

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Aqua)
Ohio, Inc. for Authority to Increase its) Case No. 09-560-WW-AIR
Rates and Charges in its Masury Division.)

ENTRY

The Commission finds:

- (1) Aqua Ohio, Inc., (Aqua or Applicant) is a waterworks company as defined by Section 4905.03(A)(8), Revised Code, and a public utility as defined by Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission pursuant to Sections 4905.04, 4905.05, and 4905.06, Revised Code.
- (2) On July 2, 2009, Aqua filed a notice of intent to file an application for an increase in rates for its Masury Division pursuant to Section 4909.43(B) Revised Code, and in compliance with amended Chapter I of the Commission's Standard Filing Requirements, Sections A and B, Ohio Administrative Code. The Masury Water Company (Masury Division) provides water service to customers in Brookfield Township, Hubbard Township, and Trumbull County Ohio, consisting of approximately 1500 customers. The Masury Division serves a small amount of customers, and this division, standing alone, would qualify as a small utility according to the Standard Filing Requirements (SFRs), Rule 4901-7-01, Chapter IV, Ohio Administrative Code. However, because Masury Division is a subsidiary of Aqua Ohio, Inc., the SFRs require that each utility include in its customer count all customers over which the Commission has jurisdiction, without regard to the number of customers proposed to be affected by the application. Aqua owns other water companies in Ohio and serves more than 15,000 customers, which, according to the SFRs, is a large company for filing purposes. In its notice of intent to file an application for an increase in rates, Aqua has requested waivers from filing various financial and informational data required by this Commission's SFRs. In support of its waiver requests Aqua states it will provide financial and informational data on a Masury Division only basis, as opposed to providing the information on a total company basis, which is required by the SFRs. Aqua contends it is only seeking Commission authority for an increase in base rates and charges in its Masury Division and, as such, providing data on a total

company basis is not relevant in this rate case. Additionally, Aqua states that the information provided in the application will be sufficient so that the Commission Staff (Staff) can effectively and efficiently review the application.

- (3) The application of Aqua for an increase in rates is governed by and must meet the requirements of Sections 4909.17 to 4909.19 and 4904.42, Revised Code.
- (4) On July 17, 2009, the Office of the Ohio Consumers' Counsel (OCC) filed a memorandum contra certain requests for waivers filed by Aqua. In its memorandum contra, OCC opposes granting a waiver from the filing of certain data on a parent-consolidated basis. In support of its opposition, OCC argues that the Staff can more effectively and efficiently review the rate application if the waiver requests regarding parent-consolidated are not granted. OCC believes that there should be no cost associated with providing this data because the data should be readily available to Aqua. The OCC states that PUCO Staff, OCC and other interested parties should have the total company information and data, including consolidated rate of return information, necessary to make a determination in this rate case.
- (5) With the filing of its notice of intent to file an application seeking Commission authority to increase its base rates, Aqua moves that its test period begin January 1, 2008, and end December 31, 2008, and that the date certain be June 1, 2008. The proposed test year and date certain comply with Section 4909.18(C), Revised Code.
- (6) Applicant has requested a waiver from filing the following schedules:
 1. Schedule B-2.3: Gross Additions, Retirements and Transfers - Total Company (Applicant will provide information for each plant account, the balances, gross additions, retirements, and transfers for the Masury Division only from the date certain of the last rate case filed with this Commission to the date certain in this proceeding).
 2. Schedule B-5.1: Miscellaneous Working Capital Items - These data are not relevant to a water utility and have not been required by Staff in previous filings.

3. Schedules C-9 & C-9.1: Operation and Maintenance Payroll Costs
Total Company Payroll Analysis - The Masury Division has no employees and the total utility and total company information could be provided by response to a data request, if needed.
4. Schedules C-12-1 & C-12-3: Revenue Statistics - Total Company and Sales Statistics - Total Company (will provide information for the Masury Division only).
5. Schedules D-1, D-2, D-3, D-4: Rate of Return Summary - Parent Consolidated, Embedded Cost of Short - Term Debt - Parent Consolidated, Embedded Cost of Long-Term Debt-Parent Consolidated, and Embedded Cost of Preferred Stock - Parent Consolidated (Applicant will provide information on Aqua Ohio, Inc. only as opposed to the Aqua American capital structure).

- (7) The Commission is of the opinion that the waiver requests in Finding (6) are well-supported with a showing of good cause and, therefore, should be granted as requested.

The Commission's granting of these waivers does not relieve the Applicant of its responsibility to provide additional schedules, work papers, and calculations, used in the production of such informational material if, in the determination of the Staff, they become necessary to process the application. Many of these waiver requests would not be necessary if the Company qualified as a small company, according to the SFRs. Any and all additional informational requests of the Applicant by the Staff will be provided on a timely basis so as to meet the Staff's needs. Finally, the granting of the Applicant's waivers does not preclude the Staff from obtaining the information waived through data request if subsequently deemed to complete the Staff's investigation effectively and efficiently.

- (8) The Applicant has also requested a waiver from the filing of Schedule B-8, Water Data, Unaccounted for Water, contending that the Masury Division does not have a plant and retains data only for water sold each month.
- (9) The Commission determines that this schedule is necessary for an effective and efficient investigation. The Commission, therefore,

denies this waiver request and requires Schedule B-8 be filed on an Aqua Ohio, Inc. basis.

(10) Finally, the Applicant has also requested a waiver from the items listed below:

1. Schedules C-11.1, C-11.2, C-11.3: Comparative Balance Sheets, Comparative Income Statements (Total Company) - Data on a total company basis, to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
2. Schedule D-5: Comparative Financial Data - Parent - Consolidated - Data on a parent company basis, to the extent that it relates to Aqua American is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
3. Schedule F-1: Projected Income Statement - Total Company Current Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
4. Schedule F-1A: Projected Income Statement - Total Company - Proposed Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
5. Schedule F-2: Projected Jurisdictional Rate Base Summary Current Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.

6. Schedule F-2A: Projected Jurisdictional Rate Base Summary
Proposed Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
7. Schedule F-2.2: Projected Plant in Service by Major Property Grouping
Current Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
8. Schedule F-2.2A: Projected Plant in Service by Major Property Grouping
Proposed Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
9. Schedule F-3: Projected Capital Structure - Total Company
Current Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
10. Schedule F-3A: Projected Capital Structure - Total Company
Proposed Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
11. Schedule F-4: Projected Statement of Changes in Financial Position-Total Company
Current Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.

12. Schedule F-4A: Projected Statement of Changes in Financial Position-Total Company Proposed Rates - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
13. Schedules S-1, S-2.1, S-2.2, & S2.3: Most Recent Three - Year Period Capital Expenditure Budget - Total Company, Three Year Projection Income Statement-Total Company, Three Year Projection Balance Sheet-Total Company, Three Year Projection Source of Funds-Total Company - Data on a total company basis to the extent that it relates to other Aqua divisions is not relevant to this rate case and the Applicant proposes to provide this information by response to a data request, if needed.
14. S-4.1 & S-4.2: These schedules require executive summaries of an applicant's corporate process and an applicant's management policies and practices to meet corporate goals. The company proposes to provide any necessary information via response to a data request.
15. Supplemental Items 3-6, 13, 35, 46, 47: Requires an applicant to provide data on a wide variety of topics relating to Aqua Ohio, Inc., and Aqua America. The company proposes to provide any necessary information via response to a data request.
- (11) The Commission determines that the items in Finding No. 10 as they pertain to the Masury Division are necessary for an effective and efficient investigation. The Applicant proposes to provide the information by data request; however, the company must provide the information as it relates to the Masury Division in its application without Staff having to make a data request. The Commission is denying, in part, the request because the company must provide that information for the Masury Division. The Applicant need not provide

these schedules as they relate to the total company. Therefore, these waiver requests are denied in part and granted in part.

It is, therefore,

ORDERED, That the test period of the Applicant, Aqua Ohio, Inc., shall begin January 1, 2008, and end December 31, 2008, and that the date certain shall be June 1, 2008. It is, further,

ORDERED, That the appropriate method for making any changes to the date certain or test period shall be the filing of a new notice of intent to file an application for an increase in rates and withdrawal of the pending application. It is, further,

ORDERED, That the request for waivers made by the Applicant are granted or denied as set forth in Finding Nos. (7), (9), and (11). It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman

Paul A. Centolella

Valerie A. Lemmie

Ronda Hartman Fergus

Cheryl L. Roberto

HW:djb

Entered in the Journal

JUL 29 2009

Reneé J. Jenkins

Reneé J. Jenkins
Secretary