

FILE

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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IN THE MATTER OF THE )  
APPLICATION OF WATERVILLE )  
GAS & OIL COMPANY FOR )  
AUTHORITY TO AMEND ITS FILED )  
TARIFFS TO INCREASE THE )  
RATES AND CHARGES FOR GAS )  
SERVICES AND RELATED )  
MATTERS. )

CASE NO. 07-194-GA-AIR

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REQUEST OF WATERVILLE GAS & OIL COMPANY  
FOR USE OF TEST YEAR ENDING DECEMBER 31, 2006, FOR DATE  
CERTAIN OF DECEMBER 31, 2006, FOR WAIVER OF THE COMMISSION'S  
STANDARD FILING REQUIREMENTS FOR SMALL UTILITIES AND FOR  
PERMISSION TO FILE ABBREVIATED FILING REQUIREMENTS SET  
FORTH IN OHIO ADMINISTRATIVE CODE 4901-7-01 (APPENDIX A,  
CHAPTER V)

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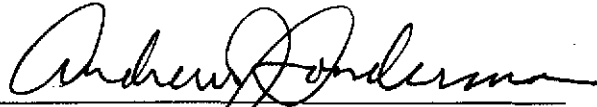
NOW COMES Waterville Gas & Oil Company (hereinafter, "Waterville" or "Company"), and respectfully requests that the Commission authorize it to use a test year ending December 31, 2006, and date certain of December 31, 2006 and grant it a waiver of the Standard Filing Requirements for Small Utilities set forth in Ohio Administrative Code, 4901-7-01 (Appendix A, Chapter IV); Waterville further requests permission to submit the Abbreviated Filing authorized under Ohio Administrative Code, 4901-07-01 (Appendix A, Chapter V). Waterville submits that other information which the Company will provide if the request for waiver is granted will be sufficient so that the Commission's Staff can effectively and efficiently review the rate application.

The Reasons for the requested waiver and permission to submit the Abbreviated

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Filing are set forth in the attached Memorandum in Support, which is incorporated herein as if fully set forth. Waterville submits that this request meets the standards for Waiver of information requirements for small utilities set forth in Ohio Admin. Code 4901-7-01 (Appendix A, Chapter (a)(4)).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Andrew J. Sonderman", is written over a horizontal line.

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Counsel for Waterville Gas & Oil Company

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

<b>IN THE MATTER OF THE</b>	)	
<b>APPLICATION OF WATERVILLE</b>	)	
<b>GAS &amp; OIL COMPANY FOR</b>	)	
<b>AUTHORITY TO AMEND ITS FILED</b>	)	
<b>TARIFFS TO INCREASE THE</b>	)	CASE NO. 07- <del>194</del> -GA-AIR
<b>RATES AND CHARGES FOR GAS</b>	)	
<b>SERVICES AND RELATED</b>	)	
<b>MATTERS.</b>	)	

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**MEMORANDUM IN SUPPORT OF  
REQUEST OF WATERVILLE GAS & OIL COMPANY  
FOR AUTHORITY TO USE A TEST YEAR ENDING DECEMBER 31, 2006, A  
DATE CERTAIN OF DECEMBER 31, 2006 AND WAIVER OF THE  
COMMISSION'S STANDARD FILING REQUIREMENTS FOR SMALL  
UTILITIES AND FOR PERMISSION TO FILE ABBREVIATED FILING  
REQUIREMENTS SET FORTH IN OHIO ADMINISTRATIVE CODE 4901-7-01,  
APPENDIX A, CHAPTER V**

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Waterville filed its Pre-Filing Notice ("PFN") on this same date in the above-referenced docket. It has submitted with the PFN the Exhibits required by Ohio Administrative Code, 4901-7-01 (Appendix A, Chapter I(B)). In the PFN Waterville requested a test year of the twelve months ended December 31, 2006, and a date certain of December 31, 2006. Unless the Commission orders otherwise, Ohio Rev. Code §4909.15(C) requires that the test period shall be the twelve month period commencing six months prior to the date of the application, and the date certain shall be no later than the filing date. Waterville submits that an order authorizing the utilization of the historical data from the recently completed calendar year, which is also its fiscal year, is justified because it will facilitate the prompt review of data without the necessity to update projections to actual data. The requested test year and date certain will not be detrimental to consumers and are within the scope of the provisions of Section

4909.15(C). Waterville requests that the Commission approve the requested test year and date certain.

Waterville further requests waiver of the Standard Filing Requirements ("SFR") set forth in Ohio Administrative Code 4901-7-0 (Appendix A, Chapter IV) and permission instead to file an Abbreviated Application pursuant to Ohio Administrative Code 4901-7-01(Appendix A, Chapter V). The standard for the Commission's determination whether good cause has been shown by the utility requesting waiver is set forth in Ohio Admin. Code 4901-7-01 Appendix A, Chapter IV(A)(4):

...In determining whether good cause has been shown, the commission shall give due regard, among other things, to:

- (a) Whether other information, which the utility would provide if the waiver is granted, is sufficient so that the commission staff can effectively and efficiently review the rate application;
- (b) Whether the information, which is the subject of the waiver request, is normally maintained by the utility or reasonably available to it from the information which it maintains; or
- (c) The expense to the utility in providing the information which is the subject of the waiver request.

Waterville submits that good cause exists pursuant to these standards for waiver in this rate application. Although the Chapter V abbreviated filing requirements on their face apply to gas utilities having 2000 or less customers, Waterville is still a very small company. Currently, the Company has 3,282 customers served pursuant to Commission-approved rates. In other contexts, the Commission has acknowledged that significantly larger utilities should be treated as small utilities. As an example, The Commission's Staff has supported the use of small company filing requirements relative to rate of return analysis although the applicant technically had "medium" utility filing status. In supporting use of the small company requirements, the Staff Witness, W. Ross Willis, explained that the utility was "clearly a borderline company for purposes of rate filing

requirements” and that Staff was satisfied that treatment as a small company was appropriate.<sup>1</sup>

More recently, the Commission established Minimum Gas Service Standards.<sup>2</sup> In its Second Entry on Rehearing on May 17, 2006 in that docket the Commission modified Rule 4901:1-13-01(W) and (X) to define “small gas company” and “small natural gas company” as those serving less than 75,000 customers, instead of the 15,000 limit earlier adopted. In both instances, the Commission has recognized that size truly matters and that smaller companies may not have the scope and capabilities to assume duties and perform analyses and manage costs associated with those duties and analyses that larger companies may possess. Waterville must rely on outside resources at significant incremental expense in order to achieve compliance with the Chapter IV filing requirements. It is a fact that the information required by the Chapter IV requirements is not maintained or reasonably obtainable from information the Company maintains in the ordinary course of business. Finally, Waterville’s professional staff is committed to fully cooperate with the Commission’s staff in providing prompt and complete responses to the Commission’s staff in the course of its investigation of Waterville’s application should this request for authority to follow the Abbreviated Application procedure be granted.

The grant of authorization to submit the Abbreviated Application pursuant to the Appendix A Chapter V Standard Filing Requirements will result in significantly lower utilization of outside legal and other professional resources, at correspondingly lower rate case expense. This will benefit its ratepayers.

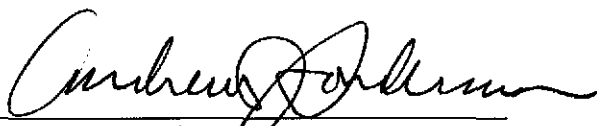
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<sup>1</sup> *In the Matter of the Application of Northeast Ohio Natural Gas Corp. for an Increase in its Rates and Charges for Natural Gas Service, Case No. 03-21770-GA-AIR*, (prepared testimony of W. Ross Willis, October 19, 2004, p. 6). The use of the small company requirement in this regard was embodied in the Stipulation and Recommendation entered by the Applicant, Staff and Office of Consumers Counsel and filed on October 22, 2004 in that proceeding, adopted by Commission Opinion and Order on November 10, 2004.

<sup>2</sup> *In the Matter of the Amendment of Chapter 4901:1-13, Ohio Administrative Code, to Establish Minimum Gas Service Standards, Case No. 05-602-GA-ORD.*

WHEREFORE, Waterville Gas & Oil Company respectfully prays that the Commission approve the twelve-month period ending December 31, 2006 as the test year and December 31, 2006 as the Date Certain; that it grant Waterville's request for a waiver of the Standard Filing Requirements for small utilities set forth in Ohio Administrative Code 4901-7-01 (Appendix A, Chapter IV); and that Waterville be authorized to file an Abbreviated Application as provided in Ohio Administrative Code 4901-7-01 (Appendix A, Chapter V) as supported by good cause and in the public interest.

Respectfully submitted,



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