Service, Safety and Consumer Assistance to respond directly to you.

You expressed a concern about the disposition of Aloha's escrow account. We appreciate your comments regarding this matter and will add your correspondence to Docket Nos. 010503-WU, 060606-WS, 060122-WU, 090120-WS.

If you have any questions or concerns please contact me at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Ellen Plendl  
Regulatory Specialist  
Florida Public Service Commission  
Division of Service, Safety, & Consumer Assistance  
1-800-342-3552 (phone)  
1-800-511-0809 (fax)

**Katie Ely**

---

**From:** Ellen Plendl  
**Sent:** Thursday, March 19, 2009 9:09 AM  
**To:** 'wscudero@tampabay.rr.com'  
**Subject:** RE: Aloha Customer Refund Escrow Account

Ms. Margaret Scudero  
wscudero@tampabay.rr.com

Dear Ms. Scudero:

This is in response to your letter to Chairman Matthew M. Carter II, Florida Public Service Commission, regarding Aloha Utilities (Aloha). Given the nature of your concerns, Chairman Carter feels it would be appropriate for specialized staff of the Division of Service, Safety and Consumer Assistance to respond directly to you.

You expressed a concern about the disposition of Aloha's escrow account. We appreciate your comments regarding this matter and will add your correspondence to Docket Nos. 010503-WU, 060606-WS, 060122-WU, 090120-WS.

If you have any questions or concerns please contact me at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Ellen Plendl  
Regulatory Specialist  
Florida Public Service Commission  
Division of Service, Safety, & Consumer Assistance  
1-800-342-3552 (phone)  
1-800-511-0809 (fax)

Ann Cole

090120

**From:** Ann Cole  
**Sent:** Tuesday, March 17, 2009 5:38 PM  
**To:** Jean Hartman  
**Subject:** RE: From a customer of the OLD ALOHA Utilities

Thank you for this information. Unless otherwise instructed, I will place this in *Docket Correspondence - Consumers and their Representatives* for Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

**From:** Jean Hartman  
**Sent:** Tuesday, March 17, 2009 5:22 PM  
**To:** Ann Cole  
**Subject:** FW: From a customer of the OLD ALOHA Utilities

Ann - Could you please file a copy of Mr. Forehand's email in the Aloha dockets: 010503-WU, 060606-WS, 060122-WU, and 090120-WS. Thanks. Jean

**From:** wayne forehand [mailto:wayneforehand@verizon.net]  
**Sent:** Tuesday, March 17, 2009 4:24 PM  
**To:** Jean Hartman  
**Cc:** Steve Reilly OPC  
**Subject:** Fw: From a customer of the OLD ALOHA Utilities

FPSC, CLK - CORRESPONDENCE  
Administrative Parties  Consumer  
DOCUMENT NO. 02368-09  
DISTRIBUTION: \_\_\_\_\_

Forwarded as information.

From: Wayne Forehand in Trinity, Florida where we have 361 days with sunshine!

----- Original Message -----

**From:** wayne forehand  
**To:** Katrina McMurrian PSC Commissioner ; L Edgar PSC Commissioner ; Matthew Carter PSC Commissioner ; Nancy Argenziano PSC Commissioner ; Nathan Skop PSC Commissioner  
**Cc:** Senator Mike Fasano ; Steve Reilly OPC  
**Sent:** Tuesday, March 17, 2009 4:20 PM  
**Subject:** From a customer of the OLD ALOHA Utilities

To: PSC Commissioners

I am writing to say that as a customer, I am delighted to finally be relieved of the unresponsive and negligent management of the Old Aloha Utilities. However after the closing of the sale, I'm appalled to read that Aloha has requested and demanded that the Public Service Commission agree, "forthwith, to execute and transmit such documentation as is necessary and required to release" the customers refund currently maintained in Account No. 3720776209 at AmSouth Bank to the old stock holders of Aloha Utilities. This request is totally bizarre and improper.

These funds are the customers funds awarded as a refund of overpayment. On April 30, 2002 (7 years ago) the Commission issued Order # PSC-02-0593-FOF-WU, which denied Aloha's request for a rate increase and ordered a refund of the interim rates. Of course Aloha appealed the Final Order as they did almost every action by the PSC over the past 10 years.

On May 6, 2003, the First DCA affirmed the Commission's Final Order No. PSC-02-0593-FOF-WU,

3/18/2009

including the Commission's requirement of a complete refund of the interim rate increase. The customers have been waiting a long time.

In 2006, a Settlement Agreement was implemented under the direction of and facilitated by the PSC General Council. Paragraph 3 (d) of this Settlement agreed the customers were willing to apply the net refund monies (unpaid refunds plus interest less agreed \$45,000) to pay for the permanent and effective solution to the long-standing black water problems in the Aloha utilities system. The customers never agreed that these refund monies would ever be given to the shareholders of Aloha. Quite to the contrary, they would only be considered contributions-in-aid-of-construction (CIAC) of the facilities built to solve the black water problems, and would only be applied as CIAC if and when the facilities were completely constructed, and after the facilities were fully operational. Pursuant to the expressed terms of the Settlement Agreement, not one penny of the customers refund monies were to be applied as CIAC until the Commission Issued its Final Order establishing Phase III rates and the Order was final and non-appealable. I remind the PSC staff and Commissioners that Aloha never even had approval of a full Phase I increase, much less the required Phase II or Phase III. Aloha did not install the promised improvements to resolve the "Black Water" problems. This escrow remains the customers refund.

The intent of the Settlement Agreement was based on the good faith of the implementation of the improvements with in a 2 year time period as promised to the customers at signing. Aloha has now sold at an extravagant profit. I as a customer suggest that the customers refund held in escrow be released to a "rate stabilization escrow fund" to cover future rate increases required to improve the Black water condition, not to be released to the obsessive stock holders.

Wayne Forehand  
1216 Arlinbrook Drive  
Trinity, FL 34655

Ann Cole

090120

**From:** Ann Cole  
**Sent:** Wednesday, March 18, 2009 4:29 PM  
**To:** Bill McNulty  
**Cc:** Cristina Slaton; Larry Harris; William C. Garner; Roberta Bass; Lorena Holley; Jean Hartman  
**Subject:** RE: A customer of Aloha utilities: Aloha request for escrow money

**CONSUMER**

Thank you for this information, which will be placed in *Docket Correspondence - Consumers and their representatives*, Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

**From:** Bill McNulty  
**Sent:** Wednesday, March 18, 2009 3:41 PM  
**To:** Ann Cole  
**Cc:** Cristina Slaton; Larry Harris; William C. Garner; Roberta Bass; Lorena Holley; Jean Hartman  
**Subject:** FW: A customer of Aloha utilities: Aloha request for escrow money

Ann,  
Please place this in the correspondence side of the docket file for the following dockets:  
Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.  
Thank You,  
Bill

*Bill McNulty*  
Chief Advisor to Commissioner Skop  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0855  
(850) 413-6028 (office)  
(850) 413-6029 (fax)  
bmcnulty@psc.state.fl.us

**From:** HOWARD LEDDER <howlaine210@msn.com>  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrin; Lisa Edgar; Matthew Carter  
**Cc:** wayneforehand@verizon.net <wayneforehand@verizon.net>  
**Sent:** Wed Mar 18 11:58:43 2009  
**Subject:** A customer of Aloha utilities: Aloha request for escrow money  
Dear PSC members:

Aloha has supplied absolutely horrible water water to Trinity customers for 14 years. We may still have thousands of dollars in expenses if we develop leaks caused by their water. After all this heartache, insult & inconvenience ( I'd LOVE to be able to use my jacuzzi to help my arthritis!!) **now** they want the escrow money on top of the millions they just got for treating their customers like dirt for the last 14 years? If this is allowed it will be just one more terrible injustice to the customers. PLEASE do NOT allow this to occur.

Respectfully,  
Howard & Elaine Ledder  
1202 Arlinbrook Dr.  
Trinity Oaks

DOCUMENT NUMBER-DATE

02368 MAR 19 8

3/18/2009

FPSC-COMMISSION CLERK

**Ann Cole**

090120

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**From:** Ann Cole  
**Sent:** Wednesday, March 18, 2009 4:28 PM  
**To:** Bill McNulty  
**Cc:** Cristina Slaton; Larry Harris; Lorena Holley; Roberta Bass; William C. Garner; Jean Hartman  
**Subject:** RE: From An Aloha Customer

Thank you for this information, which will be placed in *Docket Correspondence - Consumers and their representatives*, Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

---

**From:** Bill McNulty  
**Sent:** Wednesday, March 18, 2009 3:40 PM  
**To:** Ann Cole  
**Cc:** Cristina Slaton; Larry Harris; Lorena Holley; Roberta Bass; William C. Garner; Jean Hartman  
**Subject:** FW: From An Aloha Customer

Ann,

Please place this in the correspondence side of the docket file for the following dockets:  
Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

Thank You,

Bill

---

**From:** Gary Franck [mailto:g.franck@verizon.net]  
**Sent:** Wednesday, March 18, 2009 3:13 PM  
**To:** Matthew Carter; Lisa Edgar; Katrina McMurrian; Nancy Argenziano; Nathan A. Skop  
**Cc:** Jean Hartman  
**Subject:** From An Aloha Customer

Where is the outrage?

I read in this morning's St Pete Times, the PSC has received a request from the former owners of Aloha Water to liquidate an escrow account in their favor.. It is beyond my belief that this request is not rejected out of hand as some kind of bad joke. Well, the joke has been on us as residents of Trinity for the past 12 years. We have had to put up with a company that cared only to line their pockets with our cash and not give a hoot about the quality of their product or customer service. Now they want money drawn from an escrow account that belongs to us and was set up to assure they completed a project as demanded by your organization. Although it shouldn't surprise you (it surely doesn't me), now that the sale has been completed and the former owners did not perform as required, I must ask; why would they be entitled to these funds?

You folks know the details of the agreement to place customer funds in escrow better than I. However, I do know these funds belong to the customers of Aloha. They should either be refunded to us or continue to be held in escrow to offset some of the anticipated rate increases that are the result of making system improvements that should have been made years ago.

Thank you kindly for your consideration in addressing this "outrage".

3/18/2009

Respectfully submitted.

Gary Franck  
1118 Hominy Hill Dr  
Trinity, Fl.

3/18/2009

**Ann Cole**

090120

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**From:** Ann Cole  
**Sent:** Wednesday, March 18, 2009 3:55 PM  
**To:** Bill McNulty  
**Cc:** Cristina Slaton; Larry Harris; Roberta Bass; Lorena Holley; William C. Garner; Jean Hartman  
**Subject:** RE: From a customer of the former Aloha Utilities

Thank you for this information, which will be placed in *Docket Correspondence - Consumers and their representatives*, Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

---

**From:** Bill McNulty  
**Sent:** Wednesday, March 18, 2009 3:16 PM  
**To:** Ann Cole  
**Cc:** Cristina Slaton; Larry Harris; Roberta Bass; Lorena Holley; William C. Garner; Jean Hartman  
**Subject:** FW: From a customer of the former Aloha Utilities

Ann,

Please place this in the correspondence side of the docket file for the following dockets:  
Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

Thank You,

Bill

---

**From:** bill.humphrey [mailto:bill.humphrey@earthlink.net]  
**Sent:** Wednesday, March 18, 2009 12:44 PM  
**To:** Nathan A. Skop; Nancy Argenziano; Katrina McMurrian; Lisa Edgar; Matthew Carter  
**Cc:** Jean Hartman  
**Subject:** From a customer of the former Aloha Utilities

I have read that Aloha Utilities, Inc is trying to get their hands on the \$350 thousand escrow account that was supposed to be refunded to customers when their rate increase was not approved. The customers had later agreed under duress that the money could be used by Aloha to fund the anion exchange installation, which they did not complete. Our agreement was they got the money when the job was done. It was never completed, the water quality was never improved and they should not get the money.

The money should be released to FGUA, the new owners, to use to help fund the improvements needed to improve the infrastructure so we get acceptable water!

The \$90.5 million sale price more than compensates the owners of Aloha for the costs incurred in preliminary engineering for the anion process installation.

William F. Humphrey  
2120 Larchwood Court  
Trinity, FL 34655

727-808-4483

3/18/2009

**Ann Cole**

090120

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**From:** Ann Cole  
**Sent:** Wednesday, March 18, 2009 3:14 PM  
**To:** Bill McNulty  
**Cc:** Cristina Slaton; Larry Harris; Lorena Holley; William C. Garner; Roberta Bass; Jean Hartman  
**Subject:** RE: Aloha Wants Escrow Cash - SPTimes 3/18/09

Thanks, Bill. This information will be placed in *Docket Correspondence - Consumers and their representatives*, Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

-----Original Message-----

**From:** Bill McNulty  
**Sent:** Wednesday, March 18, 2009 11:54 AM  
**To:** Ann Cole  
**Cc:** Cristina Slaton; Larry Harris; Lorena Holley; William C. Garner; Roberta Bass; Jean Hartman  
**Subject:** FW: Aloha Wants Escrow Cash - SPTimes 3/18/09

Ann,

Please place this in the correspondence side of the docket file for the following dockets: Docket Nos. 010503-WU, 060606-WS, 060122-WU, and 090120-WS.

Thank You,  
Bill

Bill McNulty  
Chief Advisor to Commissioner Skop  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0855  
(850) 413-6028 (office)  
(850) 413-6029 (fax)  
bmcnulty@psc.state.fl.us

-----Original Message-----

**From:** Hubert Fladung [<mailto:hubert.fladung@gmail.com>]  
**Sent:** Wednesday, March 18, 2009 8:10 AM  
**To:** Nancy Argenziano; Nathan A. Skop  
**Cc:** John - Chairman BWN Andrews; wayne forehand  
**Subject:** Aloha Wants Escrow Cash - SPTimes 3/18/09

Honorable Commissioners N. Kop, N. Argenziano,

Please make the right decision here. I think it is quite obvious who's money it is, otherwise you would have never held it in the escrow account.

3/18/2009

It is NOT Aloha's money, but to be used for the customers benefits.

Hubertus J Fladung  
1214 Trafalgar Dr  
New Port Richey, FL  
(727) 375-0879

The following article appears in the St. Petersburg Times,  
3/18/09, Pasco Times section, p1.

John Andrews  
CBWN Chairman

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Aloha Wants Escrow Cash

The utility wants the \$375,000 it collected but did not use.  
Not so fast, say customers.

By Jodie Tillman, Times Staff Writer

In print: Wednesday, March 18, 2009

TRINITY — Like a lot of bad break-ups, the split between Aloha  
Utilities and its former customers is ending in a fight over who owns  
what.

At issue: More than \$375,000 left in an escrow account.

Less than three weeks after Aloha sold its water and wastewater

3/18/2009

assets for \$90.5 million to the Florida Governmental Utility

Authority, the company's shareholders say that the escrow money is

theirs and they want state regulators to release it.

Customers and their representative say: Not so fast. That's our

refund money from 2002-03.

The Florida Public Service Commission has not made a decision, said

spokeswoman Kirsten Olsen.

Here's how the money ended up in the escrow account:

Back in March 2006, Aloha and representatives of its 25,000 customers

in the Seven Springs and Trinity area entered into a settlement

agreement to resolve a number of outstanding issues.

One of those issues: Aloha's appeal of a 2004 commission order to

refund nearly \$300,000 to customers who had been paying temporary

rate hikes that were ultimately not approved.

As part of the 2006 settlement, Aloha agreed to drop its appeal of

the rate case and put the refund money into an interest-bearing

account to help pay for an "anion exchange" treatment system intended

to solve long-standing water quality problems.

The agreement says that once a third series of rate increases to pay

for the system got approved, Aloha could record the escrow money as

its contribution to the construction, and then the money would be

released to the utility.

The treatment system never got built, of course. And when the Florida Governmental Utility Authority bought Aloha's assets this year, that group scrapped the anion exchange treatment system, saying it had other plans for improving the water quality.

Lawyers for Aloha say that since the treatment system was abandoned, Aloha should get the escrow money, in part to defray what it had spent already on plans for the system. The company also says it would use the money to finish paying off commission fees and fines as well as Pasco County for work it did at Aloha's request.

"Aloha is legally entitled to the money," said lawyer William Sundstrom, who estimates his client spent roughly \$1 million on the plans. "It's not the customers' money, it's Aloha's."

Not so, say customers and Stephen Reilly, a lawyer from the Office of Public Counsel working on their behalf.

Reilly wrote in filings to the commission that customers agreed that Aloha would get the money only if and when construction of the treatment system was finished. He wrote that Aloha's investment "will be fully compensated" by the \$90.5 million sales price.

Trinity resident Wayne Forehand said he was "appalled" by Aloha's request. He said customers will ask the commission to keep the money in escrow to help cover other improvements. Their goal is to defray future rate increases that come with the authority's purchase of Aloha's assets.

"Let's use it for the good of the community," he said.

State Sen. Mike Fasano, R-New Port Richey, a customer and longtime critic of Aloha, said Tuesday that he would also fight the utility's request.

"It seems like Aloha just wants to stick their finger in the customers' eye," he said, "one more time, as they leave."

-----  
Jodie Tillman can be reached at jtillman@sptimes.com or (727) 869-6247.

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490 First Avenue South • St. Petersburg, FL 33701 • 727-893-8111

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<BR><BR><BR>\*\*\*\*\*<BR>Feeling the pinch at the grocery store? Make dinner for \$10 or less.  
(<http://food.aol.com/frugal-feasts?ncid=emlcntusfood00000001>)</HTML>