

LARGE FILING SEPARATOR SHEET

CASE NUMBER 09-560-WW-AIR

FILE DATE 08/07/2009

SECTION Part 1 of 4

NUMBER OF PAGES 53

DESCRIPTION OF DOCUMENT

Application for Increase in Rates

FILE

667

General Application for
Change in Utility Rates
Before Public Utilities Commission
Of Ohio

Case No. 09-0560-WW-AIR

Date: August 7, 2009

Exact Company Name: Aqua Ohio, Inc.

Company Official to be contacted pertaining to rate case matters:

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Approved Test Year: Beginning January 1, 2008 and ending December 31, 2008

Approved Date Certain: June 1, 2008

* * * FOR COMMISSION USE ONLY * * *

Date Received by Commission:

Docket Number Assigned:

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Date Accepted:

Accepted by:

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Aqua Ohio, Inc.)	Case No. 09-0560-WW-AIR
for Authority to Increase its Rates)	
And Charges in its Masury Division)	

APPLICATION FOR INCREASE IN RATES

To the honorable Public Utilities Commission of Ohio:

Applicant, Aqua Ohio, Inc. (hereinafter referred to as "Aqua"), respectfully represents:

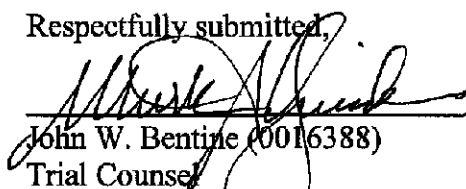
- 1) Aqua is a corporation duly organized and existing under the laws of the State of Ohio and is authorized to engage in the business of providing water service to customers in the service territory of its Masury Division as set forth in Aqua's Masury Division, P.U.C.O. Tariff No. 1.
- 2) Aqua is a public utility and a water-works company as those terms are defined in the Ohio Revised Code Sections 4905.02 and 4905.03(A)(8) and is regulated by and under the jurisdiction of this Commission.
- 3) Aqua is making this application to increase the rates charged in its Masury Division. The service area for Aqua's Masury Division is set forth in Aqua's Masury Division P.U.C.O. Tariff No. 1, Section 1.
- 4) The schedules of water service rates now charged by Aqua's Masury Division, and on file with the Commission have been in effect since March 2001, when those rates were approved in Case No. 00-0713-WW-AIR. Those rates and charges were based on 2000 revenues and expenses.
- 5) The proposed rates for Aqua's Lake Erie Division are based upon an application encompassing a Test Year of twelve months ending December 31, 2008 and will produce a rate of return of approximately 8.69% on the proposed rate base in Aqua's Masury Division.
- 6) Pre-notification was made on July 2, 2009 in accordance with Ohio Revised Code Section 4909.43(B) and Ohio Administrative Code ("O.A.C.") Rule 4901-7-01, Appendix A; Chapter 1.
- 7) Aqua's Masury Division urgently requires additional revenues to enable that Division to continue to render reliable and efficient utility service. Aqua's Masury Division proposes to obtain additional revenues through reasonable and equitable increases and adjustments in its rates and charges for water service.

- 8) After approval of the proposed increases, adjustments and changes, Aqua's Masury Division rates and charges will be just and reasonable and will provide not more than a fair and reasonable rate of return on the value of Aqua's Masury Division water service properties actually used and useful for the convenience of the public.
- 9) Filed herewith and made a part hereof are those exhibits, schedules and documents required by Revised Code section 4909.18 and Appendix A to Rule 4901-7-01 of the Ohio Administrative code, the Commissioner's Standard Filing Requirements for large utilities.

WHEREFORE, Aqua prays that the Commission:

- a) Find that the rates and charges now being charged by Aqua's Masury Division and for water services are insufficient to provide it with reasonable compensation for the services rendered and are unjust and unreasonable;
- b) Find and determine that the rates and charges herein proposed are just and reasonable and approve the same;
- c) Approve the filing of the proposed schedule sheets contained in Schedule E-1 filed herewith and made a part hereof, modified to reflect such revisions thereof as may become effective, pursuant to the orders of this Commission;
- d) Order that said proposed schedule sheet become effective forthwith;
- e) Approve the withdrawal of the present schedule sheets contained in Schedule E-2 filed herewith and made a part hereof;
- f) Grant such other and further relief as Aqua's Masury Division is reasonably entitled to in the premises.

Respectfully submitted,



John W. Bentine (0016388)

Trial Counsel

Mark S. Yurick (0039176)

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Attorneys for Aqua Ohio, Inc.

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Aqua Ohio, Inc.)	Case No. 09-0560-WW-AIR
for Authority to Increase it Rates)	
And Charges in the Masury Division)	

VERIFICATION PAGE

STATE OF OHIO)
COUNTY OF Mahoning) SS:

Robert G. Liptak and Robert A. Kopas, being first duly sworn, say that they are, respectively, President and Vice President of Finance of Aqua Ohio, Inc. and that the facts and statements in this Application to Increase Rates and Charges for the Masury Division of Aqua Ohio, Inc. is true and accurate to the best of their knowledge.

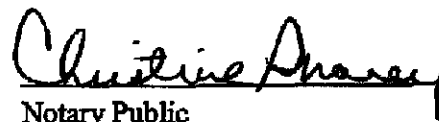


Robert G. Liptak
President



Robert A. Kopas
Vice President - Treasurer

Sworn to before me and subscribed in my presence by Robert G. Liptak and Robert A. Kopas this 7 day of August, 2009


Notary Public

CHRISTINE SNAREY, NOTARY PUBLIC
STATE OF OHIO
MY COMMISSION EXPIRES MAY 11, 2014

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

EXHIBITS REQUIRED BY REVISED CODE SECTION 4909.18

Ohio Revised Code ("R.C") Section 4909.18 requires that Aqua Ohio, Inc., (hereinafter "Aqua") file certain exhibits with its Application to Increase Rates. The Standard Filing Requirements mandate the submission of the identical information (in a different format) as the exhibits required by R.C. §4909.18. Therefore, the information constituting Exhibits A through F has been filed as part of the Standard Filing Requirements attached to the Application.

Below are given the references to the Standard Filing Requirements' schedules made by Aqua which comply with the exhibits specified by R.C. Section 4909.18

**Exhibits Referenced in
R.C. Section 4909.18**

**Schedule Reference in the
Standard Filing Requirements**

A	B-21 et seq.
B	C-11.2
C	C-1
D	C-11.1
E	S-3
F	All other schedules in Schedules A, B, C, D, E, F And S Series

Section A

REVENUE REQUIREMENT

Company: AQUA OHIO, INC.
MASURY DIVISION

Case No. 09-0560-WW-AIR

Test Year: January 1, 2008 through December 31, 2008

Date Certain: June 1, 2008

A-1 Overall Financial Summary

Section B

RATE BASE

Company: AQUA OHIO, INC.
MASURY DIVISION

Case No. 09-0560-WW-AIR

Test Year: January 1, 2008 through December 31, 2008

Date Certain: June 1, 2008

B-1	Jurisdictional Rate Base Summary
B-2	Plant in Service Summary by Major Property Groupings
B-2.1	Plant in Service by Accounts and Sub-accounts
B-2.2	Adjustments to Plant in Service
B-2.3	Gross additions, retirements and transfers
B-2.4	Lease Property
B-2.5	Property Excluded from Rate Base
B-3	Reserve for Accumulated Depreciation
B-3.1	Adjustments to the Reserve for Accumulated Depreciation
B-3.2	Depreciation Accrual Rates and Jurisdictional Reserve Balances by Account
B-3.3	Depreciation Reserve, accruals, retirements, and transfers
B-3.4	Depreciation Reserve and Expense for Lease Property
B-4	Construction Work In Progress
B-4.1	Construction Work In Progress – percent complete (time)
B-4.2	Construction Work In Progress – percent complete (dollars)
B-5	Allowance for Working Capital
B-5.1	Miscellaneous Working Capital Items
B-6	Other Rate Base Items Summary
B-6.1	Adjustments to Other Rate Base Items
B-6.2	Contributions in Aid of Construction by Accounts and Sub-accounts
B-7	Jurisdictional Allocation Factors
B-7.1	Jurisdictional Allocation Statistics
B-7.2	Explanation of Changes in Allocation Procedure
B-8	Generation Data
B-9	Mirrored CWIP Allowances (Not Applicable)

Section C

OPERATING INCOME

Company: AQUA OHIO, INC.
MASURY DIVISION

Case No. 09-0560-WW-AIR

Test Year: January 1, 2008 through December 31, 2008

Date Certain: June 1, 2008

C-1	Jurisdictional Proforma Income Statement
C-2	Adjusted Test Year Operating Income
C-2.1	Operating Revenues and Expenses by Accounts – Jurisdictional Allocation
C-3	Summary of Jurisdictional Adjustments to Test Year Operating Income
C-3.1	Detailed Adjustments
C-3.2	Operating Revenue Annualization
C-3.3	Operating Revenue Annualization
C-3.4	Purchased Water Adjustment
C-3.5	Postage and Processing Fees Adjustment
C-3.6	Uncollectible Accounts Adjustment
C-3.7	Rate Case Expense Adjustment
C-3.8	Tank Painting
C-3.9	Depreciation Expense
C-3.10	Property Tax Adjustment
C-3.11	Excise Tax
C-3.12	PUCO/OCC Adjustment
C-3.13	Federal Income Tax Adjustment
C-4	Adjusted Jurisdictional Federal Income Taxes
C-4.1	Development of Jurisdictional Federal Income Taxes before Adjustments
C-5	Social and Service Club Dues
C-6	Charitable Contributions
C-7	Customer Service, Sales Promotion, and Miscellaneous Advertising Expense
C-8	Rate Case Expense
C-9	Operation and Maintenance Payroll Costs
C-9.1	Total Company Payroll Analysis by Employee Classification/Payroll Distribution
C-10	Computation of the Gross Revenue Conversion Factor

C-11.1	Comparative Balance Sheet for the most recent Five Calendar Years
C-11.2	Comparative Income Statement for the most recent Five Calendar Years
C-11.3	Comparative Income Statements-Schedule of Other Income
C-12.1	Revenue Statistics – Total Company
C-12.2	Revenue Statistics – Jurisdictional
C-12.3	Sales Statistics – Total Company
C-12.4	Sales Statistics – Jurisdictional
C-13	Analysis of Reserve for Uncollectible Accounts

Section D

RATE OF RETURN

Company: AQUA OHIO, INC.
MASURY DIVISION

Case No. 09-0560-WW-AIR

Test Year: January 1, 2008 through December 31, 2008

Date Certain: June 1, 2008

D-1	Rate of Return Summary
D-2	Embedded Cost of Short-Term Debt
D-3	Embedded Cost of Long-Term Debt
D-4	Embedded Cost of Preferred Stock
D-5	Comparative Financial Data

Section E

RATES AND TARIFFS

Company: AQUA OHIO, INC.
MASURY DIVISION

Case No. 09-0560-WS-AIR

Test Year: January 1, 2008 through December 31, 2008

Date Certain: June 1, 2008

- E-1 Scored Copy of Proposed Tariff Schedules
- E-2 Scored Copy of Current Tariff Schedules
- E-3 Narrative Rationales for Tariff Changes
 - E-3.1 Fixed Charges Rationale
 - E-3.2 Cost of Service Study
- E-4 Class and Schedule Revenue Summary
 - E-4.3 Actual Test Year Revenue at Actual Rates
- E-5 Typical Bill Comparisons

Section F

PROJECTED FINANCIAL DATA

Company: AQUA OHIO, INC.
MASURY DIVISION

Case No. 09-0560-WW-AIR

Test Year: January 1, 2008 through December 31, 2008

Date Certain: June 1, 2008

- F-1 Projected Income Statement (Total Company)
- F-1A Projected Jurisdictional Income Statement (Proposed Rates)
- F-2 Projected Jurisdictional Rate Base Summary
- F-2.2 Projected Plant in Service by Major Property Grouping
- F-2.2 Projected Plant in Service by Major Property Grouping (Proposed Rates)
- F-3 Projected Capital Structure (Total Company)
- F-3A Projected Capital Structure (Proposed Rates)
- F-4 Projected Statement of Changes in Financial Position (Total Company)
- F-4A Projected Statement of Changes in Financial Position (Proposed Rates)

Section S

SUPPLEMENTAL FILING REQUIREMENTS

Company: AQUA OHIO, INC.
MASURY DIVISION

Case No. 09-0560-WW-AIR

Test Year: January 1, 2008 through December 31, 2008

Date Certain: June 1, 2008

- S-1 Most Recent Three Year Capital Expenditures Budget
- S-2 Most Recent Three Year Financial Forecast
- S-2.2 Income Statement (Most Recent Three Year Projection)
- S-2.2 Projection of Revenue Requirements
- S-2.3 Statement of Changes in Financial Position
- S-3 Proposed Newspaper Publication

Aqua Ohio, Inc.
Masury Division
Case No 09-0560-WW-AIR

Test Year: December 31 2008
Data : (12) Months Actual & (0) Months Estimated
Type of Filing : (X) Original () Updated () Revised
Work Paper Reference No(s):

Schedule E-3.2
Page 1 of 38
Witness responsible
David R. Monie P E

COST OF SERVICE STUDY

Title Sheet

(See attached narrative and schedules)

**CASE NO. 09-0560-WW-AIR
SCHEDULE E-3.2**

**AQUA OHIO, INC.
MASURY DIVISION
COST OF SERVICE
AND
TARIFF DESIGN STUDIES**

July, 2009

Prepared By:

**G.P.M. ASSOCIATES INC.
1920 FRONTAGE ROAD, SUITE 110
CHERRY HILL, NEW JERSEY 08034**

**AQUA OHIO, INC.
MASURY DIVISION
COST OF SERVICE AND TARIFF DESIGN STUDIES**

Introduction

The Masury Division of Aqua Ohio, Inc. ("Masury") is an Ohio public water utility company which provides water service to a portion of Brookfield Township. Masury supplies water to approximately 1,473 metered customers.

These studies have been undertaken to determine the appropriate cost of supplying water to the various customer classes and then to design a tariff to charge the various customer classes in closer proximity to their cost of service than the current tariff design ("COSS"). The COSS is based on the operating and financial information that are presented in the exhibits to the Rate Increase Application for Masury.

Masury purchases all of its water from Aqua Pennsylvania, Inc. an affiliated utility.

Tariff Design

Masury is a small water utility. Of the 1,473 metered customers, 1,387 of the customers are residential. Of the remaining 86 customers, there are 83 customers classified as commercial and 3 customers classified as industrial. Since there were no large water users among the 3 industrial customers, all 86 non-residential customers were classified in this COSS as commercial.

Fire protection service is provided. There are private fire service customers that are billed under a private fire service tariff and public fire service is provided and the revenues for this service are billed to the individual customers, both residential and non-residential, under the public fire service tariff. As is the case with all small water companies that provide significant fire service, as is the case with Masury, an unusually high proportion of the costs of providing water service are related to providing fire protection. This is because the water system is designed to provide large quantities of water for fire service, however, if fire service was not provided, a much lower volume of water would have to be transmitted throughout the water

system. Large systems, on the other hand, would need to transmit and distribute large volumes of water throughout the system even if fire service were not provided. This COSS used relatively low fire service usage requirements for fire protection so as to not greatly distort the proportion of costs allocated to the fire protection classes. Nevertheless, the COSS indicated that the private and public fire service classes were providing revenues far below the cost of service. It is, therefore, proposed to increase the fire service rates by 100%, both public and private, to move closer to the cost of service while not putting too great a burden on these customer classes.

Table 13 of the COSS calculates the appropriate Customer Charge for a typical residential customer with a 5/8 inch meter. This calculation is made in accordance to the methodology recommended by the Public Utility Commission of Ohio ("PUCO"). The calculated monthly customer charge of \$10.93 was used as the proposed Customer Charge with the other meter sizes having a proposed meter charge in proportion to the capacity of the various sized meters.

The current two block consumption charge rates were then proposed to be revised so that the total revenue requirement would be obtained. Both rate blocks received approximately the same percentage increase (1st block at 73% and the 2nd block at 72%) with the slight difference required to allow for the calculated revenues from the proposed tariff to equal slightly less than the revenue requirement requested in the rate filing.

A comparison of the present and proposed tariff design is provided in Table 10. Table 8 calculates the revenues at present rates from metered revenues and Table 9 calculates the revenues at proposed rates from metered revenues. The SIC has been set at \$0.00 in the proposed tariff with the revenues from the current SIC being rolled into the proposed tariff rates. Tables 11 and 12 calculate private and public fire revenues at present and proposed rates respectively. Table 14 is a comparison of cost of service rates, present rates and proposed rates. As can be seen on Tabale 14, all customer classes move closer to their cost of service under the proposed tariff.

Description of Cost of Service Study

The Cost of Service Study utilizes the base-extra capacity methodology as set forth in AWWA's Water Rates Manual, M-1 Fifth Edition "M-1 Manual". The first seven tables are the actual Cost of Service Study calculations. All working papers and back-up material for each of the tables are attached to their respective table. Table 8 is a billing analysis for the adjusted test year at current rates. The consumption and revenues, by customer class, are taken from the billing records of Masury. Table 9 is a billing analysis for the adjusted test year at proposed rates. Table 10 is a comparison of the current and proposed tariffs. Table 11 is a calculation of Private and Public Fire Service revenue at current rates. Table 12 is a calculation of Private and Public Fire Service revenue at proposed rates. Table 13 is a calculation of the Customer Charge using a methodology that is recommended by the PUCO. Table 14 is a summary of revenues at current, proposed and cost of service rates.

Determination of Allocation Basis

Table 1 shows the determination of the allocation percentages to the base and extra capacity functions. The average day is taken from the billing records of Masury as set forth on Table 9. The maximum day is estimated based on the maximum day extra capacity amounts on Table 5. The maximum hour was estimated based on the maximum hour extra capacity amounts on Table 5. The maximum day allocation basis is determined by the ratio of the average day to the maximum day period, and the maximum hour allocation basis is determined by the ratio of the average day to the maximum hour.

Allocation of Rate Base to Cost Functions

Table 2 describes the allocation for the various cost functions of the rate base components. Plant items are shown net of depreciation, contributions in aid of construction ("CIAC") and customer advances for construction ("CAC"). Attached to Table 2 is a schedule (WP 2a) which details the allocation of the utility plant to the various plant classifications,

including the amounts of Depreciation Reserve, CAC and CIAC deducted from the original cost of the utility plant by account. Other investments include the other factors which make up the Company's rate base and are a net negative principally due to deferred taxes. Items principally designed to meet maximum daily demands are allocated to the base and extra capacity functions as determined by the maximum day ratio developed in Table 1. Those items principally designed to meet maximum hourly demands are allocated on the basis of the maximum hour ratio also developed in Table 1. While the M1 Manual permits, but does not require, items designed to meet maximum hour requirements to be allocated to base, maximum day and maximum hour, we believe that it is appropriate to allocate them fully based on the maximum hour ratio since that is indicative of the design function of these items. Those items which are strictly used for fire protection purposes (fire hydrants) have been allocated completely to direct fire protection. Meters and services have been allocated completely to the customer cost function. The items which are general in nature (including other investments) are allocated based on the average allocation of the other items.

Allocation of Operation and Maintenance Expenses to Cost Functions

Table 3 shows the allocation of the operation and maintenance expenses to the various cost functions. The method used is identical to the allocation of physical plant described above. The administrative and general expenses were allocated based on the average allocations of the other expense items. Attached to Table 3 is a schedule (WP3a) detailing the allocation of Operation and Maintenance Expenses.

Summary of Allocations to Functional Cost Components

Table 4 shows the summary of allocations for the functional cost components. Operation and maintenance expenses were taken from Table 3. Income and property taxes were allocated based on the allocation of the rate base components developed in Table 2. Other taxes were allocated based on the operation and maintenance expense allocation developed on Table 3. A

schedule (WP4a) attached to Table 4 details the breakdown of the Other Taxes. Income available for fixed charges and depreciation expense were allocated based on the allocation of the rate base components developed on Table 2.

Determination of Estimated Units of Service by Customer Class

Table 5 shows the development of the estimated units of service. The total annual water use by customer class was taken from the billing analysis in Table 9. The non-coincidental extra capacity factors for both the maximum day and maximum hour columns were estimated based on experience and normal utility practice. They are the similar to the factors used in the last Cost of Service Study filed in Case No. 00-713-WW-AIR. The customer equivalent units ("CEU") have been calculated on the schedule (WP 5a) entitled "Calculation of Customer Equivalent Units" which has been attached to Table 5. This schedule shows a breakdown of the various meter sizes by customer class and a factor for calculating the CEU for each meter size. The factors for meter sizes larger than a 5/8" meter were determined using the AWWA ratios of meter capacity. Fire protection equivalent units ("FEQ's") were developed on the schedule (WP5b) entitled, "Calculation of Fire Protection Equivalent Units" which has also been attached to Table 5. As explained on this schedule, the FEQ's have been allocated based on cross-sectional area.

Determination of Unit Costs of Service

Table 6 describes the determination of the unit costs of service. The total cost of service by category is shown in the left-hand column and then allocated on the same basis as summarized on Table 4. The units of service on the top line of the table were developed on Table 5. The unit costs of service are determined by dividing the total dollar amount by the units of service.

Distribution of Costs of Service to Customer Class

Table 7 shows the distribution of the cost of service to the customer classes. The unit costs of service were developed on Table 6. The units of service, as broken down by customer class, were determined on Table 5. The cost of service is determined by multiplying the unit cost of service by the units of service. The results, in the total column, are the costs of service broken down by customer class. The final column shows the relative percentage of revenues which should be derived from the various customer classes.

AQUA OHIO, INC.
 MASURY DIVISION
 TABLE 1
 ALLOCATION RATIOS

	<u>RATIO</u>	<u>BASE</u>	<u>EXTRA CAPACITY</u>	
			<u>MAXIMUM DAY</u>	<u>MAXIMUM HOUR</u>
AVERAGE DAY	0.23	65.22%		

MAXIMUM DAY	0.36		34.78%	
AVERAGE DAY	0.23	36.31%		

MAXIMUM HOUR	0.65			63.69%

AQUA OHIO, INC.
MASURY DIVISION

TABLE 2
ALLOCATION OF PLANT INVESTMENT

ITEM	<u>TOTAL</u>	<u>BASE</u>	EXTRA CAPACITY		<u>CUSTOMER</u>	DIRECT FIRE <u>PROTECTION</u>
			<u>MAXIMUM DAY</u>	<u>MAXIMUM HOUR</u>		
Pumping Plant	167,152	109,014	58,138			
Distribution Storage	63,653	23,114		40,539		
T&D Mains	1,402,192	509,178		893,014		
Services & Meters	514,680				514,680	
Hydrants	69,080					69,080
General Plant	3,060	885	80	1,289	710	95
Other Investments	<u>(53,706)</u>	<u>(15,537)</u>	<u>(1,409)</u>	<u>(22,617)</u>	<u>(12,469)</u>	<u>(1,674)</u>
TOTAL	<u>2,166,112</u>	<u>626,655</u>	<u>56,810</u>	<u>912,224</u>	<u>502,921</u>	<u>67,502</u>

AQUA OHIO, INC.
MASURY DIVISION
ALLOCATION OF PROFORMA UTILITY PLANT

Acct. No.	Account	Test Year	Accumulated Depreciation	CIAC & CAC Net of Amortization	Adj. Plant
<u>PUMPING PLANT:</u>					
321	Bldg & Fix. - Pump. Plant	11,769	4,887		6,882
323	Other Power Generation E	27,900	1,268		26,632
325	Electric Pumping Equip.	142,682	9,049	0	133,633
	Subtotal	182,357	15,204	0	167,152
<u>STORAGE:</u>					
340	Land & Land Rights				
341	Structures & Imp.	3,258	0	0	3,258
342	Reservoirs & Tanks	23,642	33,254	0	60,395
	Subtotal	26,907	33,254	0	63,653
<u>I&D MAINS</u>					
343	T & D Mains	2,048,503	532,213	114,098	1,402,192
	Subtotal	2,048,503	532,213	114,098	1,402,192
<u>SERVICES & METERS:</u>					
345	Services	511,800	183,716	0	328,083
346	Meters	198,280	26,240	0	172,040
347	Meter Installations	15,151	594	0	14,556
	Subtotal	725,231	210,551	0	514,680
<u>HYDRANTS:</u>					
348	Hydrants	25,792	26,712	0	59,080
	Subtotal	25,792	26,712	0	59,080
<u>GENERAL PLANT:</u>					
301	Organization	3,060	0	0	3,060
347	Miscellaneous Equip.	0	0	0	0
	Subtotal	3,060	0	0	3,060
	TOTAL PLANT	3,151,850	817,934	114,098	2,219,818

AQUA OHIO, INC.
MASURY DIVISION

TABLE 3
ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES

<u>ITEM</u>	<u>TOTAL</u>	<u>BASE</u>	<u>DAY</u>	<u>MAXIMUM</u>		<u>DIRECT FIRE</u>
				<u>HOUR</u>	<u>CUSTOMER</u>	<u>PROTECTION</u>
Source of Supply	148,936	97,133	51,803			
Pumping	3,951	2,577	1,374			
Treatment	1,179	769	410			
Mains	13,563	4,925		8,638		
Storage	20,751	7,535		13,215		
Hydrants	6,581					6,581
Services & Meters	6,013				6,013	
Customer Accounts	68,905				68,905	
Admin. & General	67,676	28,321	13,438	5,480	18,787	1,650
TOTAL	337,553	141,261	67,025	27,333	93,705	8,231

AQUA OHIO, INC.
MASURY DIVISION
ALLOCATION OF OPERATION & MAINTENANCE EXPENSES
FOR PROFORMA PERIOD

WP 3a

<u>Account</u>	<u>Pro Forma</u>	<u>Allocation Category</u>
<u>SOURCE OF SUPPLY EXPENSES</u>		
Water Purchased	<u>148,936</u>	Source of Supply
<u>POWER & PUMPING EXPENSES</u>		
Operations Booster Labor	0	
Maintenance	0	
Power Purchased	<u>3,951</u>	
Subtotal	<u>3,951</u>	Pumping
<u>WATER TREATMENT EXPENSES</u>		
Laboratory Labor	0	
Miscellaneous Expenses	<u>1,179</u>	
Subtotal	<u>1,179</u>	Treatment
<u>TRANS. & DIST. EXPENSES</u>		
Operations of Reservoirs - Labor	0	Storage
Operation of Lines & Hyd. - Labor	1,136	50% Mains 50% Hydrants
Maint. of Meters	0	Services & Meters
Maint. Of Services	0	Services & Meters
Maint. of Tank	14,738	Tanks - Storage
Maint. Of Mains	6,982	Mains
Maint. of Lines	0	}Services, Mains, Meters
Misc. Expenses	<u>24,050</u>	}and Hydrants each 25%
Subtotal	<u>46,906</u>	
<u>CUSTOMER ACCT. & COLLECT.</u>		
Customer Rec. & Collection Exp.	30,304	
Uncollectable Accounts	29,280	
Misc. Cust. Acct. Expense	<u>9,321</u>	
Subtotal	<u>68,905</u>	Customer
<u>ADMIN., SALES & GEN. EXP.</u>		
Admin. and General Expenses	<u>67,676</u>	
Subtotal	<u>67,676</u>	General
Total Oper. & Maint. Expenses	<u>337,553</u>	

AQUA OHIO, INC.
MASURY DIVISION

TABLE 4
SUMMARY OF ALLOCATIONS TO FUNCTIONAL COST COMPONENTS

<u>ITEM</u>	<u>TOTAL</u>	<u>BASE</u>	<u>EXTRA CAPACITY</u>		<u>CUSTOMER</u>	<u>DIRECT FIRE</u>
			<u>MAXIMUM DAY</u>	<u>MAXIMUM HOUR</u>		<u>PROTECTION</u>
Operation & Maintenance	337,553	141,261	67,025	27,333	93,705	8,231
Inc., Stock, & Property Tax	233,956	67,683	6,136	98,527	54,319	7,291
Other Taxes	44,176	18,487	8,772	3,577	12,263	1,077
Income Available For Fixed Charges	190,205	55,026	4,988	80,102	44,161	5,927
Depreciation Expense	66,542	19,251	1,745	28,023	15,450	2,074
TOTAL	872,432	301,707	88,666	237,562	219,898	24,599

AQUA OHIO, INC.
MASURY DIVISION
ALLOCATION OF TAXES OTHER THAN INCOME TAXES
FOR PROFORMA PERIOD

WP 4a

<u>Other Taxes:</u>	<u>Total Tax</u>	<u>Prop. Tax</u>	<u>Other Taxes</u>
Real Estate Taxes	158,978	158,978	
Payroll Taxes	0		0
Excise	40,050		40,050
PUCO Assessment	1,126		1,126
E P A License to Operate	3,000		3,000
Gross Receipts Tax	0		0
	<u>203,154</u>	<u>158,978</u>	<u>44,176</u>

AQUA OHIO, INC.
MASURY DIVISION

TABLE 5
ESTIMATED UNITS OF SERVICE

<u>CUSTOMER CLASS</u>	TOTAL ANNUAL WATER USE (MG)	AVERAGE DAY		MAXIMUM DAY			MAXIMUM HOUR			CUST. EQUIV. UNITS	FIRE PROT. EQUIV. UNITS
		WATER USE (MGD)	WATER USE (MGD)	CAP. FACT. (\$)	TOTAL CAP. (MGD)	EXTRA CAP. (MGD)	CAP. FACT. (\$)	TOTAL CAP. (MGD)	EXTRA CAP. (MGD)		
Residential	63	0.17	0.17	145	0.25	0.08	175	0.30	0.13	1395	
Commercial	22	0.06	0.06	115	0.07	0.01	125	0.08	0.02	164	
Private Fire Prot.	0	0.00	0.00		0.01	0.01		0.07	0.07		286
Public Fire Prot.	0	0.00	0.00		0.03	0.03		0.20	0.20	0	792
TOTAL	86	0.23	0.23		0.359	0.125		0.65	0.41	1559	1078

AQUA OHIO, INC.
MASURY DIVISION
CALCULATION OF CUSTOMER EQUIVALENT UNITS
FOR PROFORMA PERIOD

WP 5a

<u>CUSTOMER CLASS AND METER SIZE</u>	<u>Units</u>	<u>Factor</u>	<u>CEQ's</u>
<u>Residential:</u>			
5/8"	1,373	1.0	1,373
3/4"	13	1.5	20
1"	1	2.5	3
Total Residential	<u>1,387</u>		<u>1,395</u>
<u>Commercial:</u>			
5/8"	52	1.0	52
3/4"	13	1.5	20
1"	11	2.5	28
1-1/2"	5	5.0	25
2"	5	8.0	40
Total Monthly Commercial	<u>86</u>		<u>164</u>
TOTAL	<u>1,473</u>		<u>1,559</u>

AQUA OHIO, INC.
MASURY DIVISION
CALCULATION OF FIRE PROTECTION
EQUIVALENT UNITS
FOR PRO FORMA PERIOD

WP 5b

<u>Type of Service</u>	<u>Number</u>	<u>Factor(1)</u>	<u>Equiv. Units</u>
<u>Public Fire Service:</u>			
Public Hydrants	<u>63</u>	12.57	<u>792</u>
Total Public Fire	<u>63</u>		<u>792</u>
<u>Private Fire Service:</u>			
Private Hydrants	8	12.57	101
6" Prv. Service Line	3	28.27	85
8" Prv. Service Line	<u>2</u>	50.27	<u>101</u>
Sub-Total Private	<u>13</u>		<u>286</u>
Total	<u>76</u>		<u>1078</u>

(1) Based on Crossectional Area with 4" Effective
Area being used for Fire Hydrates

AQUA OHIO, INC.
MASURY DIVISION

TABLE 6

UNIT COSTS OF SERVICE

<u>ITEM</u>	<u>TOTAL</u>	<u>BASE</u>	<u>EXTRA CAPACITY</u>		<u>CUSTOMER</u>	<u>DIRECT FIRE PROTECTION</u>
			<u>MAXIMUM DAY</u>	<u>MAXIMUM HOUR</u>		
Units of Service		86	0.12	0.41	1,559	1,078
Operation & Maint.	337,553	141,261	67,025	27,333	93,705	8,231
Unit Cost of Service		\$1,651.775	\$536,382.717	\$66,515.042	\$60.106	\$7.636
Income & Prop. Taxes	233,956	67,683	6,136	98,527	54,319	7,291
Unit Cost of Service		791.428	49,104.381	239,767.012	34.842	6.764
Other Taxes	44,176	18,487	8,772	3,577	12,263	1,077
Unit Cost of Service		216.168	70,196.487	8,704.834	7.866	0.999
Income Available For Fixed Charges	190,205	55,026	4,988	80,102	44,161	5,927
Unit Cost of Service		643.428	39,921.630	194,929.449	28.327	5.499
Depreciation Expense	66,542	19,251	1,745	28,023	15,450	2,074
Unit Cost of Service		225.099	13,966.317	68,194.774	9.910	1.924
TOTAL UNIT COST OF SERVICE		\$3,527.898	\$709,571.532	\$578,111.110	\$141.050	\$22.823
	872,432					

AQUA OHIO, INC.
MASURY DIVISION

TABLE 7
DISTRIBUTION OF COSTS OF SERVICE TO CUSTOMER CLASS

<u>CUSTOMER CLASS</u>	<u>BASE</u>	<u>EXTRA CAPACITY MAXIMUM DAY</u>	<u>MAXIMUM HOUR</u>	<u>CUSTOMER</u>	<u>DIRECT FIRE PROTECTION</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
Unit Cost of Service	3,527.898	709,571.532	578,111.110	141.050	22.823		
Residential Cost of Service	63 222,388	0.08 55,146	0.13 74,882	1,395 196,765	0 0	549,181	62.95%
Commercial Cost of Service	22 79,319	0.01 6,556	0.02 8,903	164 23,132	0 0	117,911	13.52%
Private Fire Protection Cost of Service	0 0	0.01 7,153	0.07 40,792	0 0	286 6,525	54,470	6.24%
Public Fire Protection Cost of Service	0 0	0.03 19,811	0.20 112,985	0 0	792 18,074	150,871	17.29%
TOTAL COST OF SERVICE	\$301,707	\$88,666	\$237,562	\$219,898	\$24,599	\$872,432	100.00%

AQUA OHIO, INC.
MASURY DIVISION
BILLING ANALYSIS
ADJUSTED TEST YEAR
AT PRESENT RATES

TABLE 8
SHEET 1 OF 3

Monthly		Bills	Units	Consum(1)	100 Gallons Consum(2)	Consum(3)	Total Consump.	Revenue
Residential:								
5/8"	0		0	0	0	0	0	0
Subtotal Residential	0		0	0	0	0	0	0
Commercial:								
5/8"	44		4	2,591	1,103		3,694	1,464
3/4"	0		0	0	0	0	0	0
1"	0		0	0	0	0	0	0
1-1/2"	37		4	6,919	88,684	0	95,603	27,457
2"	12		1	2,244	21,103	0	23,347	7,012
Subtotal Commercial	93		9	11,754	110,889	0	122,644	35,933
Industrial (Commercial):								
5/8"	0		0	0	0	0	0	0
1"	12		1	838	1	0	839	456
1 1/2"	12		1	733	182	0	915	617
2"	8		1	0	0	0	0	320
3"	0		0	0	0	0	0	0
4"	0		0	0	0	0	0	0
6"	0		0	0	0	0	0	0
Subtotal Industrial	32		3	1,571	183	0	1,754	1,391
Sale for Resale, Public:								
6"	0		0	0	0	0	0	0
Subtotal Sale for Resale	0		0	0	0	0	0	0

AQUA OHIO, INC.
 MANSURY DIVISION
 BILLING ANALYSIS
 ADJUSTED TEST YEAR
 AT PRESENT RATES

TABLE 8
 SHEET 2 OF 3

	Bill	Units	Consum(1)	100 Gallons Consum(2)	Consum(3)	Total Consum(4)	Revenue
Bi - Monthly							
Residential:							
5/8"	8,233	1,373	586,397	25,939	0	612,337	303,281
3/4"	73	13	13,934	2,681	0	16,515	6,870
1"	6	1	1,518	0	0	1,518	704
Subtotal Residential	8,312	1,387	601,750	28,620	0	630,370	310,855
Commercial:							
5/8"	283	48	21,439	6,017	0	27,456	12,280
3/4"	67	12	11,857	3,548	0	15,404	6,293
1"	59	10	11,944	4,647	0	16,591	7,092
1-1/2"	0	0	0	0	0	0	0
2"	23	4	8,475	32,511	0	40,986	13,734
3"	0	0	0	0	0	0	0
4"	0	0	0	0	0	0	0
6"	0	0	0	0	0	0	0
8"	0	0	0	0	0	0	0
Subtotal Commercial	432	74	53,714	46,722	0	100,437	39,399

TABLE 8
SHEET 3 OF 3

AQUA OHIO, INC.
MASURY DIVISION
BILLING ANALYSIS
ADJUSTED TEST YEAR
AT PRESENT RATES

	Bills	Units	Consum(1)	100 Gallons Consum(2)	Consum(3)	Total Consump.	Revenues
Residential	8,312	1,387	601,750	28,620	0	630,370	310,855
Commercial	557	86	67,040	157,795	0	224,835	76,725
Sub-Total Metered Rev.	8,869	1,473	668,789	186,415	0	855,205	387,580
Private Fire Service							15,189
Public Fire Service							55,524
SIC							13,749
Other Operating Revenues							10,412
Total Revenue							482,460

Masury Water Company
Schedule of Rates
Effective October 24, 2008

Usage Charges	Per 100 Gal.	Per 10 CF
First 37,400	0.3651	0.2731
Over 37,400	0.2707	0.2025
Other Utilities (All Consumption)	0.3053	0.2284

METER CHARGES

5/8" & 5/8 x 3/4"	4.950
3/4"	7.490
1"	12.49
1 1/2"	24.98
2"	39.97

AQUA OHIO, INC.
MASURY DIVISION
BILLING ANALYSIS
ADJUSTED TEST YEAR
AT PROPOSED RATES

TABLE 9
SHEET 1 OF 3

	<u>Bills</u>	<u>Units</u>	100 Gallons		<u>Consump(1)</u>	<u>Consump(2)</u>	<u>Consump(3)</u>	<u>Total Consump.</u>	<u>Revenues</u>
Monthly									
Residential:									
5/8"	0	0	0	0	0	0	0	0	0
Subtotal Residential	0	0	0	0	0	0	0	0	0
Commercial:									
5/8"	44	4	2,591	1,103	0	0	3,694	2,635	
3/4"	0	0	0	0	0	0	0	0	
1"	0	0	0	0	0	0	0	0	0
1-1/2"	37	4	6,919	88,684	0	0	95,603	47,693	
2"	12	1	2,244	21,103	0	0	23,347	12,295	
Subtotal Commercial	23	2	11,754	110,889	0	0	122,644	62,623	
Industrial (Commercial):									
5/8"	0	0	0	0	0	0	0	0	0
1"	12	1	838	1	0	0	839	859	
1 1/2"	12	1	733	182	0	0	915	1,205	
2"	8	1	0	0	0	0	0	700	
3"	0	0	0	0	0	0	0	0	0
4"	0	0	0	0	0	0	0	0	0
6"	0	0	0	0	0	0	0	0	0
Subtotal Industrial	32	3	1,571	183	0	0	1,754	2,763	
Sale for Resale: Public:									
6"	0	0	0	0	0	0	0	0	0
Subtotal Sale for Resale	0	0	0	0	0	0	0	0	0

AQUA OHIO, INC.
 MANSURY DIVISION
 BILLING ANALYSIS
 ADJUSTED TEST YEAR
 AT PROPOSED RATES

TABLE 9
 SHEET 2 OF 3

	<u>Bills</u>	<u>Units</u>	<u>Consum(1)</u>	<u>100 Gallons Consum(2)</u>	<u>Consum(3)</u>	<u>Total Consump.</u>	<u>Revenues</u>
Bi - Monthly							
Residential:							
5/8"	8,233	1,373	586,397	25,939	0	618,989	563,240
3/4"	73	13	13,834	2,681	0	612,337	12,399
1 "	6	1	1,518	0	0	16,515	1,289
						<u>1,518</u>	
Subtotal Residential	<u>8,312</u>	<u>1,387</u>	<u>601,750</u>	<u>28,620</u>	<u>0</u>	<u>630,370</u>	<u>576,928</u>
Commercial:							
5/8"	283	48	21,439	6,017	0	27,456	22,559
3/4"	67	12	11,857	3,548	0	15,404	11,354
1"	59	10	11,944	4,647	0	16,591	12,948
1-1/2"	0	0	0	0	0	0	0
2"	23	4	8,475	32,511	0	40,986	24,524
3"	0	0	0	0	0	0	0
4"	0	0	0	0	0	0	0
6"	0	0	0	0	0	0	0
8"	0	0	0	0	0	0	0
Subtotal Commercial	<u>432</u>	<u>74</u>	<u>53,714</u>	<u>46,722</u>	<u>0</u>	<u>100,437</u>	<u>71,365</u>

AQUA OHIO, INC.
 MASURY DIVISION
 BILLING ANALYSIS
 ADJUSTED TEST YEAR
 AT PROPOSED RATES

TABLE 9
 SHEET 3 OF 3

	Bills	Units	Consum(1)	100 Gallons Consum(2)	Consum(3)	Total Consump.	Revenues
Residential	8,312	1,387	601,750	28,620	0	630,370	576,928
Commercial	557	86	57,040	157,795	0	224,835	136,771
Sub-Total Metered Rev.	8,869	1,473	658,789	186,415	0	855,205	713,699
Private Fire Service							30,379
Public Fire Service							111,048
SIC							0
Other Operating Revenues							17,232
Total Revenue							872,417
							872,432
							15

Masury Water Company
 Schedule of Proposed Rates

	Per 100 Gal.	Per 10 CF
Usage Charges		
First 37,400	0.6330	0.4735
Over 37,400	0.4656	0.3481
Other Utilities (All Consumption)	0.5251	0.3928
		0.6230

METER CHARGES

5/8" & 5/8 x 3/4"	10.9300
3/4"	16.3950
1"	27.3250
1 1/2"	54.6500
2"	87.4400

AQUA OHIO, INC.
MASURY DIVISION
TABLE 10
COMPARISON OF PRESENT AND PROPOSED TARIFF

Customer Charges - Monthly

	<u>Current</u>	<u>Proposed</u>
5/8" or 5/8" x 3/4"	\$4.99	\$10.93
3/4"	7.49	16.40
1"	12.49	27.33
1-1/2"	24.98	54.65
2"	39.97	87.44
3"	74.95	163.95
4"	124.92	273.25
6"	249.85	546.50

	<u>Current</u>		<u>Proposed</u>	
	<u>Rate per</u>	<u>Rate per</u>	<u>Rate per</u>	<u>Rate per</u>
	<u>100 GAL.</u>	<u>10 CF</u>	<u>100 GAL.</u>	<u>10 CF</u>
Usage Charges:				
First 18,700 gallons Monthly	\$0.3651	\$0.2731	\$0.6330	\$0.4735
Over 18,700 Gallons Monthly	0.2707	0.2025	0.4656	0.3483
Other Utilities: (All Consumption)	0.3053	0.2284	0.5251	0.3928

	<u>Current</u>	<u>Proposed</u>
	<u>Rates</u>	<u>Rates</u>
Private Fire Protection: (Annual)		
"Dry" Sprinkler System		
4 " Service	\$1,189.91	\$2,379.82
6 " Service	1,804.07	3,608.14
8 " Service	3,603.33	7,206.66

Wet System		
2 " Service	580.56	1,161.12
4 " Service	2,096.74	4,193.48
6 " Service	3,915.20	7,830.40
8 " Service	5,728.85	11,457.70

Private Fire Hydrants: (Annual)	321.28	642.56
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Public Fire Protection: (Monthly)

Residential Customers	3.065	6.140
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Non - Residential Customers

2000 sq ft. or less	3.065	6.140
each additional 500 sq. ft.	0.573	1.140

SIC	3.00%	0.00%
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AQUA OHIO, INC.

WP 10a

MASURY DIVISION

CALCULATION OF TYPICAL METERED CUSTOMERS BILLS
AT PRESENT AND PROPOSED RATES

<u>Meter Size</u>	<u>Monthly Consp. 100 gal.</u>	<u>Present Mon. Bill</u>	<u>Proposed Mon. Bill</u>	<u>Percent Incr.</u>
5/8"	0	5.14	10.93	112.66%
5/8"	15	10.78	20.43	89.46%
5/8"	37	19.05	34.35	80.29%
5/8"	70	31.46	55.24	75.57%
1"	40	27.91	52.65	88.65%
1-1/2"	150	82.14	149.60	82.13%
2"	70	67.49	131.75	95.21%
2"	350	156.94	281.70	79.50%

Average Monthly 5/8" Residential Customer Consumption (10/37

AQUA OHIO, INC.
MASURY DIVISION
TABLE 11
CALCULATION OF FIRE PROTECTION REVENUES
PRO FORMA PRESENT RATES

	<u>Units</u>	<u>Monthly Rate</u>	<u>Annual Revenues</u>
<u>Public Fire Service:</u>			
2,000 Sq. Feet or Less	1,473	3.07	54,265
500 Sq. Feet Additional Units	184	0.570	<u>1,252</u>
Total Public Fire Revenues			<u>55,524</u>
 <u>Private Fire Service:</u>			
Private Hydrants	8	26.77	2,570
6" Service Line (Dry)	3	150.34	5,412
8" Service Line (Dry)	2	300.28	<u>7,207</u>
Total Private Fire Revenues			<u>15,189</u>

Note: 3% SIC not included in above chargtes

AQUA OHIO, INC.
MASURY DIVISION
TABLE 12
CALCULATION OF FIRE PROTECTION REVENUES
PRO FORMA PROPOSED RATES

	<u>Units</u>	<u>Monthly Rate</u>	<u>Annual Revenues</u>
<u>Public Fire Service:</u>			
2,000 Sq. Feet or Less	1,473	6.14	108,531
500 Sq. Feet Additional Units	184	1.14	<u>2,517</u>
Total Public Fire Revenues			<u>111,048</u>
 <u>Private Fire Service:</u>			
Private Hydrants	8	53.55	5,141
6" Service Line (Dry)	3	300.68	10,824
8" Service Line (Dry)	2	600.56	<u>14,413</u>
Total Private Fire Revenues			<u>30,379</u>

AQUA OHIO, INC.
MASURY DIVISION
TABLE 13

Page 1 of 2

CALCULATION of CUSTOMER CHARGE for 5/8" METER

<u>Account</u>	<u>Description</u>	<u>Company Values</u>	<u>Source</u>
<u>Variable Expenses Per Meter Size Rate Base (Net of Depr. Reserve):</u>			
345	Services	\$ 328,083	WP 2a
346	Meters	172,040	WP 2a
347	Meter Installations	14,556	WP 2a
389	Land & Land Rights	0	
390	Structures & Imp.	0	
391	Office Furn. & Equip	0	
	Customer Rate Base	\$ 514,680	
	Requested Rate of Return	8.59%	Schedule D-1
	Return on Customer Plant	\$ 44,211	
<u>Operations and Maintenance Expense Accounts:</u>			
<u>Transmission & Distribution</u>			
663	Meter and Cust. Installation Expense	\$ -	
675	Service Maintenance	-	
676	Meter Maintenance	-	
	Total Transmission & Distribution	\$ -	
<u>Variable Taxes</u>			
	<u>Company</u>	<u>Customer Conversion Factor</u>	
Property	\$ 158,978 x 0.2319	36,860	WP 4a
PUCO & OCC Taxes	\$ 1,126 x 0.2319	261	WP 4a
Excise	\$ 40,050 x 0.2319	9,286	WP 4a
Federal Income Taxes	\$ 64,286 x 0.2319	14,905	Schedule C-1
	Total Customer Variable Taxes	\$ 61,312	
<u>Customer Conversion Factor</u>			
Customer Conversion Factor	= $\frac{\text{Customer Plant}}{\text{Total Net Plant}}$	= $\frac{\$ 514,680}{2,219,818}$	= 0.2319 WP 2a
<u>Related Depreciation Expenses (Plant)</u>			
345	Services	\$ 9,835	Proportionate Share Basis
346	Meters	5,157	Proportionate Share Basis
347	Meter Installations	436	Proportionate Share Basis
389	Land & Land Rights	-	
390	Structures & Imp.	-	
391	Office Furn. & Equip	-	
	Total Related Depreciation Expenses	\$ 15,428	

TABLE 13

Account	Description	Company Values
<u>Summary of Variable Expenses Per Meter Size Rate Base:</u>		
	Return on Customers Plant	\$ 44,211
	Total O & M - Transmission & Distribution	-
	Total Customer Taxes	61,312
	Depreciation Expense	15,428
	Total Customer Variable Costs	\$ 120,951
	Total Equivalent 5/8" Meters	1,559 WP 5a
	Monthly Customer Variable Charges ((\$120,951/1,559)/12)	\$ 6.4652
<u>Fixed Expenses per Meter Size</u>		
<u>Customer Accounts:</u>		
901	Supervision	\$ -
902	Meter Reading Expenses	-
903	Customer Records & Collection	30,304 WP 3a
905	Miscellaneous Customer Expense	9,321 WP 3a
	Total	\$ 39,625
	<u>Company</u>	<u>Customer Conversion Factor</u>
	Payroll Taxes \$ - x NA	\$ -
	Customer Conversion Factor = $\frac{\text{Cust. Labor Exp.}}{\text{Total Payroll Exp.}}$ = $\frac{\text{NA}}{\text{NA}}$ = -	
	Total Customer Fixed Costs	\$ 39,625
	Total Customer Bills	8,869 Table 9 Sheet 3 of 3
	Monthly Customer Fixed Charges (\$ 39,625 /8,869)	\$ 4.4678
	Customer Variable per Meter Size	\$ 6.4652
	Customer Fixed per Meter Size	\$ 4.4678
	Monthly Customer Charges for 5/8" Meters	\$ 10.93

AQUA OHIO, INC.
MASURY DIVISION

TABLE 14
SUMMARY OF REVENUES AT PRESENT AND PROPOSED RATES

<u>Customer Class</u>	<u>Cost of Service</u>		<u>Pro Forma Present</u>		<u>Pro Forma Proposed</u>		<u>Percent Increase</u>
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
<u>Metered Revenue:</u>							
Residential (1)	549,181	62.95%	320,181	67.8%	576,928	67.5%	80.19%
Commercial (1)	117,911	13.52%	79,026	16.7%	136,771	16.0%	73.07%
Total Metered	667,091	76.46%	399,207	84.6%	713,699	83.5%	78.78%
Private Fire Protection (1)	54,470	6.24%	15,645	3.3%	30,379	3.6%	94.18%
Public Fire Protection (1)	150,871	17.29%	57,190	12.1%	111,048	13.0%	94.17%
SIC	0	0.00%	Included Above	0.0%	0	0.0%	0.00%
Other Service Revenues	0	0.00%	10,419	0.00%	17,292	0.00%	65.97%
Total Revenues	872,432	100.00%	482,460	100.0%	872,417	100.0%	80.83%

(1) Includes SIC Charges in Pro Forma Present Rates Only of:

Residential	9,326
Commercial	2,302
Private Fire Protection	456
Public Fire Protection	1,666
Total Present Rates SIC Charges	13,749

AQUA OHIO, INC.
MASURY DIVISION
AVAILABLE FIRE FLOW SUMMARY
BROOKFIELD TOWNSHIP

<u>ISO Hydrant Test</u>	<u>Available Flow</u>
1	4,500
2	3,100
3	1,500
4	2,100
4A	2,100
5	800
5A	800
6	1,200
7	1,400
8	1,200
9	1,500
9A	1,500
10	900
11	1,000
12	1,700
13	1,700
Maximum	4,500
Minimum	800
Median	1,500

Aqua Ohio, Inc.
 Masury Division
 Public Fire Protection-Additional 500 square feet for non-residential customers
 Banner Rate:

sjs011409

Customer Name	Cust Code	Prem Code	Multiple of additional 500 sq feet	Monthly Banner Rate per Multiple	Monthly Revenue	Annual Revenue
Anthony Albanse	1,219,047	894,735	4	\$0.57	\$2.28	\$27.36
Liberty Steel Products	1,219,050	894,737	22	\$0.57	\$12.54	\$150.48
Charles Haskell	1,219,160	894,831	24	\$0.57	\$13.68	\$164.16
Statelineline Supermark	1,219,197	894,858	12	\$0.57	\$6.84	\$82.08
Word Centered Fellowshi	1,219,776	895,288	15	\$0.57	\$8.55	\$102.60
Barto's Bar & Grill	1,220,024	895,478	9	\$0.57	\$5.13	\$61.56
Top Hat Bar & Grill	1,220,172	895,590	9	\$0.57	\$5.13	\$61.56
Dale McGee	1,220,343	895,722	3	\$0.57	\$1.71	\$20.52
Howard Quartini	1,220,347	895,726	3	\$0.57	\$1.71	\$20.52
Victor Novak	1,220,352	895,729	7	\$0.57	\$3.99	\$47.88
Bibby S Incorporated	1,514,771	895,734	15	\$0.57	\$8.55	\$102.60
Walter Nagy	1,220,413	895,773	3	\$0.57	\$1.71	\$20.52
Joann Phillips	1,388,471	895,911	6	\$0.57	\$3.42	\$41.04
Bare Label Productions	1,220,670	895,969	3	\$0.57	\$1.71	\$20.52
Paul Driscoll	1,220,811	896,089	3	\$0.57	\$1.71	\$20.52
St. Bernadetts Church	1,220,830	896,105	18	\$0.57	\$10.26	\$123.12
Masury Methodist Chr	1,220,853	896,123	28	\$0.57	\$15.96	\$191.52
			<u>184</u>		<u>\$104.88</u>	<u>\$1,258.56</u>
			Numbers Bills	Monthly Rate	Monthly Revenue	Annual Revenue
Basic charge for 2000 sq ft. or less			<u>1,473</u>	\$3.07	<u>\$4,522.11</u>	<u>\$54,265.32</u>
Total Public Fire Pro incl. Additional Sq Ft - Non Residential						<u>\$55,523.88</u>
Private Fire Char (Per Schedule)						<u>\$15,188.88</u>
Total						<u>\$70,712.76</u>

MASURY DIVISION
TABLE 8-A
CALCULATION OF CLASS RATES OF RETURN
FOR ADJUSTED TEST YEAR
AT PRESENT RATES

	Total	Residential	Commercial	Industrial	Foster Wheeler	Other Utilities
Rate Revenues	\$469,154	\$320,181	\$76,725	\$1,392	\$0	\$144
Penalties	18,050	12,318	2,952	54	0	6
Other Revenues	<u>2,520</u>	<u>1,720</u>	<u>412</u>	<u>7</u>	<u>0</u>	<u>1</u>
Total Revenues	489,724	334,219	80,089	1,453	0	150
Operating Expenses						
Operation & Maintenance	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Income & Property Taxes	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Other Taxes	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Depreciation Expense	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Total Operating Expense	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Income for Fixed Charges	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Rate Base	2,166,112	#REF!	#REF!	#REF!	#REF!	#REF!
Rate of Return	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Relative Rate of Return	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

AQUA OHIO, INC.
MASURY DIVISION

TABLE 8-B

CALCULATION OF CLASS RATES OF RETURN
FOR ADJUSTED TEST YEAR
AT PROPOSED RATES

	Total	Residential	Commercial	Industrial	Foster Wheeler	Other Utilities
Rate Revenues	\$9,388,253	\$6,929,274	\$862,711	\$555,680	\$678,127	\$8,370
Penalties	22,703	16,756	2,086	1,344	1,640	20
Other Revenues	7,192	5,308	661	426	519	6
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Total Revenues	9,418,147	6,951,339	865,458	557,449	680,286	8,397
Operating Expenses						
Operation & Maintenance	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Income & Property Taxes	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Other Taxes	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Depreciation Expense	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Total Operating Expense	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Income for Fixed Charges	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Rate Base	2,166,112	#REF!	#REF!	#REF!	#REF!	#REF!
Rate of Return	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Relative Rate of Return	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

Fire Protection

Private	Public
70,236	70,713
x	x
\$15,189	\$55,524
584	2,136
<u>82</u>	<u>298</u>
15,855	57,958

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Fire Protection
Private Public

\$149,090	\$205,000
361	496
114	157
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149,565	205,653

[illegible]