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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application )  
of Aqua Ohio, Inc., )  
for Authority to Increase its Rates )  
and Charges in Its Masury Division )

Case No. 09-0560 WWAIR

MOTION FOR APPROVAL OF WAIVERS OF VARIOUS APPLICATION FILING  
REQUIREMENTS AND FOR TEST YEAR AND DATE CERTAIN


Now comes Aqua Ohio, Inc., (hereinafter "Aqua"), by and through counsel, and for the reasons set forth in the attached Memorandum in Support, respectfully requests that the Public Utilities Commission of Ohio (hereinafter "Commission"), pursuant to Ohio Revised Code Section ("R.C.") 4905.15(C) and Ohio Administrative Code Section ("O.A.C.") §4901-7-01, Appendix A, Chapter II, §(A)(4)(c), grant a waiver of the following provisions of the standard filing requirements as set forth in O.A.C. §4901-7-01, Appendix A, Chapter II for an application for authority to increase rates, in Aqua's rate application which has been commenced by the filing of a pre-filing notification. Aqua proposes a test year of January 1, 2008 through December 31, 2008 with a date certain of June 1, 2008. The waivers requested are:

- |    |                           |  |
|----|---------------------------|--|
| 1  | Schedule B-2.3            | Gross Additions, Retirements & Transfers-Total Company |
| 2  | Schedule B-5.1            | Miscellaneous Working Capital Items                    |
| 3  | Schedule B-8              | Water Data   |
| 4  | Schedule C-9              | Operation and Maintenance Payroll Costs                |
| 5  | Schedule C-9.1            | Corporate and Division Payroll Analysis                |
| 6  | Schedule C-11.1           | Comparative Balance Sheets-Total Company               |
| 7  | Schedule C-11.2           | Comparative Income Statements-Total Company            |
| 8  | Schedule C-11.3           | Comparative Income Statements-Other Income             |
| 9  | Schedules C-12.1 & C-12.3 | Revenue Statistics-Total Company                       |
| 10 | Schedule D-1.1            | Rate of Return Summary (Parent-Consolidated)           |
| 11 | Schedule D-2.1            | Embedded Cost of Short Term Debt (Parent-Consolidated) |
| 12 | Schedule D-3.1            | Embedded Cost of Long Term Debt (Parent-Consolidated)  |
| 13 | Schedule D-4.1            | Embedded Cost of Preferred Stock (Parent-Consolidated) |
| 14 | Schedule D-4.2            | Embedded Cost of Preferred Stock (Parent-Consolidated) |

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| 15 | Schedule D-5  | Comparative Financial Data  |
| 16 | Schedule D-5.1  | Comparative Financial Data (Parent-Consolidated)  |
| 17 | Schedule F-1  | Projected Income Statement-Total Company and Division<br>(Current Rates)                |
| 18 | Schedule F-1A   | Projected Income Statement Proposed Rates-Total<br>Company and Division (Current Rates) |
| 19 | Schedules F-2 and F-2A  | Projected Jurisdictional Rate Base Summary (Current and<br>Proposed Rates)              |
| 20 | Schedules F-2.2 & 2.2A  | Projected Plant in Service by Major Property Grouping<br>(Current and Proposed Rates)   |
| 21 | Schedules F-3 & F-3A  | Projected Capital Structure (Current and Proposed Rates)                                |
| 22 | Schedules F-4 & F-4A  | Projected Statement of changes in Financial Position-Total<br>Company and Division      |
| 23 | Schedule S-1  | Most Recent Three Year Capital Expenditure Budget-Total<br>Company                      |
| 24 | Schedule S-2.1  | Most Recent Three Year Projection Income Statement-<br>Total Company                    |
| 25 | Schedule S-2.2  | Most Recent Three Year Projection Balance Sheet-Total<br>Company                        |
| 26 | Schedule S-2.3  | Most Recent Three Year Projection Source of Funds<br>Statement-Total Company            |
| 27 | Schedule S 4.1 & 4.2  | Executive Summary of Corporate Process and management<br>policies                       |
| 28 | Chapter 2 C, Items 3-6,<br>Item 13, Item 35,<br>Items 46 & 47   | Supplemental Information  |
| 29 | To establish a test year of January 1, 2008 through December 31, 2008 with a date<br>certain of June 1, 2008. |   |

Respectfully submitted,



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## MEMORANDUM IN SUPPORT

In support of the waivers requested from certain aspects of the Standard Filing Requirements, Aqua Ohio submits that Aqua is in the process of preparing an Application for Authority to Increase Rates and Charges for its Masury Division.<sup>1</sup> As a result, Aqua, simultaneously with the filing of this motion, has filed a Notice of Intent to File an Application to Increase Rates and Charges in its Masury Division. Consistent with its Notice of Intent to File an Application to Increase Rates and Charges in its Masury Division, Aqua is in the process of compiling all of the information and financial data required by O.A.C. §4907-7-01, Appendix A, Chapter II, Standard Filing Requirements for Large Utilities. For the reasons set forth more fully below, Aqua seeks various waivers for some of the standard filing requirements.

Pursuant to O.A.C. §4907-7-01, Appendix A, Chapter II, §(A)(4)(c), the Commission may grant waivers to the various filing requirements under Chapter II of Appendix A in filing an Application for Authority to Increase Rates and Charges. In determining whether to grant the requested waivers, the Commission must consider: (1) whether the other information provided if the waiver is granted is sufficient so that the Commission staff can effectively and efficiently review the rate application; (2) whether the information for which the waiver is sought is normally maintained by the applicant or otherwise reasonably available to it; or (3) the expense to the applicant in providing the information subject to the waiver request. Aqua respectfully requests that the Commission grant the waivers requested for the reasons set forth below.

A. The Other Information Provided In The Application Will Be Sufficient So That The Commission Staff Can Effectively And Efficiently Review The Rate Application and The Expense to Provide the Information Subject to the Waiver Request is Unreasonable.

1.) Schedule B-2.3 ("Gross additions, retirements and transfers") requires an applicant to provide for each plant account the balances, gross additions, retirements and transfers for the

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<sup>1</sup> Aqua's Masury Division is a very small service territory consisting of approximately 1,500 consumers.

total company which occurred in the interim period from the last annual report filed with the Commission to the date certain in it's application. Aqua proposes to provide information, for each plant account, the balances, gross additions, retirements and transfers for the Masury Division only, that occurred in the interim period from the date certain of the last rate case to the date certain in this case, as opposed to total company information. The Masury Division data should be sufficient as Aqua is only seeking a rate increase for its Masury Division in this application.

2.) Schedule B-5.1 ("Miscellaneous working capital items") requires an applicant to provide the monthly inventory balances by production, transmission and distribution, and all other materials and supplies. This data is not relevant to a water utility and has not been required by the Staff in previous filings. Therefore, Aqua requests a waiver of the requirement to file this data.

3.) Schedule B-8 ("Water data") requires an applicant to provide data for unaccounted for water, using plant and distribution information. The Masury Division does not have a plant and retains data only for water sold each month.

4.) Schedules C-9 and C-9.1 require an applicant to provide data on operation and maintenance payroll costs for the total utility and total company payroll analysis by employee classification/payroll distribution. The Masury Division has no employees, and the total utility and total company information can be provided by response to data request if needed.

5.) Schedules C-11.1, C-11.2 and C-11.3 require an applicant to provide data on a total company basis, including total company balance sheets, for the most recent five calendar years, and as of the date certain, and total company comparative income statements for the most recent five year period. Data on a total company basis, to the extent that it relates to other Aqua

divisions is not relevant to the case, but will be provided pursuant to responses to data requests if requested.

6.) Schedule C-12.1 (Revenue Statistics) and C-12.3 (Sales Statistics) all call for the production of total company data<sup>2</sup>. Aqua proposes to prepare these schedules for the Masury Division only, since Masury is the only Division which is the subject of this rate application. Data on a total company basis, to the extent that it relates to other Aqua divisions, is not relevant to this rate case, but will be provided to staff through responses to data request if needed.

7.) Schedules D-1, D-2, D-3 and D-4 are to be prepared using parent- consolidated cost of capital data. The staff has, in rate cases spanning a period of more than a decade, determined that the appropriate capital structure to be used in the rate of return analysis was the stand-alone capital structure of Aqua Ohio, Inc.. Staff, in its review of the rate application, historically has only required the Aqua Ohio, Inc. capital structure data as filed on other Section D schedules as opposed to the Aqua America capital structure, and the Commission has approved the use of the stand alone capital structure in previous cases.

8.) Schedule D-5 requires an applicant to provide comparative financial data for the test year and the ten most recent fiscal years utilizing statistical information on a total company basis. Utilization of data on a total company basis, to the extent that it relates to other Aqua divisions, is not relevant to the case. However, as above, any information that the staff of the Commission requires to assist in effectively and efficiently evaluate the rate request will be provided through responses to data requests.

9.) Schedules F-1, F-1A, F-2, F-2A, F-2.2, F-2.2A, F-3, F-3A, F-4 and F-4A require an applicant to provide data for projected net earnings, jurisdictional rate base, capital structure and

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<sup>2</sup> For purposes of this filing requirements and this waiver request, Aqua is interpreting total company to mean Aqua Ohio, Inc., the regulated entity in Ohio and all of its operating divisions, but does not include Aqua America, Aqua's parent corporation.

changes in financial position on a total company basis. Financial projections concerning Aqua operations outside the Masury service territory serve no rational or useful purpose in evaluating the current application and are quite costly and time consuming to compile and calculate. Of course, as with all of the above, relevant information will be provided in responses to data requests.

10.) Schedules S-1, S-2.1, S-2.2, S-2.3 require an applicant to provide projections for a three year period for the capital expenditures budget, financial forecast, revenue requirements, balance sheet, and some elements of a statement of changes in financial position, including source of funds on a total company basis. Data on a total company basis, to the extent that it relates to other Aqua divisions is not relevant to the case and staff is able to efficiently and effectively evaluate the request for an increase in rates without this information.

11.) Schedules S-4.1 and S-4.2 require executive summaries of an applicant's corporate process and an applicant's management policies, practices and organization to meet overall corporate goals. Again, to the extent that this information relates to Aqua's overall corporate processes and management policies, the information is of limited value in evaluating Aqua's specific request to increase rates in the Masury Division only. To the extent that this information is required by the staff of the Commission, it will be provided through responses to data requests.

12.) Similarly, the information to be provided pursuant to Chapter 2 C, "Supplemental Information" Items 3-6, 13, 35, 46, 47 require an applicant to provide data on a wide variety of topics relating to Aqua Ohio, Inc. and Aqua America. Any of this information will be provided to the staff through responses to data request if needed to properly evaluate this application, though it would seem unlikely that production of much of this material would be necessary.

B. Test Year and Date Certain.

In support of its Test Year and Date Certain motion, Aqua states that it proposes to establish a test year of January 1, 2008 through December 31, 2008, and a date certain of June 1, 2008. R.C. 4905.15 (C) and O.A.C. Rule 4901-7-01, Appendix, Chapter II, Paragraph (A), Subparagraph (5)(a) permit the Commission to approve the requested Test Year period since the test period does not end more than nine (9) months subsequent to the date the application is filed. Further, the proposed date certain is not later than the date of filing, so the Commission has the discretion to approve the Date Certain requested. At the time of the filing of the application, the staff of the Commission should have all relevant actual data to evaluate the application.

WHEREFORE, Aqua Ohio respectfully moves the Public Utilities Commission of Ohio to grant Aqua Ohio:

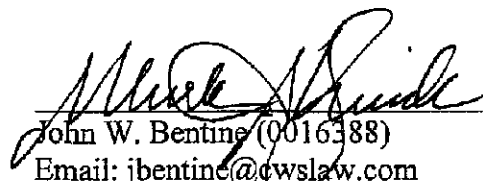
1.) A waiver from filing the following Schedules:

1	Schedule B-2.3	Gross Additions, Retirements & Transfers-Total Company
2	Schedule B-5.1	Miscellaneous Working Capital Items
3	Schedule B-8	Water Data
4	Schedule C-9	Operation and Maintenance Payroll Costs
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14	Schedule D-4.2	Embedded Cost of Preferred Stock (Parent-Consolidated)
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27	Schedule S 4.1 & 4.2	Executive Summary of Corporate Process and management policies
28	Chapter 2 C, Items 3-6, Item 13, Item 35, Items 46 & 47	Supplemental Information

2.) Approval of its proposed test year, January 1, 2008 through December 31, 2008; and a Date Certain of June 1, 2008.

Respectfully submitted,



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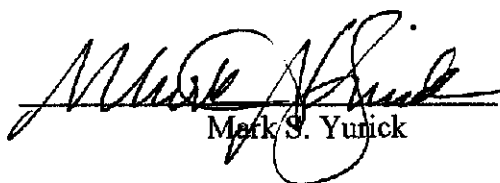


## CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing Motion for Approval of Waivers of Various Application Filing Requirements and For Test Year and Date Certain upon the persons listed below via United States first-class mail, postage prepaid, this 2<sup>nd</sup> day of July, 2009.

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