



Prairie Township Board of Trustees

23 Maple Dr.
Columbus, Ohio 43228

Telephone (614) 878-3317

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Trustees
Steve Kennedy
Nicole Schlosser
Doug Stormont

Dan McCardle
Fiscal Officer

Tracy Hatmaker
Administrator

September 25, 2008

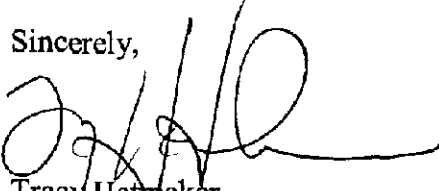
Public Utilities Commission of Ohio
Attn: Docketing
180 East Broad Street
Columbus, Ohio 43215

RE: CASE # 07-1112-WS-AIR / Ohio American Water

Dear Madams/Sirs:

Please find the enclosed copy of a letter sent to Chairman Schriber by the Prairie Township Board of Trustees concerning Case # 07-1112-WS-AIR. Identical letters were sent to each of the other four commission members. Please add this document to the case docket. Thank you.

Sincerely,


Tracy Hatmaker
Township Administrator

PUCO

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Prairie Township Board of Trustees

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Columbus, Ohio 43228

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September 24, 2008

Alan R. Schriber, Chairman
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: CASE # 07-1112-WS-AIR / Ohio American Water

Dear Mr. Schriber:

We, the members of the Prairie Township Board of Trustees, are writing to express our grave concern about Ohio American Water's November 2007 rate increase request and the Stipulation and Recommendation report that was issued in this case on September 4, 2008. The September 4, 2008 report recommends a 30.37% increase for water and a 36.94% increase for sewer in the Lake Darby service area, which is located in Prairie Township. The resulting costs to residents will represent an approximately \$30.00 per month increase on average, which will take the typical water and sewer bill to over \$105.00 per month. Such costs for a single utility will be a 'budget buster' for many, if not most, of the households in this area. So much so, that we fear that some of the more modest neighborhoods in the service area will be compromised in terms of their real estate values and vacancy rates, thus threatening their viability as livable communities. This vicious circle will be completed when residents are forced to use less water because of high costs, resulting in a decreased volume of usage that would result in yet another argument for the next rate increase.

The proposed \$105.00, plus monthly average cost compares most unfavorably with the \$56.16 per month being paid for water and sewer by Franklin County system customers. These costs, based on an assumed usage of 7 CCFs, illustrate just how out of line the Lake Darby rates would be compared to rates for other systems in Central Ohio. This burden, especially with a tight economy and a tighter housing market, will make it more difficult to maintain a household budget, while, at the same time, making it more difficult to sell one's home if necessary. The repetition of such a scenario in a number of households could begin a downward spiral for the whole neighborhood.

Page 2
Alan R. Schriber
September 24, 2008

In talking to our constituents in the Lake Darby service area, we have learned that these high costs have been made even more frustrating by the fact that their conservation efforts actually work against them in rate hike cases. When they try to conserve water because of its high cost or out of concern for our natural resources, the resulting lower usage has a negative impact on the efficiency of the plant, thus helping to justify future rate increases. An increased vacancy rate among the homes in the area, resulting from the scenario described above, may add to this effect. Here again, we see a factor that can create a self-feeding spiral. This time leading to rate increase after rate increase, until the lack of sustainability of this system becomes blatantly obvious.

Passing along Ohio American's management problems to customers as proposed in the Stipulations and Recommendations would amount to taking another step toward allowing an unsustainable water and sewer system to drag surrounding neighborhoods down as it fails. As the elected representatives of this community, we find this to be unacceptable and hope you agree. We are seeking your assistance in seeing that these neighborhoods have a chance to maintain their current quality of life and not be threatened by factors beyond their control. We ask that you, as a Commissioner of the PUCO, consider alternatives to approving this rate increase. These alternatives should consider the long term future of both the water and sewer utility and the community that supports it. In the end, the health of each is dependent on the health of the other.

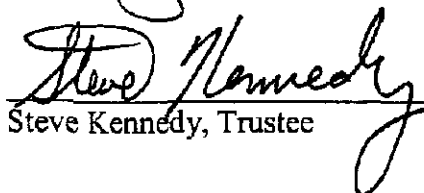
Please feel free to contact the Township with any comments or questions that you may have about this correspondence. You may reach Tracy Hatmaker, our Township Administrator, at 614-878-3317 (x114).

Thank you.

Sincerely,


Nicole Schlosser, Chair


Doug Stormont, Vice-Chair


Steve Kennedy, Trustee

CC: Governor Ted Strickland