

Large Filing Separator Sheet

Case Number: 09-1044-WW-AIR

File Date: 12/11/09

Section: 2

Number of Pages: 92

Description of Document: Application

AQUA OHIO, INC
LAKE ERIE DIVISION
CASE NO. 09-1044-WW-AIR
Projected Capital Structure
(Proposed Rates)

Date of Capital Structure: January 31, 2011
Projected Period from 8/1/2010 to 7/31/2011
Work Paper Reference No(s): WPF-3

Schedule F-3A
Page 1 of 1
Witness Responsible:
R. A. Hideg

LINE NO.	CLASS OF CAPITAL (A)	WORKING PAPER REFERENCE (B)	UTILITY PROJECTED		
			AMOUNT (C)	% OF TOTAL (D)	WEIGHTED COST (E) (F=DxE)
1	Long-term debt	WPF-3	\$51,646,000	46.70%	2.93%
2					
3					
4	Total Debt		\$51,646,000	46.70%	2.93%
5					
6	Preferred Stock			0.00%	
7					
8	Common Equity		58,940,604	53.30%	5.73%
9					
10					
11	Total capital		\$110,586,604	100.00%	8.66%
12					
13					
14	Short-term debt		\$7,600,000		5.91%
15					
16					
17					
18					
19					

AQUA OHIO, INC
LAKE ERIE DIVISION
CASE NO. 09-1044-WW-AIR
Projected Statement of Changes in Financial Position
(Total Company - Present Rates)

Projected Period from 8/1/2010 to 7/31/2011
Work Paper Reference No(s):

Schedule F-4
Page 1 of 1
Witness Responsible:
R. A. Hildeg

LINE NO.	
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Waiver Requested

AQUA OHIO, INC
LAKE ERIE DIVISION
CASE NO. 09-1044-WW-AIR
Projected Statement of Changes in Financial Position
(Total Company - Proposed Rates)

Projected Period from 8/1/2010 to 7/31/2011
Work Paper Reference No(s):

Schedule F-4A
Page 1 of 1
Witness Responsible:
R. A. Hideg

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Waiver Requested

**STANDARD FILING REQUIREMENTS
(Large Utilities)**

(B) Supplemental Filing Requirements

Company:	AQUA OHIO, Inc Lake Erie Division
Test Year:	December 31, 2009
Date Certain:	March 31, 2009
Case No.:	09-1044-WW-AIR

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AIR
Most Recent Three Year Capital Expenditure Budget
(Total Company)

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s):

Schedule S-1
Page 1 of 9
Witness Responsible:
R. A. Hildeg

LINE NO.	ACCT. NO. (A)	DESCRIPTION (1) (B)	START PROJECT DATE (C)	ESTIMATED COMPLETION DATE (D)	ANNUAL ESTIMATED COST			AFDC BY GROUP (H) (2)
					2009 (E)	2010 (F)	2011 (G)	
1	302	Franchises and Consents						
2		Aggregate total all projects	Various	Various				
3		\$100,000 or less						
4		Total			\$0	\$0	\$0	\$0
5								
6								
7	303	Miscellaneous Intangible Plant						
8		Aggregate total all projects	Various	Various				
9		\$100,000 or less			\$975,967	\$1,237,330	\$1,015,217	0
10		Total			\$975,967	\$1,237,330	\$1,015,217	\$0
11								
12								
13	310	Land and Land Rights						
14		Aggregate total all projects	Various	Various				
15		\$100,000 or less						
16		Total			\$0	\$0	\$0	\$0
17								
18								
19	311	Structures and Improvements						
20		Aggregate total all projects	Various	Various				
21		\$100,000 or less						
22		Total			\$0	\$0	\$0	\$0
23								
24								
25								
26								
27								
28								
29								
30								
31								

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AIR
Most Recent Three Year Capital Expenditure Budget
(Total Company)

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s):

Schedule S-1
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Witness Responsible:
R. A. Hildeg

LINE NO.	ACCT. NO. (A)	DESCRIPTION (1) (B)	START PROJECT DATE (C)	ESTIMATED COMPLETION DATE (D)	ANNUAL ESTIMATED COST			AFDC BY GROUP (H) (2)
					2009 (E)	2010 (F)	2011 (G)	
1	312	Collecting and Impounding Reservoirs						
2		STR Residules Facility @ Barth & Evans Lake	(3)	(3)	\$76,000	\$100,000		600
3		STR Emergency Upgrade				598,857	329,732	3,100
4		Aggregate total all projects	Various	Various				
5		\$100,000 or less			\$50,916			
6		Total			\$126,916	\$698,857	\$329,732	\$3,700
7	313	Lake River and Other Intakes						
8		Aggregate total all projects	Various	Various				0
9		\$100,000 or less						
10		Total			\$0	\$0	\$0	\$0
11		Wells and Springs					\$350,000	1,200
12		STK Well Replacement						
13	314	Aggregate total all projects	Various	Various	\$127,000			
14		\$100,000 or less						
15		Total			\$127,000	\$0	\$350,000	\$1,200
16		Supply Mains						
17		Aggregate total all projects	Various	Various				
18		\$100,000 or less						
19	316	Total						
20		Supply Mains						
21		Aggregate total all projects	Various	Various				
22		\$100,000 or less						
23		Total			\$0	\$0	\$0	\$0
24								
25								
26								
27								
28								

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AIR
Most Recent Three Year Capital Expenditure Budget
(Total Company)

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s).:

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Witness Responsible:
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LINE NO.	ACCT. NO. (A)	DESCRIPTION (1) (B)	START PROJECT DATE (C)	ESTIMATED COMPLETION DATE (D)	ANNUAL ESTIMATED COST			AFDC BY GROUP (H) (2)
					2009 (E)	2010 (F)	2011 (G)	
1	317	Other Water Source Plant						
2		Aggregate total all projects	Various	Various	\$0	\$0	\$0	\$0
3		\$100,000 or less						
4		Total						
5								
6								
7								
8	320	Land and Land Rights						
9		Aggregate total all projects	Various	Various	\$0	\$0	\$0	\$0
10		\$100,000 or less						
11		Total						
12								
13								
14								
15								
16	321	Structures and Improvements						
17		Aggregate total all projects	Various	Various	\$0	\$0	\$0	\$0
18		\$100,000 or less						
19		Total						
20								
21								
22								
23								
24								
25	323	Other Power Protection Equipment						
26		Aggregate total all projects	Various	Various	\$0	\$0	\$0	\$0
27		\$100,000 or less						
28		Total						
29								
30								

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AIR
Most Recent Three Year Capital Expenditure Budget
(Total Company)

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s):

Schedule S-1
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Witness Responsible:
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LINE NO.	ACCT. NO. (A)	DESCRIPTION (1) (B)	START PROJECT (C)	ESTIMATED COMPLETION DATE (D)	ANNUAL ESTIMATED COST			AFDC BY GROUP (H) (2)
					2008 (E)	2010 (F)	2011 (G)	
1	325	Electric Pumping Equipment						
2			(3)	(3)				0
3			(3)	(3)				0
4			(3)	(3)				0
5		Aggregate total all projects \$100,000 or less	Various	Various	\$30,000			
6								
7								
8		Total			\$30,000	\$0	\$0	\$0
9								
10	330	Land and Land Rights						
11								0
12		Aggregate total all projects \$100,000 or less	Various	Various	\$255,000			
13								
14								
15		Total			\$255,000	\$0	\$0	\$0
16								
17								
18								
19								
20								
21	331	Structures and Improvements						
22								
23								
24		Aggregate total all projects \$100,000 or less	Various	Various	\$11,000			
25								
26								
27		Total			\$11,000	\$0	\$0	\$0
28								

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AIR
Most Recent Three Year Capital Expenditure Budget
(Total Company)

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s):

Schedule S-1
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Witness Responsible:
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LINE NO.	ACCT. NO. (A)	DESCRIPTION (1) (B)	START PROJECT (C)	ESTIMATED COMPLETION DATE (D)	ANNUAL ESTIMATED COST			AFDC BY GROUP (H) (2)
					2009 (E)	2010 (F)	2011 (G)	
1	332	Water Treatment Equipment						
2		STR Auto Transfer Switch 162k - Sludge / Flocc	(3)	(3)	\$162,000	\$400,000	200,000	2,500
3		LSL Auburn WTP Impr 350k - Low Lift #2 250k	(3)	(3)		\$600,000		2,000
4		STR Woodward Recirculation 400k - STK Hypox	(3)	(3)	142,500		400,000	1,800
5		Aggregate total all projects						
6		\$100,000 or less	Various	Various	579,355	169,911	80,211	
7								
8		Total			\$883,855	\$1,169,911	\$680,211	\$6,300
9								
10	340	Land and Land Rights						
11		Aggregate total all projects						
12		\$100,000 or less	Various	Various				
13								
14		Total			\$0	\$0	\$0	\$0
15								
16	341	Structures and Improvements						
17		Aggregate total all projects						
18		\$100,000 or less	Various	Various				
19								
20								
21		Total			\$0	\$0	\$0	\$0
22								
23								
24	342	Distribution Reservoirs & Standpipes						
25		LSA Jefferson 2nd Tank				1,445,000		4,800
26								0
27								0
28		Aggregate total all projects			\$2,281			
29		\$100,000 or less	Various	Various				
30								
31		Total			\$2,281	\$1,445,000	\$0	\$4,800
32								

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AIR
Most Recent Three Year Capital Expenditure Budget
(Total Company)

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s):

Schedule S-1
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Witness Responsible:
R. A. Hildeg

LINE NO.	ACCT. NO. (A)	DESCRIPTION (1) (B)	START PROJECT (C)	ESTIMATED COMPLETION DATE (D)	ANNUAL ESTIMATED COST			AFDC BY GROUP (H) (2)
					2009 (E)	2010 (F)	2011 (G)	
1	343	Transmission & Distribution Mains						
2		LSL Hart St.	(3)	(3)	\$277,300			900
3		LSL Parkwood	(3)	(3)	200,000			700
4		STK Hillis & Dales Rd.	(3)	(3)	350,000			1,200
5		LSL Beaver Creek 176k - Blackbrook 220k	(3)	(3)		396,000		1,300
6		LSL Creekwood 209k - Cumberland 407k	(3)	(3)		616,000		2,000
7		LSL Fern 115.5k - Sharnock 115.5k	(3)	(3)		231,000		800
8		LSL JCR 288k - Reynolds 255k	(3)	(3)		543,000		1,800
9		LSL Station/Maple 264k - Willowbrook 341k	(3)	(3)		605,000		2,000
10		LSL Woodridge 286k - Button 340k	(3)	(3)		626,000		2,100
11		LSL Case	(3)	(3)			413,000	1,400
12								0
13								0
14								0
15		Aggregate total all projects						0
16		\$100,000 or less						
17			Various	Various	519,725	865,699	917,700	
18		Total			\$1,347,025	\$3,882,699	\$1,330,700	\$14,200
19								
20	345	Services						
21		Aggregate total all projects						
22		\$100,000 or less						
23			Various	Various	\$522,133	\$510,837	\$514,206	
24								
25		Total			\$522,133	\$510,837	\$514,206	\$0
26								
27	346	Meters						
28		Aggregate total all projects						
29		\$100,000 or less						
30			Various	Various	\$460,129	\$477,929	\$477,929	
31		Total			\$460,129	\$477,929	\$477,929	\$0
32								

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AIR
Most Recent Three Year Capital Expenditure Budget
(Total Company)

Type of Filing: (X)Original ()Updated ()Revised
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Schedule S-1
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Witness Responsible:
R. A. Hildeg

LINE NO.	ACCT. NO. (A)	DESCRIPTION (1) (B)	START PROJECT DATE (C)	ESTIMATED COMPLETION DATE (D)	ANNUAL ESTIMATED COST			AFDC BY GROUP (H) (2)
					2009 (E)	2010 (F)	2011 (G)	
1	347	Meter Installation						
2		Aggregate total all projects	Various	Various	\$460,129	\$477,929	\$477,929	
3		\$100,000 or less						
4								
5		Total			\$460,129	\$477,929	\$477,929	\$0
6								
7								
8	348	Hydrants						
9		Aggregate total all projects	Various	Various	\$117,296	\$117,296	\$117,296	
10		\$100,000 or less						
11								
12		Total			\$117,296	\$117,296	\$117,296	\$0
13								
14	390	Structures and Improvements	(3)	(3)				0
15								
16		Aggregate total all projects	Various	Various	4,731	\$2,131	\$2,131	
17		\$100,000 or less						
18								
19		Total			\$4,731	\$2,131	\$2,131	\$0
20								
21								
23	391	Office Furniture and Equipment						
24		Aggregate total all projects	Various	Various	\$53,967	\$24,427	\$12,201	
25		\$100,000 or less						
26								
27		Total			\$53,967	\$24,427	\$12,201	\$0
28								

Schedule S-1
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Witness Responsible:
R. A. Hideo

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AJR
Most Recent Three Year Capital Expenditure Budget
(Total Company)

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s):

Schedule S-1
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Witness Responsible:
R. A. Hildeg

LINE NO.	ACCT. NO. (A)	DESCRIPTION (1) (B)	START PROJECT (C)	ESTIMATED COMPLETION DATE (D)	ANNUAL ESTIMATED COST			AFDC BY GROUP (H) (2)
					2009 (E)	2010 (F)	2011 (G)	
1	397	Communication Equipment						
2		Aggregate total all projects	Various	Various	\$1,500			
3		\$100,000 or less				\$0	\$0	\$0
4								
5		Total			\$1,500			
6								
7								
8	398	Miscellaneous Equipment						
9		Aggregate total all projects	Various	Various				
10		\$100,000 or less						
11								
12		Total			\$0	\$0	\$0	\$0
13								
14								
15	Total	2009 Forecasted Budget			\$5,658,082			
16								
17	Total	2010 Forecasted Budget				\$10,305,714		
18								
19	Total	2011 Forecasted Budget					\$5,643,719	
20								
21	Total	AFUDC Total Forecasted Period						\$30,200
22								
23								
24		(1) Analysis of projects over \$100,000.						
25		(2) Amount in year of expenditure.						
26		(3) Fluctuations of economic conditions affect anticipated beginning and completion dates for						
27		forecasted major construction projects.						
28								

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AIR
Total Company Income Statement
Most Recent Three Year Projection

Schedule S-2.1
Page 1 of 1
Witness Responsible:
R. A. Hldeg

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s):

LINE NO.	DESCRIPTION (A)	2009 (A)	2010 (C)	2011 (D)
1	Operating Revenues	\$42,901,510	\$43,407,000	\$46,808,000
2	Operating Expenses	36,071,548	37,220,000	38,381,000
3				
4	Operating Income	6,830,062	6,187,000	8,427,000
5	Other Income	(218,015)	(327,000)	(1,199,000)
6				
7	Gross Income	6,612,047	5,860,000	7,228,000
8	Interest	3,278,430	3,014,000	2,995,000
9				
10	Net Income	\$3,335,617	\$2,846,000	\$4,233,000
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AIR
Total Company Balance Sheet
Most Recent Three Year Projection

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s).:

Schedule S-2.2
Page 1 of 2
Witness Responsible:
R. A. Hildeg

LINE NO.	DESCRIPTION (A)	2009 (A)	2010 (C)	2011 (D)
ASSETS				
1	Utility Plant in Service	264,679,000	272,631,000	279,135,000
2	Utility Plant Held for Future Use	0	0	0
3	Construction Work in Progress	4,092,000	4,092,000	4,092,000
4				
5	Total Utility Plant	268,771,000	276,723,000	283,227,000
6				
7	Other Physical Plant	204,000	204,000	204,000
8	Other Investments	58,000	58,000	58,000
9	Cash	1,000,000	1,000,000	1,000,000
10	Temporary Cash Investments	0	0	0
11	Accounts Receivable	1,010,000	1,010,000	1,010,000
12	Unbilled Revenues	1,493,000	1,493,000	1,493,000
13	Materials And Supplies	643,000	643,000	643,000
14	Other Prepayments	1,721,000	2,208,000	2,960,000
15				
16	Total Current Assets	6,129,000	6,617,000	7,388,000
17				
18	Unamortized Debt Discount & Expense	0	0	0
19	Regulatory Assets	0	0	0
20	Other Deferred Debits	9,207,000	8,974,000	8,215,000
21				
22	Total Deferred Debits	9,207,000	8,974,000	8,215,000
23				
24	Total Assets	284,107,000	292,314,000	298,810,000
25				
26				

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-WW-AJR
Total Company Balance Sheet
Most Recent Three Year Projection

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s).:

Schedule S-2.2
Page 2 of 2
Witness Responsible:
R. A. Hildeg

LINE NO.	DESCRIPTION (A)	2009 (A)	2010 (C)	2011 (D)
LIABILITIES				
1	First Mortgage Bonds	52,936,000	52,141,000	51,347,000
2	Current Portion of Long Term Debt	(795,000)	(795,000)	(795,000)
3	Common Stock	2,598,000	2,598,000	2,598,000
4	Capital Surplus	4,297,000	4,297,000	4,297,000
5	Retained Earnings	47,242,000	48,665,000	50,782,000
6				
7	Total Equity and Long Term Debt	106,278,000	106,906,000	108,229,000
8				
9	Current Portion of Long Term Debt	795,000	795,000	795,000
10	Loans Payable	6,984,000	8,816,000	6,808,000
11	Accounts Payable	2,856,000	2,856,000	2,856,000
12	Taxes Accrued - Other	5,169,000	5,169,000	5,169,000
13	Taxes Accrued - Federal & State	(408,000)	(408,000)	(408,000)
14	Interest Accrued	927,000	927,000	927,000
15	Other Current and Accrued Liabilities	1,240,000	1,240,000	1,240,000
16				
17	Total Current Liabilities	17,563,000	19,395,000	17,387,000
18				
19	Customers' Advances for Construction	851,000	651,000	501,000
20	Other Deferred Credits	0	0	0
21	Deferred Federal & State Income Tax	18,823,000	17,074,000	17,323,000
22				
23				
24	Total Deferred Credits	17,674,000	17,725,000	17,824,000
25				
26	Reserve for Depreciation	68,989,000	63,614,000	63,756,000
27	Reserve for Uncollectible Accounts	163,000	294,000	294,000
28	Other Reserves	7,265,000	7,205,000	7,145,000
29				
30	Total Reserves	66,417,000	71,113,000	77,195,000
31				
32	Contributions	78,175,000	77,175,000	78,175,000
33				
34	Total Liabilities	284,107,000	292,314,000	298,810,000

AQUA OHIO, Inc
Lake Erie Division
Case No. 09-1044-VW-AIR
Total Company Source of Funds Statement
Most Recent Three Year Projection

Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s):

Schedule S-2.3
Page 1 of 1
Witness Responsible:
R. A. Hildeg

LINE NO.	DESCRIPTION (A)	2009 (A)	2010 (C)	2011 (D)
1	Net Income	\$3,336,000	\$2,846,000	\$4,233,000
2	Depreciation	5,678,000	5,939,000	6,142,000
3	Deferred Taxes	450,000	251,000	249,000
4	Payables & Accruals	1,475,000	0	0
5	Accrued Interest	499,000	0	0
6	Other Accruals	(3,410,000)	0	0
7				
8	Generated Internally	8,028,000	9,036,000	10,624,000
9				
10				
11	Debt Retirements	0	0	0
12	Dividends	0	0	0
13	Capital Budget	(5,656,000)	(10,306,000)	(5,844,000)
14	Tank Painting	(620,000)	(620,000)	(620,000)
15	CIAC	750,000	1,000,000	1,000,000
16	CIAC Repayments	(30,000)	(25,000)	(20,000)
17				
18	Financial Requirements	\$2,472,000	(\$915,000)	\$5,340,000
19				
20				
21	Short Term Bank Loans	(\$2,916,000)	\$1,832,000	(\$2,008,000)
22	Long term debt	444,000	(917,000)	(3,332,000)
23	Change in Cash	0	0	0
24				
25				
26	Total Financing	(\$2,472,000)	\$915,000	(\$5,340,000)

AQUA OHIO, INC.
Lake Erie Division
Case No. 09-1044-WW-AIR
A Proposed Notice for Newspaper Publication

Date Certain: March 31, 2009
Test Year: December 31, 2009
Type of Filing: (X)Original ()Updated ()Revised
Work Paper Reference No(s):

Schedule S-3
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Witness Responsible:
R. A. Hideg

AQUA OHIO, INC. NOTICE OF APPLICATION FOR AN INCREASE IN RATES
AND CHARGES BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

Public notice is hereby given that Aqua Ohio, Inc filed with the Public Utilities Commission of Ohio on November 3, 2009 an Application requesting an increase in rates and charges for service rendered and provided in the Lake Erie Division of the Company. The case number of the proceeding before the Public Utilities Commission of Ohio is 09-1044-WW-AIR. Any interested party seeking detailed information with respect to all affected rates, charges, regulations, and practices may inspect a copy of the application, including supporting schedules and present and proposed rate sheets, by either of the following methods: by visiting the offices of the Commission at 180 East Broad Street, 13th floor, Columbus, Ohio 43215-3793; or by visiting the Commission's website at <http://www.puco.ohio.gov>, selecting DIS, inputting 09-1044 in the case look up box, and selecting the date the application was filed. Additionally, a copy of the application and supporting documents may be viewed at the business office of the company's Lake Erie Division Office, located at 8644 Station Street, Mentor, Ohio 44060-4316. In its Application, Aqua Ohio, Inc alleged that since its last increase in rates and charges its operating costs had increased substantially and its net income was not sufficient to earn an adequate return on the Company's property dedicated to service. Based on this allegation, the applicant requested that the Public Utilities Commission of Ohio find and authorize the applicant to charge the rates and charges set forth below as "Proposed Rates". Any person, firm, corporation or association may file, pursuant to section 4909.19 of the Revised code, an objection to such increase which may allege that such application contains proposals that are unjust and discriminatory or unreasonable. Recommendations which differ from the application may be made by the Staff of the Public Utilities Commission of Ohio or by the intervening parties and may be adopted by the Commission.

The average percentage increase that a representative residential, commercial, industrial and public customer will bear should the increase be granted in full is:

	LAKE ERIE DIVISION			
	Residential	Commercial	Industrial	Public
Former Lake Erie West Division	19.00%	19.00%	19.00%	19.00%
Former Lake Erie East Division	7.10%	7.10%	7.10%	7.10%
Former Norlick Place Division	16.50%	16.50%	16.50%	16.50%
Former Seneca Division	16.50%	23.34%	16.50%	16.50%

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

A Proposed Notice for Newspaper Publication

Date Certain: March 31, 2009
Test Year: December 31, 2009
Type of Filing: (X) Original () Updated () Revised
Work Paper Reference No(s):

Schedule S-3
Page 2 of 15
Witness responsible:
R A Kopas

PRESENT

Rates for customers in the former Aqua Ohio, Inc. Lake Erie West Division

DIVISION A - MEASURED OR METERED SERVICE RATE SCHEDULE

CUSTOMER CHARGE PER MONTH

	<u>Per Month</u>
Customer Charge for a 5/8" meter.....	\$8.00
Customer Charge for a 5/8" x 3/4" meter.....	\$8.00
Customer Charge for a 1" meter.....	\$15.37
Customer Charge for a 1-1/2" meter.....	\$30.61
Customer Charge for a 2" meter.....	\$51.79
Customer Charge for a 3" meter.....	\$112.82
Customer Charge for a 4" meter.....	\$198.08
Customer Charge for a 6" meter.....	\$441.96

VOLUMETRIC RATES

	<u>Per 10 Cu. Ft.</u>
For the first 2,000 cubic feet or any part thereof per month	\$0.29971
For the next 8,000 cubic feet per month	\$0.25475
For all consumption over 10,000 cubic feet per month	\$0.23977

	<u>Per 100 Gallon</u>
For the first 14,960 gallons or any part thereof per month	\$0.40067
For the next 59,840 gallons per month	\$0.34064
For all consumption over 74,800 gallons per month	\$0.32055

BULK WATER RATE

The customer will be charged a flat fee of zero dollars (\$0.00) per load in addition to the following volumetric rate:

<u>Per Load</u>	<u>Per 100 Gallons</u>
First 14,960 Gallons	\$0.40067
Next 59,840 Gallons	\$0.34064
Over 74,800 Gallons	\$0.32055

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of sixteen dollars and thirty-three cents (\$16.33) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, Original Sheet No. 4, Item 12 (c), and Section 3-8, Original Sheet No. 4, Item 10 (a) are:

Reconnection Fee during regular business hours	\$43.00
Reconnection Fee other than during regular business hours	\$130.00

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-one dollars (\$21.00) will be charged for a service connection during the Company's regular business hours.

ISSUED: May 15, 2008

EFFECTIVE: May 15, 2008

Issued by Walter J. Pishkur, President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated May 14, 2008 for Case No. 07-564-WW-AIR

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

A Proposed Notice for Newspaper Publication

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Witness responsible:
R A Kopas

PRESENT

Rates for customers in the former Aqua Ohio, Inc. Lake Erie West Division

DIVISION B -PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per Month
1-1/4" Hose Connection.....	\$1.65
1-1/2" Hose Connection.....	\$2.38
2" Hose Connection.....	\$4.23
2-1/2" Hose Connection.....	\$6.63
Private Fire Hydrant.....	\$38.24

AUTOMATIC SPRINKLERS

Size of Connection	Per Month
2".....	\$4.25
4".....	\$16.97
6".....	\$38.24

SYSTEM IMPROVEMENT SURCHARGE (SIC) (Increase)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.00% will apply to all bills issued after April 30, 2009.

ISSUED: April 30, 2009

EFFECTIVE: April 30, 2009

Issued by Robert A. Kopas, Vice President, Aqua Ohio, Inc
In accordance with the Public Utilities Commission of Ohio
Order Dated April 29, 2009 for Case No. 08-1239-WW-SIC

Aqua Ohio, Inc.
Lake Erie Division
Case No. 08-1044-WW-AIR

A Proposed Notice for Newspaper Publication

Date Certain: March 31, 2009
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Page 4 of 15
Witness responsible:
R A Kopas

PRESENT

Rates for customers in the former Aqua Ohio, Inc. Lake Erie East Division

DIVISION A - MEASURED OR METERED SERVICE RATE SCHEDULE

CUSTOMER CHARGE PER MONTH

	Per Month
Customer Charge for a 5/8" meter.....	\$9.25
Customer Charge for a 5/8" x 3/4" meter.....	\$9.25
Customer Charge for a 1" meter.....	\$17.78
Customer Charge for a 1 1/2" meter.....	\$35.40
Customer Charge for a 2" meter.....	\$59.88
Customer Charge for a 3" meter.....	\$130.44
Customer Charge for a 4" meter.....	\$229.03
Customer Charge for a 6" meter.....	\$511.02

The customer charge is applicable to all customers regardless of consumption.

VOLUMETRIC RATES

	Base Rate	Purchased Water Rate	Total Volumetric Rate Per 10 Cu. Ft.
For the first 2,000 cubic feet or any part thereof per month	0.296100	0.130170	\$0.42627
For the next 8,000 cubic feet per month	0.271100	0.130170	\$0.40127
For all consumption over 10,000 cubic feet per month	0.125900	0.130170	\$0.25607

			Per 100 Gallon
For the first 14,960 gallons or any part thereof per month	0.395890	0.174020	\$0.56991
For the next 59,840 gallons per month	0.362470	0.174020	\$0.53649
For all consumption over 74,800 gallons per month	0.168310	0.174020	\$0.34233

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of sixteen dollars and thirty-three cents (\$16.33) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing.

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, Original Sheet No. 4, Item 12 (c), and Section 3-6, Original Sheet No. 4, Item 10 (a) are:

Reconnection Fee during regular business hours	\$43.00
Reconnection Fee other than during regular business hours	\$130.00

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-one dollars (\$21.00) will be charged for a service connection during the Company's regular business hours.

ISSUED: April 1, 2009

EFFECTIVE: May 23, 2009

Issued by Robert A. Kopas, Vice President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated, April 1, 2009 for Case No. 08-1337- WW - PWA

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

A Proposed Notice for Newspaper Publication

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Witness responsible:
R A Kopas

PRESENT

Rates for customers in the former Aqua Ohio, Inc. Lake Erie East Division

DIVISION B -PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per Month
1-1/4" Hose Connection.....	\$12.98
1-1/2" Hose Connection.....	\$16.52
2" Hose Connection.....	\$20.08
2-1/2" Hose Connection.....	\$23.60
Private Fire Hydrant.....	\$47.29

AUTOMATIC SPRINKLERS

Size of Connection	Per Month
2".....	\$39.38
4".....	\$57.89
6".....	\$78.74

DIVISION C -PUBLIC FIRE PROTECTION SERVICE RATE SCHEDULE

No charges shall be made for public fire protection, and there shall be no fire hydrant rentals charged.

SYSTEM IMPROVEMENT SURCHARGE (SIC) (Increase)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.00% will apply to all bills issued after April 30, 2009.

ISSUED: April 30, 2009

EFFECTIVE: April 30, 2009

Issued by Robert A. Kopas, Vice President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated, April 29, 2009 for Case No. 08-1239-WW-SIC

Aqua Ohio, Inc.
Lake Erie Division
Case No. 08-1044-WW-AJR

A Proposed Notice for Newspaper Publication

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Schedule S-3
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Witness responsible:
R A Kopas

PRESENT

Water Rates for customers in the former Norlick Place Water Company
Located in Norlick Place Subdivision, Center Township, Williams County, Ohio

CUSTOMER CHARGE

Flat rate unmetered service per customer, monthly \$30.00

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of sixteen dollars and thirty-three cents (\$16.33) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, Original Sheet No. 4, Item 12 (c), and Section 3-6, Original Sheet No. 4, Item 10 (a) are:

Reconnection Fee during regular business hours \$43.00
Reconnection Fee other than during regular business hours \$130.00

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-one dollars (\$21.00) will be charged for a service connection during the Company's regular business hours.

SYSTEM IMPROVEMENT SURCHARGE (SIC) (Increase)

In addition to the charges provided for in this tariff for all flat rate unmetered service, a surcharge of 3.00% will apply to all bills issued after April 30, 2009.

ISSUED: April 30, 2009

EFFECTIVE: April 30, 2009

Issued by Robert A Kopas, Vice President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated April 29, 2009 for Case No. 08-1239-WW-SIC

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

A Proposed Notice for Newspaper Publication

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Work Paper Reference No(s):

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Witness responsible:
R A Kopas

PRESENT

Water Rates for customers in the former Seneca Utilities, Inc. Water Company
Located in Lake Seneca Subdivision, Bridgewater Township, Williams County, Ohio

Rates and Charges For Unmetered Service

	Monthly Charge
Residential	\$30.00
Commercial	\$38.57
Yard Hydrant	\$10.73
Availability	\$5.73

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of sixteen dollars and thirty-three cents (\$16.33) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing.

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, Original Sheet No. 4, Item 12 (c), and Section 3-6, Original Sheet No. 4, Item 10 (a) are:

Reconnection Fee during regular business hours	\$43.00
Reconnection Fee other than during regular business hours	\$130.00

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-one dollars (\$21.00) will be charged for a service connection during the Company's regular business hours.

SYSTEM IMPROVEMENT SURCHARGE (SIC) (Increase)

In addition to the charges provided for in this tariff for all rates and charges for unmetered services, a surcharge of 3.00% will apply to all bills issued after April 30, 2009.

ISSUED: April 30, 2009

EFFECTIVE: April 30, 2009

Issued by Robert A. Kopas, Vice President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated April 29, 2009 for Case No. 08-1239-WW-SIC

A Proposed Notice for Newspaper Publication

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Witness responsible:
R A Kopas

PRESENT

Water Rates for customers in the former Seneca Utilities, Inc. Water Company
Located in Lake Seneca Subdivision, Bridgewater Township, Williams County, Ohio

Method of Billing

A house on one lot will be charged one residential fee.

A house on one lot and owning one or more unimproved lots at any location will be charged one residential fee and one availability fee for the first unimproved lot only. Subsequent lots acquired by the same owner shall not be charged additional availability fees.

A house on one lot and owning one-half of adjoining lot will be charged one residential and one-half availability fee.

A house on one lot and owning one-half adjoining lot and one or more lots at any location will be charged one residential fee and one availability fee for the first unimproved lot only. Subsequent lots acquired by the same owner shall not be charged additional availability fees.

A house and adjoining building structure crossing a common lot line will be charged one residential fee. An adjoining structure on an adjacent lot must complement the residence and render such lot undevelopable as another residence.

A house and adjoining building structure crossing a common lot line and owning one or more unimproved lots at any location will be charged one residential fee and one availability fee for the first unimproved lot only. An adjoining structure on an adjacent lot must complement the residence and render such lot undevelopable as another residence. Subsequent lots acquired by the same owner shall not be charged additional availability fees.

A yard hydrant on one lot will be charged one yard hydrant fee.

A yard hydrant on one lot and owning one or more unimproved lots at any location will be charged one yard hydrant fee and one availability fee for the first unimproved lot only. Subsequent lots acquired by the same owner shall not be charged additional availability fees.

Owning one or more unimproved lots at any location will be charged one availability fee for the first unimproved lot only. Subsequent lots acquired by the same owner shall not be charged additional availability fees.

Customers that are commercial users will be charged one commercial fee.

To qualify for any of these rates the title must be recorded in the exact same name.

Any combination of ownership will be billed separately, unless specifically listed as otherwise in this section.

For the purposes of this section of the tariff, Availability Fee shall be the fee due and owing for the billing period for each unimproved lot where there is a distribution line abutting the unimproved lot. If the same owner owns more than one unimproved lot, then the owner shall only be charged one Availability Fee

For the purposes of this section of the tariff, Yard Hydrant shall mean any hydrant other than those which qualify as public fire hydrants within the definition of public fire protection.

ISSUED: March 2, 2006

EFFECTIVE: March 2, 2006

Issued by Walter J. Pishkur, President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated February 22, 2006 for Case No. 05-1378-WW-UNC

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

A Proposed Notice for Newspaper Publication

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Witness responsible:
R A Kopas

Rates for customers in the former Aqua Ohio, Inc. Lake Erie West Division
DIVISION A - MEASURED OR METERED SERVICE RATE SCHEDULE

CUSTOMER CHARGE PER MONTH

	Per Month
Customer Charge for a 5/8" meter.....	\$9.52
Customer Charge for a 5/8" x 3/4" meter.....	\$9.52
Customer Charge for a 1" meter.....	\$23.80
Customer Charge for a 1-1/2" meter.....	\$47.60
Customer Charge for a 2" meter.....	\$76.16
Customer Charge for a 3" meter.....	\$142.80
Customer Charge for a 4" meter.....	\$238.00
Customer Charge for a 6" meter.....	\$476.00

VOLUMETRIC RATES

	Per 10 Cu. Ft.
For the first 2,000 cubic feet or any part thereof per month	\$0.37125
For the next 8,000 cubic feet per month	\$0.31555
For all consumption over 10,000 cubic feet per month	\$0.29012

	Per 100 Gallon
For the first 14,960 gallons or any part thereof per month	\$0.49632
For the next 59,840 gallons per month	\$0.42186
For all consumption over 74,800 gallons per month	\$0.38786

BULK WATER RATE

The customer will be charged a flat fee of three dollars and forty-eight cents (\$3.48) per load in addition to the following volumetric rates:

Per Load	Per 100 Gallons
First 14,960 Gallons	\$0.49632
Next 59,840 Gallons	\$0.42186
Over 74,800 Gallons	\$0.38786

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of twenty-one dollars and thirty-seven cents (\$21.37) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing.

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, First Revised Sheet No. 4, Item 13 (c), and Section 3-6, Original Sheet No. 4, Item 11 (a) are:

Reconnection Fee during regular business hours	\$48.28
Reconnection Fee other than during regular business hours	\$135.60

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-five dollars and fifty-seven cents (\$25.57) will be charged for a service connection during the Company's regular business hours.

ISSUED:

EFFECTIVE:

Issued by Robert A. Kopas, Vice-President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated for Case No. 09-1044-WW-AIR

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

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Witness responsible:
R A Kopas

Rates for customers in the former Aqua Ohio, Inc. Lake Erie West Division

DIVISION B - PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per Month
1-1/4" Hose Connection	\$2.20
1-1/2" Hose Connection	\$3.18
2" Hose Connection	\$5.65
2-1/2" Hose Connection	\$8.86
Private Fire Hydrant	\$48.70

AUTOMATIC SPRINKLERS

Size of Connection	Per Month
2"	\$5.73
4"	\$22.67
6"	\$51.08

SYSTEM IMPROVEMENT SURCHARGE (SIC)

ISSUED:

EFFECTIVE:

Issued by Robert A. Kopas, Vice-President, Aqua Ohio, Inc
In accordance with the Public Utilities Commission of Ohio
Order Dated for Case No. 09-1044-WW-AIR

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

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Witness responsible:
R A Kopas

Rates for customers in the former Aqua Ohio, Inc. Lake Erie East Division

DIVISION A - MEASURED OR METERED SERVICE RATE SCHEDULE

CUSTOMER CHARGE PER MONTH

	Per Month
Customer Charge for a 5/8" meter.....	\$9.52
Customer Charge for a 5/8" x 3/4" meter.....	\$9.52
Customer Charge for a 1" meter.....	\$23.80
Customer Charge for a 1 1/2" meter.....	\$47.60
Customer Charge for a 2" meter.....	\$76.16
Customer Charge for a 3" meter.....	\$142.80
Customer Charge for a 4" meter.....	\$238.00
Customer Charge for a 6" meter.....	\$476.00

The customer charge is applicable to all customers regardless of consumption.

VOLUMETRIC RATES

	Base Rate	Purchased Water Rate	Total Volumetric Rate Per 10 Cu. Ft.
For the first 2,000 cubic feet or any part thereof per month	0.352790	0.130170	\$0.48296
For the next 8,000 cubic feet per month	0.324460	0.130170	\$0.45463
For all consumption over 10,000 cubic feet per month	0.159950	0.130170	\$0.29012
			Per 100 Gallon
For the first 14,960 gallons or any part thereof per month	0.471640	0.174020	\$0.64566
For the next 59,840 gallons per month	0.433770	0.174020	\$0.60779
For all consumption over 74,800 gallons per month	0.213840	0.174020	\$0.38786

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of twenty-one dollars and thirty-seven cents (\$21.37) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing.

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, First Revised Sheet No. 4, Item 13 (c), and Section 3-6, Original Sheet No. 4, Item 11 (a) are:

Reconnection Fee during regular business hours	\$48.28
Reconnection Fee other than during regular business hours	\$135.80

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-five dollars and fifty-seven cents (\$25.57) will be charged for a service connection during the Company's regular business hours.

ISSUED:

EFFECTIVE:

Issued by Robert A. Kopas, Vice-President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated, for Case No. 09-1044- WW - AIR

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

A Proposed Notice for Newspaper Publication

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Witness responsible:
R A Kopas

Rates for customers in the former Aqua Ohio, Inc. Lake Erie East Division

DIVISION B -PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per Month
1-1/4" Hose Connection.....	\$13.37
1-1/2" Hose Connection.....	\$17.01
2" Hose Connection.....	\$20.68
2-1/2" Hose Connection.....	\$24.30
Private Fire Hydrant.....	\$48.70

AUTOMATIC SPRINKLERS

Size of Connection	Per Month
2".....	\$40.56
4".....	\$59.42
6".....	\$81.10

DIVISION C -PUBLIC FIRE PROTECTION SERVICE RATE SCHEDULE

No charges shall be made for public fire protection, and there shall be no fire hydrant rentals charged.

SYSTEM IMPROVEMENT SURCHARGE (SIC)

ISSUED:

EFFECTIVE:

Issued by Robert A. Kopas, Vice-President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated, for Case No. 09-1044-WW-AIR

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

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Witness responsible:
R A Kopas

Water Rates for customers in the former Norlick Place Water Company
Located in Norlick Place Subdivision, Center Township, Williams County, Ohio

CUSTOMER CHARGE

Flat rate unmetered service per customer, monthly..... \$36.00

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of twenty-one dollars and thirty-seven cents (\$21.37) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing.

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, First Revised Sheet No. 4, Item 13 (c), and Section 3-6, Original Sheet No. 4, Item 11 (a) are:

Reconnection Fee during regular business hours \$48.28
Reconnection Fee other than during regular business hours..... \$135.60

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-five dollars and fifty-seven cents (\$25.57) will be charged for a service connection during the Company's regular business hours.

SYSTEM IMPROVEMENT SURCHARGE (SIC)

ISSUED:

EFFECTIVE:

Issued by Robert A Kopas, Vice-President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated for Case No. 09-1044-WW-AIR

Aqua Ohio, Inc.
Lake Erie Division
Case No. 09-1044-WW-AIR

A Proposed Notice for Newspaper Publication

Date Certain: March 31, 2009
Test Year: December 31, 2009
Type of Filing: (X) Original () Updated () Revised
Work Paper Reference No(s):

Schedule S-3
Page 14 of 15
Witness responsible:
R A Kopas

Water Rates for customers in the former Seneca Utilities, Inc. Water Company
Located in Lake Seneca Subdivision, Bridgewater Township, Williams County, Ohio

Rates and Charges For Unmetered Service

	Monthly Charge
Residential	\$38.00
Commercial	\$49.00
Yard Hydrant	\$11.05

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of twenty-one dollars and thirty-seven cents (\$21.37) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing.

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, First Revised Sheet No. 4, Item 13 (c), and Section 3-6, Original Sheet No. 4, Item 11 (a) are:

Reconnection Fee during regular business hours	\$48.28
Reconnection Fee other than during regular business hours	\$135.60

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-five dollars and fifty-seven cents (\$25.57) will be charged for a service connection during the Company's regular business hours.

SYSTEM IMPROVEMENT SURCHARGE (SIC)

ISSUED:

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Page 15 of 15
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Water Rates for customers in the former Seneca Utilities, Inc. Water Company
Located in Lake Seneca Subdivision, Bridgewater Township, Williams County, Ohio

Method of Billing

A yard hydrant on one lot will be charged one yard hydrant fee.

For the purposes of this section of the tariff, Yard Hydrant shall mean any hydrant other than those which qualify as public fire hydrants within the definition of public fire protection.

ISSUED:

EFFECTIVE:

Issued by Robert A. Kopas, Vice-President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated for Case No. 09-1044-WW-AIR

AQUA OHIO WATER COMPANY
LAKE DIVISION
Case No. 09-1044-WW-AIR
COST OF SERVICE STUDY
For The Twelve Months Ended December 31, 2009

Data: (6) Months Actual & (6) Months Estimated
Type of Filing: (X) Original () Updated () Revised
Work Paper Reference No(s):

Schedule E - 3.2
Page 1 of 37
Witness Responsible:
David R. Monie P E

COST OF SERVICE STUDY

Title Sheet

(SEE ATTACHED NARRATIVE
AND SCHEDULES)

AQUA OHIO, INC.
LAKE ERIE DIVISION
COST OF SERVICE AND TARIFF DESIGN STUDIES

Introduction

The Lake Erie Division of Aqua Ohio, Inc. ("Lake Erie") is an Ohio public water utility company which provides water service to the City of Mentor and surrounding areas in Lake County, including what was formally known as the Lake Erie East, Seneca, Norlick and Shepard Hills areas. Lake Erie supplies water to approximately 31,250 customers, including approximately 29,390 residential 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 relatively close proximity to their cost of service. The COSS is based on the operating and financial information that are presented in the exhibits to the Rate Increase Application for Lake Erie.

Conclusion

There are currently five separate tariff rates for the area served by Lake Erie. By far the largest rate district is referred to as West in this COSS, with a total of approximately 30,000 customers. In the last base rate case (Case No. 07-0564-WW-AIR) ("2007 Rate Case"), the process of consolidating the rates for the entire Lake Erie service area was begun. There are, however, significant differences in the tariff designs and rates for the five (5) separate tariff areas, such that the consolidation process could not be done in one or even two rate cases. In the 2007 Rate Case, the consumption blocks for the two major divisions, East and West, were made the same, even though the actual consumption rates are different. It is being proposed in this case to consolidate the Customer Charge so that it is the same in the East and in the West. It is, also, proposed to consolidate the third block consumption rate. It is, however, still necessary that the East tariff area be given a smaller rate increase than the West tariff in order to continue the rate consolidation process. It is recommended that the increase in metered rates for the East tariff area be approximately 10.9% and for the West tariff area be approximately 23.5%. The flat rate service areas in Seneca and Norlick are proposed to be set at \$36.00 per month such that the rates are close to the average residential rate for the metered customers. None of the metered

customer classes are proposed to have their overall percentage of revenues change by more than 0.2%. Table 12 calculates the appropriate monthly Customer charge for a customer with a 5/8 inch meter to be \$9.52 using the method recognized by the Public Utilities Commission Ohio ("PUCO") and used in the 2007 Rate Case to set the customer charges. It is recommended that the Customer charges be set, for both the East tariff area and the West tariff area, at \$9.52 for a 5/8 inch meter and setting the Customer charge rate for the other meter sizes in proportion to the AWWA ratios of meter capacity. The recommended changes in tariff design are discussed in the Tariff Design section below, and Table 13 shows the recommended Tariff Design. Table 14 shows a comparison of the current, proposed, and cost of service rates (adjusted for an allocation of Public Fire Service costs to the metered classes). Finally, it is proposed to eliminate the availability charges in the Seneca tariff area due to the fact that collection of these revenues is extremely difficult and is not fair to those who pay this charge.

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 projected twelve month period ending December 31, 2009, at current rates. The consumption and revenues, by customer class, are taken from the billing records of Lake Erie that are summarized in Schedule E-4.1. Table 9 is a billing analysis for the projected twelve month period ending December 31, 2009 at proposed rates. The consumption analysis in Table 8 was used with the proposed rate schedules to determine the revenue, by customer class, from the proposed tariff. Table 10 is a calculation of Private Fire Service revenue at current and proposed rates. Table 11 is a calculation of the Customer Charge using a methodology that is used by the PUCO and approved in the 2007 Rate Case. Table 12 is a comparison of the Metered and Private Fire Service Tariff for the Lake Division at current and recommended rates. Table 13 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, maximum day and maximum hour amounts are taken from the records of Lake Erie using a five year average for the calendar years of 2005 through 2009. A schedule (WP 1a) attached to Table 1 shows the details of these calculations. 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 (WP2a) 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 portion of the total annual system delivery allocated to each customer class is developed on a schedule (WP5c) attached to Table 5. The consumption by customer class is taken from Table 10 and the total system delivery amount was taken from the records of Lake Erie as shown on WP1a. The total system delivery was then allocated to each customer class based on the metered consumption. The non-coincidental extra capacity factors for both the maximum day and maximum hour columns were estimated based on the monthly consumption records, pumping records, experience and normal utility practice. They are similar, but not identical, to the factors used in the last Cost of Service Study filed in the 2007 Rate Case. The amount of the maximum day allocated to the total (public and private) fire protection was 1 MGD. The total amount of fire protection consumption for the peak hour is 4.02 MGD which is the calculated median of the available required fire flows from various ISO inspections as calculated on working paper WP5d attached to Table 5. The customer equivalent units ("CEU") have been calculated on the schedule (WP5a) 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.

Tariff Design

Table 8 is a calculation of revenues received at current rates for the projected twelve month period ending December 31, 2009. Table 9 is a calculation of pro forma revenues at proposed rates for the projected period ending December 31, 2009. Table 10 is a calculation of Private Fire Service revenues at current and proposed rates. Table 11 is a calculation of the appropriate Customer Charge using methodology approved by the PUCO. Table 12 is a comparison of the current and recommended tariffs. Table 13 is a comparison of revenues to be derived at current rates, at proposed rates, and as calculated in the cost of service study. The cost of service amounts were adjusted to allocate Public Fire Protection charges to the metered classes, consistent with the existing tariff. This is because Public Fire Protection charges are collected as part of the metered tariff. Work Paper WP13a details this allocation of Public Fire Protection charges to the metered classes.

The Lake Erie Division is made up of five separate tariff areas known as West, East,

Seneca, Norlick and Auburn Hills Condos. The Sheppard Hills area uses the West rates. Currently, the only metered tariff rates are for the East and West tariff areas. It is recommended that the all of Lake Erie be, ultimately, brought under one tariff. The first step in this process was taken in the tariff design approved in the 2007 Rate Case. Due to the significant differences that remain in the existing tariffs, however, it would not be advisable to make the changes required for a uniform tariff in this rate increase matter, but this proposed tariff takes the second step in that direction. In the 2007 Rate Case, the structure of the tariff blocks was consolidated so that both the East and the West have the same quantities of water for the three consumption blocks. It is recommended that the Seneca and Norlick flat rate tariffs, consolidated in the 2007 Rate Case, be set at \$36.00 per month which is close to the average residential bill in both the East and the West (the average residential consumption in the East is lower than in the West).

In addition, it is strongly recommended that the Availability Charge in the Seneca tariff be eliminated. This charge is difficult to collect and is no longer necessary since this small tariff area is now part of a much larger Division. The Lake Erie Division of Aqua Ohio, Inc. provides water service to over 32,000 customers of which approximately 250 are served by Aqua's water system serving the Lake Seneca Subdivision. In addition to billing for water service, the Tariff also provides for the billing of "availability fees" to property owners in Lake Seneca. The practice of charging "availability fees", while perhaps a financial necessity in establishing a water service for a new community, is unique to Aqua Ohio and is not included in its Tariffs applicable to 99% of customers or property owners located in other portions of the Lake Erie Division's service territories. In addition to being a unique fee subject only to the Lake Seneca property owners, Aqua finds the billing and collection costs related to this revenue source to be proportionally expensive (the monthly fee is \$5.73) and difficult to collect as there is no service to terminate to enforce collection. Aqua bills less than \$19,000 annually in availability fees and has over \$23,000 in unpaid fees a year or older. Aqua proposes that said fee be eliminated in its proposed Tariff for Lake Seneca.

In the Proposed rates, the East tariff was changed by, first, increasing the Private Fire charges by 3%. The Private Fire charges for the East service area are considerably higher than for the West service area and the 3% increase simply reflects the currently applicable SIC such that there is not proposed to be any increase above the current charges for Private Fire including the SIC. The Private Fire charges for the West were increased by approximately 33.6% except

for the private fire hydrant charge which was equalized with the East at \$48.70 per month, a 24.7% increase. Even after the recommended increase in the Private Fire charges for the West, the East will still have much higher Private Fire rates, other than the private hydrant charge. The second change in the East is to increase the consumption charges by 13.3% which is an effective 10% increase over the existing rates including the SIC. These rates are shown on Table 13. This increase is significantly below the proposed increase for the West, thus continuing the move to uniform rates. The third change was to set the Customer Charge for a 5/8" meter to the \$9.52 amount calculated on Table 11. This amount is very close to the current Customer Charge when the SIC is included. It is proposed to have the Customer Charge unified for both the East and the West.

No change is proposed for the flat rate tariff for the Auburn Hills Condos. These units are not currently subject to the SIC.

The rates for the West tariff area were adjusted so that the total increase in revenues matches the proposed revenue requirement in the rate filing. The recommended Tariff Design for the West tariff area is shown on Table 13. Table 11 shows the calculation of the Customer charge used for a 5/8 inch meter. This calculation uses the methodology recommended by the PUCO. The recommended monthly Customer charge for the West tariff area, has, also, been set at the \$9.52 amount calculated on Table 12. The consumption charges for the West have been change to first equalize the rate for the third consumption block with the East. The changes in the consumption rate for the first and second block were then increased by 23.9 % such that the total revenues equal the total revenue requirement.

The result of these tariff changes is to not make a significant difference in the relative portion of revenues coming from the various customer classes (no customer class has its relative proportion of revenues changed by more than 0.2%).

AQUA OHIO WATER COMPANY - LAKE ERIE 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	8.93	62.43%		

MAXIMUM DAY	14.31		37.57%	
AVERAGE DAY	8.93	48.04%		

MAXIMUM HOUR	18.59			51.96%

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
 CALCULATION OF MAXIMUM DAY AND MAXIMUM HOUR USE
 USING FIVE YEAR AVERAGE

WP1a

	2005	2006	2007	2008	2009	Average
January	266.885	244.740	240.296	249.073	274.029	255.004
February	241.794	222.757	230.573	236.691	245.276	235.418
March	273.132	252.748	251.877	253.082	257.253	257.618
April	260.854	246.226	241.038	255.131	245.353	249.720
May	286.772	286.714	299.304	275.183	288.397	287.274
June	360.899	303.464	364.395	300.090	225.889	310.947
July	388.715	302.488	398.830	303.725	281.063	334.964
August	351.398	316.220	303.099	307.066	276.183	310.793
September	295.740	244.771	285.856	281.028	276.849	276.848
October	257.694	249.345	255.248	241.395	250.921	250.920
November	239.614	239.917	242.311	245.079	241.730	241.730
December (1)	239.686	249.539	251.273	257.129	249.407	249.406
Total	3,463.183	3,158.929	3,364.100	3,204.672	3,112.349	3,260.642

(1) 2009 set at average of 2005 - 2008

Maximum Day	17.11	14.34	16.37	12.54	11.22	14.31
Maximum Hour	19.00	24.00	17.57	18.00	14.40	18.59

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
TABLE 2
ALLOCATION OF PLANT INVESTMENT

ITEM	TOTAL	BASE	EXTRA CAPACITY		CUSTOMER	DIRECT FIRE PROTECTION
			MAXIMUM DAY	MAXIMUM HOUR		
Source of Supply	606,596	378,678	227,918			
Water Treatment	5,297,373	3,306,977	1,990,396			
Pumping Plant - Max Day	2,139,598	1,335,681	803,917			
Pumping Plant - Max Hour	349,474	218,165	131,309			
Distribution Storage	3,908,829	1,877,991		2,030,838		
T&D Mains	19,182,441	9,216,174		9,966,268		
Services & Meters	7,441,876				7,441,876	
Hydrants	2,247,656					2,247,656
General Plant	3,694,489	1,465,604	282,964	1,076,489	657,752	201,680
Other Investments	(3,592,573)	(1,425,174)	(275,158)	(1,046,793)	(649,332)	(196,116)
TOTAL	41,275,759	16,374,095	3,161,345	12,026,802	7,460,297	2,253,220

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
ALLOCATION OF UTILITY PLANT

WP2a
Page 1 of 2

Acct. No.	Account	Cost 12/31/09	C.A.C. & C.I.A.C.	Depreciation Reserve 12/31/09	Net Plant
<u>SOURCE OF SUPPLY:</u>					
310	Land & Land Rights	231,679	0	0	231,679
311	Structures & Imp.	69,579	0	21,137	48,442
313	Lake, River & Other Intake	1,141,060	58,527	875,549	206,984
314	Wells & Springs	40,786	0	21,389	19,397
316	Supply Mains	135,368	0	35,275	100,093
	Subtotal	1,618,472	58,527	953,349	606,596
<u>WATER TREATMENT:</u>					
330	Land & Land Rights	270,785	0	0	270,785
331	Structures & Imp.	1,621,265	179,637	508,726	932,902
332	Water Treatment Equip.	8,687,236	825,200	3,784,951	4,077,085
	Subtotal	10,579,286	1,004,837	4,293,676	5,280,772
<u>PUMPING PLANT:</u>					
320	Land & Land Rights	4,894	0	0	4,894
321	Structures & Imp. Max Hour	688,384	112,421	235,946	340,017
322	Structures & Imp. Max Day	493,409	0	149,826	343,583
323/325	Pumping Equip. - Max Hour	263,413	190,320	64,323	8,770
323/325	Pumping Equip. - Max Day	2,370,715	0	578,907	1,791,807
	Subtotal	3,820,814	302,741	1,029,003	2,489,070
<u>STORAGE:</u>					
340	Land & Land Rights	409,538	1,651	0	407,886
341	Structures & Imp.	546,325	0	100,929	445,396
342	Reservoirs & Tanks	4,549,717	251,996	1,242,174	3,055,547
	Subtotal	5,505,579	253,647	1,343,104	3,908,829
<u>T&D MAINS:</u>					
340	Land & Land Rights	0	0	0	0
343	T & D Mains	44,730,210	21,643,358	3,904,411	19,182,441
	Subtotal	44,730,210	21,643,358	3,904,411	19,182,441

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
ALLOCATION OF UTILITY PLANT

WP2a
Page 2 of 2

Acct. No.	Account	Cost 12/31/09	C.A.C. & C.I.A.C.	Reserve 12/31/09	Net Plant
<u>SERVICES & METERS:</u>					
345	Services	7,223,727	785,511	2,703,948	3,734,268
346	Meters	2,989,415	0	1,353,332	1,636,083
347	Meter Installations	2,294,673	0	223,148	2,071,525
	Subtotal	12,507,815	785,511	4,280,428	7,441,876
<u>HYDRANTS:</u>					
348	Hydrants	5,166,357	2,001,530	917,170	2,247,656
	Subtotal	5,166,357	2,001,530	917,170	2,247,656
<u>GENERAL PLANT:</u>					
301	Organization	40,804	0	7,800	33,003
302	Franchises	145,695	0	148,876	(3,182)
303	Misc. Intangible Plant	2,253,940	0	504,041	1,749,900
389	Land & Land Rights	232,699	0	0	232,699
390	Structures & Imp.	702,646	2,000	421,638	279,009
391	Office Furn. & Equip	662,463	0	469,707	192,756
392	Transportation Equip	803,154	0	392,279	410,875
393	Stores Equip.	5,159	0	7,009	(1,849)
394	Tools & Work Equip.	333,060	0	139,469	193,591
395	Laboratory Equipment	96,959	0	80,359	16,600
396	Power Operated Equip.	761,438	0	381,063	380,375
397	Communication Equipment	626,462	0	409,010	217,452
398	Miscellaneous Equipment	44,216	0	34,357	9,859
	Subtotal	6,708,696	2,000	2,995,607	3,711,090
TOTAL PLANT		90,637,229	26,052,151	19,716,747	44,868,331

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION

TABLE 3

ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES

ITEM	TOTAL	BASE	MAXIMUM DAY	MAXIMUM HOUR	CUSTOMER	DIRECT FIRE PROTECTION
Source of Supply	328,649	205,165	123,484			
Pumping	744,104	464,520	279,584			
Treatment	937,283	585,115	352,168			
Mains	593,001	284,906		308,094		
Storage	359,879	172,903		186,976		
Hydrants	14,595					14,595
Services & Meters	280,887				280,887	
Customer Accounts	1,153,295				1,153,295	
Administrative & General	2,629,189	1,020,645	450,090	295,041	854,714	8,698
TOTAL	7,040,882	2,733,254	1,205,326	790,112	2,288,897	23,294

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
 ALLOCATION OF OPERATION & MAINTENANCE EXPENSES
 For The Twelve Months Ended December 31, 2009

WP 3a
 Page 1 of 2

<u>Account</u>	<u>Amount</u>	<u>Allocation Category</u>
<u>SOURCE OF SUPPLY EXPENSES</u>		
Operation	328,649	Source of Supply
Maintenance	0	Source of Supply
Subtotal	<u>328,649</u>	
<u>POWER & PUMPING EXPENSES</u>		
Operation	744,104	Pumping
Maintenance	0	Pumping
Subtotal	<u>744,104</u>	
<u>WATER TREATMENT EXPENSES</u>		
Operation	719,398	Treatment
Maintenance	<u>217,885</u>	Treatment
Subtotal	<u>937,283</u>	
<u>TRANS. & DIST. EXPENSES</u>		
<u>Operations</u>		
Supervision & Engineering	0	T & D Gen. Allocation
Storage Facilities	0	Storage
Mains	224,162	Mains
Meters & Customer Installatic	224,162	Services & Meters
Miscellaneous	116,176	T & D Gen. Allocation
Rents	<u>99,998</u>	T & D Gen. Allocation
Subtotal T & D Operations	<u>664,498</u>	
<u>Maintenance</u>		
Supervision & Engineering	0	T & D Gen. Allocation
Structures and Improvements	0	T & D Gen. Allocation
Storage Facilities	297,560	Storage
Mains	266,151	Mains
Service Lines	8,085	Services & Meters
Meters	0	Services & Meters
Hydrants	<u>12,068</u>	Hydrants
Subtotal T & D Maintenance	<u>583,864</u>	
Subtotal T & D Expenses	<u>1,248,362</u>	

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
 ALLOCATION OF OPERATION & MAINTENANCE EXPENSES
 For The Twelve Months Ended December 31, 2009

WP 3a
 Page 2 of 2

<u>Account</u>	<u>Amount</u>	<u>Allocation Category</u>
<u>CUSTOMER ACCT. & COLLECT.</u>		
Supervision Labor	0	
Supervision Expenses	0	
Meter Reading Labor	0	
Meter Reading Expenses	0	
Customer Records & Collection La	335,074	
Customer Records & Collection Ex	596,750	
Uncollectable Accounts	96,821	
Miscellaneous Customer Labor	0	
Miscellaneous Customer Expense	124,650	
Total Customer Billing & Acct.	1,153,295	Customer
<u>ADMIN., SALES & GEN. EXP.</u>		
Admin. and General Expenses	1,680,021	
Rate Case Expense	68,800	
Pension Cost Adjustment	512,862	
Post Retirement Benefit Adj.	24,132	
Hospitalization Adjustment	343,374	
Subtotal	2,629,189	General
Total Expenses	7,040,882	

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
 ALLOCATION OF OPERATION & MAINTENANCE EXPENSES
 For The Twelve Months Ended December 31, 2009
 ALLOCATION OF T&D GENERAL TO FUNCTIONAL CATEGORIES

<u>Category</u>	<u>Amount</u>	<u>%</u>	<u>T & D</u>	
			<u>General</u>	<u>Total</u>
Storage	297,560	28.83%	62,319	359,879
Hydrants	12,068	1.17%	2,527	14,595
Mains	490,313	47.50%	102,688	593,001
Services & Meters	232,247	22.50%	48,640	280,887
Total T & D	1,032,188	100.00%	216,174	1,248,362

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION

TABLE 4

SUMMARY OF ALLOCATIONS TO FUNCTIONAL COST COMPONENTS

ITEM	TOTAL	BASE	EXTRA CAPACITY		CUSTOMER	DIRECT FIRE PROTECTION
			MAXIMUM DAY	MAXIMUM HOUR		
Operation & Maintenance	7,040,882	2,733,254	1,205,326	790,112	2,288,897	23,294
Income & Property Tax	4,145,306	1,644,443	317,492	1,207,846	749,234	226,290
Other Taxes	1,056,034	409,950	180,782	118,506	343,303	3,494
Income Available For Fixed Charges	3,594,607	1,425,981	275,314	1,047,385	649,699	196,227
Depreciation Expense	1,735,193	688,351	132,900	505,595	313,624	94,723
TOTAL	<u>17,572,023</u>	<u>6,901,979</u>	<u>2,111,814</u>	<u>3,669,444</u>	<u>4,344,757</u>	<u>544,028</u>

AQUA OHIO WATER COMPANY
LAKE ERIE DIVISION
ALLOCATION OF TAXES OTHER THAN INCOME TAXES
For The Twelve Months Ended December 31, 2009

WP4a

<u>Other Tax</u>	<u>Total Tax</u>	<u>Prop. Tax</u>	<u>Other Taxes</u>
Local Property Tax	\$ 2,887,624	\$ 2,887,624	
Excise Tax	\$ 830,684		\$ 830,684
P U C O & O C C Fees	\$ 20,948		\$ 20,948
Payroll Taxes	\$ 169,053		\$ 169,053
Other Taxes	<u>\$ 35,349</u>	<u>-</u>	<u>\$ 35,349</u>
Total Taxes Other than Income	<u>\$ 3,943,658</u>	<u>\$ 2,887,624</u>	<u>\$1,056,034</u>

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION

TABLE 5

ESTIMATED UNITS OF SERVICE

CUSTOMER CLASS	TOTAL ANNUAL WATER USE (MG)	AVERAGE DAY WATER USE (MGD)	MAXIMUM DAY			MAXIMUM HOUR			CUST. EQUIV. UNITS	FIRE PROT. EQUIV. UNITS
			CAP. FACT. (\$)	TOTAL CAP. (MGD)	EXTRA CAP. (MGD)	CAP. FACT. (\$)	TOTAL CAP. (MGD)	EXTRA CAP. (MGD)		
Residential	2,448	6.71	200	13.41	6.71	250	16.76	10.06	31,737	
Commercial	504	1.38	120	1.66	0.28	135	1.86	0.48	3,306	
Industrial	146	0.40	115	0.46	0.06	125	0.50	0.10	565	
Public	86	0.24	120	0.28	0.05	135	0.32	0.08	757	
Utility	77	0.21	125	0.26	0.05	135	0.28	0.07	23	
Private Fire Prot.	0	0.00		0.25	0.25		1.00	1.00		17,999
Public Fire Prot.	0	0.00		0.75	0.75		3.04	3.04		54,818
TOTAL	3,261	8.93		17.07	8.14		23.76	14.83	36,388	72,817

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
CALCULATION OF CUSTOMER EQUIVALENT UNITS

WP5a

CUSTOMER CLASS AND METER SIZE

	<u>Units</u>	<u>Factor</u>	<u>CEU</u>
<u>Residential:</u>			
5/8"	28,603	1.00	28,603
1"	396	2.50	990
1-1/2"	347	5.00	1,735
2"	38	8.00	304
3"	2	15.00	30
4"	3	25.00	<u>75</u>
Total Residential	<u>29,389</u>		<u>31,737</u>
<u>Commercial:</u>			
5/8"	1,063	1.00	1,063
1"	314	2.50	785
1-1/2"	142	5.00	710
2"	76	8.00	608
3"	6	15.00	90
6"	1	50.00	<u>50</u>
Total Commercial	<u>1,602</u>		<u>3,306</u>
<u>Industrial:</u>			
5/8"	32	1.00	32
1"	28	2.50	70
1-1/2"	22	5.00	110
2"	21	8.00	168
3"	4	15.00	60
4"	1	25.00	25
6"	2	50.00	<u>100</u>
Total Industrial	<u>110</u>		<u>565</u>
<u>Public:</u>			
5/8"	35	1.00	35
1"	34	2.50	85
1-1/2"	25	5.00	125
2"	44	8.00	352
3"	4	15.00	60
4"	4	25.00	<u>100</u>
Total Industrial	<u>146</u>		<u>757</u>
<u>Utility:</u>			
2"	1	8.0	8
3"	1	15.0	15
4"	-	25.0	-
6"	-	50.0	<u>-</u>
Total Other Utilities	<u>2</u>		<u>23</u>
Total Erie Division	<u>31,249</u>		<u>35,631</u>

AQUA OHIO WATER COMPANY
LAKE ERIE DIVISION
CALCULATION OF FIRE PROTECTION EQUIVALENT UNITS

WP5b

<u>Type of Service</u>	<u>Number</u>	<u>Factor (1)</u>	<u>Equiv. Units</u>
Public Hydrants	<u>4,361</u>	12.57	<u>54,818</u>
Sub-Total Public	<u>4,361</u>		<u>54,818</u>
Private Hydrants	803	12.57	10,098
1-1/4" Hose Connection	24	1.23	30
1-1/2" Hose Connection	249	1.77	441
2-1/2" Hose Connection	107	3.14	336
2" Prv. Service Line	0	3.14	0
4" Prv. Service Line	32	12.57	401
6" Prv. Service Line	<u>237</u>	28.27	<u>6,694</u>
Sub-Total Private	<u>1,452</u>		<u>17,999</u>
Total	<u>5,813</u>		<u>72,817</u>

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

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
ALLOCATION OF PUMPAGE TO CUSTOMER CLASS

WP5c

<u>CUSTOMER CLASS</u>	<u>Consum. CCF</u>	<u>Percent</u>	<u>Pumpage (1,000 Gal.)</u>
Residential	2,574,894	75.06%	2,447,555
Commercial	530,066	15.45%	503,852
Industrial	153,836	4.48%	146,228
Public	90,822	2.65%	86,330
Utility	<u>80,665</u>	<u>2.35%</u>	<u>76,676</u>
Total	<u>3,430,283</u>	<u>100.00%</u>	<u>3,260,642</u>

AQUA OHIO, INC., LAKE ERIE DIVISION
Fire Hydrant Flow Rates

WP5d

Hydrant	Available Flow	Hydrant	Available Flow
Mentor:		Mentor on the Lake:	
1	3,900	1	4300
2	1,900	2	9700
3	1,300	3	9700
4	4,700	4	9400
5	2,300	5	8500
6	1,800	6	7000
7	4,800	7	6200
8	4,300	8	4300
9	5,200	9	2900
10	6,000	10	6800
11	3,300	11	3300
12	2,400	12	1700
13	3,900		
14	3,800	Concord TWSP.:	
15	3,700	1	1100
16	4,500	2	1700
17	2,100	3	1000
18	3,900	4	3700
19	3,000	5	1600
20	1,100	6	2700
21	4,500	7	1100
22	3,600	8	2400
Jefferson & Jefferson TWSP.:		9	5400
1	800	10	2300
2	2,900	11	1500
3	1,200	12	2700
4	1,100	13	3300
5	1,200	14	2700
6	1,300	15	1900
7	400	16	2000
8	600	Maximum	9,700
9	1,100	Minimum	350
10	350	Median	2,800
Kirkland & Kirkland Hills:			
1	2,000		
2	1,900		
3	1,600		
4	1,200		
5	1,200		
6	1,800		
7	1,900		
8	1,500		
9	2,100		
10	1,700		
11	2,900		
12	4,500		
13	2,396		

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION

TABLE 6

UNIT COSTS OF SERVICE

ITEM	TOTAL	BASE	EXTRA CAPACITY		CUSTOMER	DIRECT FIRE PROTECTION
			MAXIMUM DAY	MAXIMUM HOUR		
Units of Service		3,261	8.14	14.83	36,388	72,817
Operation & Maint.						
Unit Cost of Service	7,040,882	2,733,254	1,205,326	790,112	2,288,897	23,294
		\$838.257	\$148,044.802	\$53,277.715	\$62.903	\$0.320
Income & Prop. Taxes						
Unit Cost of Service	4,145,306	1,644,443	317,492	1,207,846	749,234	226,290
		504.331	38,996.181	81,445.846	20.590	3.108
Other Taxes						
Unit Cost of Service	1,056,034	409,950	180,782	118,506	343,303	3,494
		125.727	22,204.660	7,990.916	9.435	0.048
Income Available For Fixed Charges						
Unit Cost of Service	3,594,607	1,425,981	275,314	1,047,385	649,699	196,227
		437.331	33,815.576	70,625.845	17.855	2.695
Depreciation Expense						
Unit Cost of Service	1,735,193	688,351	132,900	505,595	313,624	94,723
		211.109	16,323.498	34,092.597	8.619	1.301
TOTAL UNIT COST OF SERVICE		\$2,116.755	\$259,384.716	\$247,432.919	\$119.401	\$7.471

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION

TABLE 7

DISTRIBUTION OF COSTS OF SERVICE TO CUSTOMER CLASS

<u>CUSTOMER CLASS</u>	<u>BASE</u>	<u>EXTRA CAPACITY</u>		<u>CUSTOMER</u>	<u>DIRECT FIRE PROTECTION</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
		<u>MAXIMUM DAY</u>	<u>MAXIMUM HOUR</u>				
Unit Cost of Service	2,116.755	259,384.716	247,432.919	119.401	7.471		
Residential	2,448	6.71	10.06	31,737	0		
Cost of Service	5,180,874	1,739,338	2,488,791	3,789,424	0	13,198,427	75.11%
Commercial	504	0.28	0.48	3,306	0		
Cost of Service	1,066,531	71,612	119,546	394,739	0	1,652,429	9.40%
Industrial	146	0.06	0.10	565	0		
Cost of Service	309,529	15,587	24,782	67,461	0	417,360	2.38%
Public	86	0.05	0.08	757	0		
Cost of Service	182,740	12,270	20,483	90,386	0	305,880	1.74%
Utility	77	0.053	0.074	23	0		
Cost of Service	162,304	13,622	18,192	2,746	0	196,865	1.12%
Private Fire Protection	0	0.25	1.00	0	17,999		
Cost of Service	0	64,116	246,604	0	134,476	445,195	2.53%
Public Fire Protection	0	0.75	3.04	0	54,818		
Cost of Service	0	195,262	751,046	0	409,553	1,355,867	7.72%
TOTAL COST OF SERVICE	6,901,979	2,111,814	3,669,444	4,344,757	544,028	17,572,023	100.00%

Summary-Current Rate Pro Forma
No.
Bills

[illegible]

Lake Erie East							
Residential	13,685	1,142	70,282	2,060	177	72,519	\$439,242
Commercial	1,610	135	8,999	4,321	12,230	25,550	109,529
Industrial	168	14	2,054	3,032	6,270	11,356	48,867
Public	246	22	2,213	3,291	7,600	13,104	54,672
Utility	12	1	237	899	53,195	54,331	142,399
Total East	15,721	1,314	83,785	13,603	79,472	176,860	794,710
Auburn Lakes							
Residential	36	3	0	0	0	0	177,076
Total Auburn Lakes	36	3	0	0	0	0	177,076
Norlick							
Residential	1,308	109	0	0	0	0	39,240
Total Norlick	1,308	109	0	0	0	0	39,240
Seneca							
Residential	3,168	264	0	0	0	0	95,040
Res. Yard Hydrants	24	2	0	0	0	0	258
Commercial	36	3	0	0	0	0	1,389
Availability	3,180	265	0	0	0	0	18,221
1/2 Availability	0	0	0	0	0	0	0
Total Seneca	6,408	534	0	0	0	0	114,907
Lake Erie West							
Residential	338,918	28,247	2,309,430	164,513	28,432	2,502,375	10,271,003
Commercial	17,567	1,467	135,573	162,737	206,206	504,516	1,563,000
Industrial	1,117	96	12,870	29,227	100,383	142,480	390,230
Public	1,481	126	16,706	28,085	32,927	77,718	257,514
Utility	12	1	240	876	1,044	2,160	6,076
Total West	359,095	29,937	2,474,819	385,438	368,992	3,229,249	12,487,823
Other Utility:							
Painesville	0	0	11,720	0	0	11,720	12,306
Pine Crest	0	0	12,454	0	0	12,454	29,861
Lake County	0	0	0	0	0	0	0
Total Other Utility	0	0	24,174	0	0	24,174	42,167
Total Division							
Residential	360,319	30,032	2,379,712	166,573	28,609	2,574,894	11,040,080
Commercial	19,213	1,605	144,572	167,058	218,436	530,066	1,673,917
Industrial	1,285	110	14,924	32,259	106,653	153,836	439,097
Public	1,727	148	18,919	31,376	40,527	90,822	312,186
Utility	24	2	24,651	1,775	54,239	80,665	190,642
Total Division	382,568	31,897	2,582,778	399,041	448,464	3,430,283	13,655,923
			100 cf	100 cf	100 cf	100 cf	
SIC (3%)							404,365
Total Pro Forma Current Rates							\$14,060,289

AQUA CHICAGO WATER COMPANY - LAKE ERIE DIVISION

TABLE

BILLING ANALYSIS
FOR 12 MONTHS ENDED 12/31/09
AT CURRENT RATES

Tariff - Monthly	Bills	Units	Meter Rate	Meter Revenue
Residential:				
5/8"	329,681	27,476	8.00	2,637,488
1"	4,656	387	15.37	71,255
1-1/2"	4,139	346	30.61	126,655
2"	434	37	51.79	32,477
3"	15	2	112.82	1,692
4"	13	2	198.08	2,575
Subtotal Customer Charges	338,918	28,241		2,862,152
1st Bk (CCF)		2,389,430	2.9971	6,921,593
2nd Bk		164,513	2.5475	419,097
3rd Bk		28,432	2.3977	68,171
Total Consumption Charges		2,582,375		7,408,861
Total Residential		186,657		10,271,003

Commercial:

5/8"	11,577	965	8.00	92,616
1"	3,457	289	15.37	53,114
1-1/2"	1,588	133	30.61	48,609
2"	884	74	51.79	43,782
3"	59	5	112.82	6,656
4"	2	1	441.96	884
Subtotal Commercial	17,557	1,467		247,681
1st Bk (CCF)		135,573	2.9971	406,326
2nd Bk		162,737	2.5475	414,573
3rd Bk		205,206	2.3977	494,420
Total Consumption Charges		504,516		1,315,319
Total Commercial		100,527		1,563,000

Industrial:

5/8"	341	29	8.00	2,728
1"	278	24	15.37	4,273
1-1/2"	232	20	30.61	7,102
2"	206	18	51.79	10,669
3"	36	3	112.82	4,062
4"	12	1	198.08	2,377
6"	12	1	441.96	5,304
Subtotal Industrial	1,112	94		36,513
1st Blk (CCP)		12,870	2.9971	38,573
2nd Blk		29,227	2.5475	74,456
3rd Blk		100,181	2.3977	240,688
Total Consumption Charges		142,180		353,717
Total Industrial		100 cf		390,230

Public:

5/8"	309	26	6.00	2,472
1"	386	30	15.37	5,472
1-1/2"	378	24	30.61	8,510
2"	476	40	51.79	24,652
3"	24	2	112.82	2,708
4"	15	2	198.08	2,971
6"	23	2	441.96	10,165
Subtotal Public	1,481	126		56,949
1st Blk (CCP)		16,706	2.9971	50,070
2nd Blk		28,085	2.5475	71,547
3rd Blk		112,927	2.3977	268,943
Total Consumption Charges		27,718		200,565
Total Public		100 cf		257,514

Sale for Resale:

2"	12	1	51.79	621
3"	0	0	112.82	0
4"	0	0	0.00	0
6"	0	0	0.00	0
Subtotal Sale for Resale	12	1		621
1st Blk (CCP)		240	2.9971	719
2nd Blk		876	2.5475	2,232
3rd Blk		1,044	2.3977	2,503
Total Consumption Charges		2,160		5,454
Total Sales for Resale		100 cf		5,076

Location	Current Rate	100 Cubic Ft Revenue	Current Revenue	Proposed Rate	Proposed Revenue
Palmersville (52 W 34) No Meter Chg	\$1.0500	11,720	12356	\$ 1.0500	12,306
Pine Crest (52 W 35) Aqua lowest Vol rate	\$2.3977	12,454	29861	2.4652	30,702
Lake County (52 W 31) Contract Rate \$ 1.21	\$1.2100	0	0	\$ 1.2100	0
Total		24,174	42,167		43,008

Total West 359,095 29,937 12,529,990

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
 TABLE
 BILLING ANALYSIS
 FOR 12 MONTHS ENDED 12/31/09
 AT CURRENT RATES

WEST
 (Includes Sarneca, Norlick & Auburn Lakes Condos)
 WPSA
 Sheet 4 of 6

Tariff	Monthly	Bills	Units	Meter Rate	Meter Revenue
Residential:					
5/s*		13,547	1,139	9.25	125,310
1"		97	9	17.78	1,725
1-1/2"		24	2	35.40	850
2"		5	1	59.88	299
3"		0	0	130.44	0
4"		12	1	229.03	2,748
Subtotal Residential		13,681	1,141		130,932
1st Bk (CCP)			70,282	4.2627	299,591
2nd Bk			2,068	4.0127	8,266
3rd Bk			177	2.5607	453
Total Consumption Charges			72,519		308,310
Total Residential			106,661		439,242

Commercial:					
5/s*		1,175	98	9.25	10,869
1"		295	25	17.78	5,245
1-1/2"		107	9	35.40	3,788
2"		24	2	59.88	1,437
3"		9	1	130.44	1,174
4"		0	0	229.03	0
Subtotal Commercial		1,610	135		22,513
1st Bk (CCP)			8,999	4.2627	38,360
2nd Bk			4,321	4.0127	17,339
3rd Bk			11,238	2.5607	28,817
Total Consumption Charges			25,558		87,016
Total Commercial			106,661		109,529

Industrial:

5/8"	36	3	9.25	333
1"	48	4	17.78	853
1-1/2"	24	2	35.40	850
2"	35	3	59.88	2,156
3"	12	1	130.44	1,585
4"	0	0	229.03	0
6"	13	1	511.02	6,132
Subtotal Industrial	168	14		11,889
1st Bk (CCF)		2,054	4.2627	8,756
2nd Bk		3,032	4.0127	12,167
3rd Bk		5,820	2.5607	16,056
Total Consumption Charges		10,906		36,979
Total Industrial		100.00		48,867

Public:

5/8"	108	9	9.25	999
1"	37	4	17.78	658
1-1/2"	12	1	35.40	425
2"	48	4	59.88	2,874
3"	19	2	130.44	2,348
4"	23	2	229.03	5,268
6"	0	0	511.02	0
Subtotal Public	246	22		12,572
1st Bk (CCF)		2,213	4.2627	9,433
2nd Bk		3,291	4.0127	13,206
3rd Bk		7,680	2.5607	19,451
Total Consumption Charges		13,184		42,100
Total Public		100.00		54,672

Sale for Resale:

2"	0	0	59.88	0
3"	12	1	130.44	1,585
4"	0	0	229.03	0

Subtotal Sale for Resale

1st Bk (CCF)		237	4.2627	1,010
2nd Bk		898	4.0127	3,607
3rd Bk		51,135	2.5607	136,216
Total Consumption Charges		52,270		140,833
Total Sales for Resale		100.00		142,392

TABLE 9
AQUA OHIO WATER COMPANY
LAKE DIVISION
Case No. 09-1044-WW-AIR

Summary-Proposed

	No. Bills	Units	Consumption 100cf			Total	Revenue
			1st Blk	2nd Blk	3rd Blk		
Lake Erie East							
Residential	13,685	1,142	70,282	2,060	177	72,519	484,968
Commercial	1,610	135	8,999	4,321	12,230	25,550	125,001
Industrial	168	14	2,054	3,032	5,270	11,356	54,690
Public	246	22	2,213	3,291	7,600	13,104	57,755
Utility	12	1	237	899	51,195	54,331	160,723
Total East	15,721	1,314	83,785	13,603	79,472	176,860	883,137
Auburn Lakes							
Residential	36	3	0	0	0	0	177,076
Total Auburn Lakes	36	3	0	0	0	0	177,076
Norlick							
Residential	1,308	109	0	0	0	0	47,088
Total Norlick	1,308	109	0	0	0	0	47,088
Seneca							
Residential	3,168	264	0	0	0	0	114,048
Res. Yard Hydrants	24	2	0	0	0	0	265
Commercial	36	3	0	0	0	0	1,764
Availability	3,180	265	0	0	0	0	0
1/2 Availability	0	0	0	0	0	0	0
Total Seneca	6,408	534	0	0	0	0	116,077
Lake Erie West							
Residential	338,918	28,247	2,309,430	164,513	28,432	2,502,375	12,659,572
Commercial	17,567	1,467	135,573	162,737	206,206	504,516	1,959,857
Industrial	1,117	96	12,870	29,227	100,383	142,480	481,541
Public	1,481	126	16,706	28,085	32,927	77,718	325,016
Utility	12	1	240	876	1,044	2,160	7,598
Total West	359,095	29,937	2,474,819	385,438	368,992	3,229,249	15,433,584
Other Utility:							
Painesville	0	0	11,720	0	0	11,720	12,306
Pine Crest	0	0	12,454	0	0	12,454	36,132
Lake County	0	0	0	0	0	0	0
Total Other Utility	0	0	24,174	0	0	24,174	48,438
Total Division							
Residential	360,319	30,032	2,379,712	166,573	28,609	2,574,894	13,483,018
Commercial	19,213	1,605	144,572	167,058	218,436	530,066	2,086,623
Industrial	1,285	110	14,924	32,259	106,653	153,836	536,230
Public	1,727	148	18,919	31,376	40,527	90,822	382,771
Utility	24	2	24,651	1,775	54,239	80,665	216,759
Total Division	382,568	31,897	2,582,778	399,041	448,464	3,430,283	16,705,401
			100 cf	100 cf	100 cf	100 cf	

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
TABLE
BILLING ANALYSIS
FOR 12 MONTHS ENDED 12/31/09
AT PROPOSED RATES

WEST

Tariff - Monthly	Mills	Units	Meter Rate	Meter Revenue
Residential:				
5/8"	339.681	27,474	9.52	3,138,563
1"	4,436	387	23.80	110,337
1-1/2"	4,139	346	47.80	197,016
2"	434	37	76.16	33,033
3"	15	2	142.80	2,142
4"	13	2	238.00	3,054
Subtotal Customer Charges	118,918	28,247		3,484,206
1st Bk (CCF)		2,309,430	3.7125	8,573,759
2nd Bk		164,513	3.1555	519,121
3rd Bk		28,431	2.9012	82,487
Total Consumption Charges		2,502,375		9,175,367
Total Residential				12,659,572
Commercial:				
5/8"	11,577	965	9.52	110,213
1"	3,457	389	23.80	82,277
1-1/2"	1,588	133	47.60	75,589
2"	884	74	76.16	67,325
3"	59	5	142.80	8,425
4"	2	1	476.00	352
Subtotal Commercial	17,567	1,467		344,781
1st Bk (CCF)		135,573	3.7125	503,315
2nd Bk		162,737	3.1555	513,517
3rd Bk		206,286	2.9012	598,215
Total Consumption Charges		504,516		1,615,076
Total Commercial		100.02		1,959,857

Industrial:

5/8"	341	39	9.52	3,246
1"	278	34	23.80	6,516
1-1/2"	232	20	47.60	11,043
2"	206	18	76.16	15,589
3"	36	3	142.80	5,141
4"	12	1	238.00	2,856
6"	12	1	476.00	5,712
Subtotal Industrial	1,117	96		50,304
1st Bk (CCF)		12,870	3.7125	47,780
2nd Bk		29,227	3.1555	92,236
3rd Bk		100,184	2.9012	291,231
Total Consumption Charges		142,480		431,247
Total Industrial		100 cf		481,541

Public:

5/8"	309	26	9.52	2,942
1"	386	30	23.80	8,473
1-1/2"	278	24	47.60	13,233
2"	476	40	76.16	36,252
3"	24	2	142.80	3,427
4"	15	2	238.00	3,570
6"	22	2	476.00	10,448
Subtotal Public	1,481	126		78,845
1st Bk (CCF)		16,706	3.7125	62,021
2nd Bk		28,085	3.1555	88,622
3rd Bk		12,922	2.9012	35,528
Total Consumption Charges		57,713		246,171
Total Public		100 cf		325,016

Sale for Resale:

2"	12	1	76.16	914
3"	0	0	142.80	0
4"	0	0	0.00	0
6"	0	0	0.00	0
Subtotal Sale for Resale	12	1		914
1st Bk (CCF)		240	3.7125	891
2nd Bk		876	3.1555	2,764
3rd Bk		1,044	2.9012	3,029
Total Consumption Charges		2,160		6,684
Total Sales for Resale		100 cf		7,598

Location	Current Rate	100 Cubic Ft Revenue	Current Revenue	Proposed Rate	Proposed Revenue
Painesville (52 W 34) No Meter Chg	1.0500	11,720	12306	\$1.0500	12,306
Pine Crest (52 W 35) Aqua lowest Vol rate	2.3977	12,454	29861	2.9012	36,132
Lake County (52 W 31) Contract Rate \$ 1.21	1.2100	0	0	\$1.2100	0
		24,174			48,438

Total Meter 359,086 28,532 15,482,021

Tariff - Monthly

Residential:

	Mills	Index	Meter Rate	Meter Revenue
5/8"	13.547	1.139	9.52	128.967
1"	27	9	23.80	2,309
1-1/2"	24	2	47.60	1,142
2"	5	1	76.16	381
3"	0	0	142.80	0
4"	12	1	238.00	2,856
Subtotal Residential	13.681	1.142		135.655
1st Blk (CCF)		70.282	4.8296	339,434
2nd Blk		2,060	4.5463	9,365
3rd Blk		177	2.9012	514
Total Consumption Charges		72.519		149,311
Total Residential	-			484,968

Commercial:

5/8"	1.175	98	9.52	11,186
1"	295	25	23.80	7,021
1-1/2"	107	9	47.60	5,093
2"	24	2	76.16	1,828
3"	9	1	142.80	1,285
4"	0	0	238.00	0
Subtotal Commercial	1.610	135		26,413
1st Blk (CCF)		8,999	4.8296	43,462
2nd Blk		4,321	4.5463	19,645
3rd Blk		12,210	2.9012	35,482
Total Consumption Charges		25,530		98,588
Total Commercial		100 cf		125,001

Industrial:

5/8"	36	3	9.52	343
1"	48	4	23.80	1,142
1-1/2"	24	2	47.60	1,142
2"	36	3	76.16	2,742
3"	12	1	142.80	1,714
4"	0	0	238.00	0
6"	12	1	476.00	5,712
Subtotal Industrial	168	14		12,785
1st Blk (CCF)		2,054	4,8296	9,920
2nd Blk		3,032	4,5463	13,784
3rd Blk		4,208	2,9012	18,151
Total Consumption Charges		11,354		41,855
Total Industrial		100 cf		54,630

Public:

5/8"	108	9	9.25	999
1"	37	4	18.64	690
1-1/2"	12	1	34.28	411
2"	48	4	53.05	2,546
3"	16	2	96.84	1,743
4"	23	2	159.41	3,686
6"	11	1	315.83	0
Subtotal Public	245	22		10,056
1st Blk (CCF)		2,212	4,8296	10,888
2nd Blk		3,231	4,5463	14,962
3rd Blk		7,604	2,9012	22,042
Total Consumption Charges		13,104		47,552
Total Public		100 cf		57,255

Sale for Resale:

2"	0	0	53.05	0
3"	12	1	96.84	1,162
4"	0	0	159.41	0
Subtotal Sale for Resale	12	1		1,162
1st Blk (CCF)		237	4,8296	1,145
2nd Blk		899	4,5463	4,087
3rd Blk		52,155	2,9012	154,324
Total Consumption Charges		54,331		159,561
Total Sales for Resale		100 cf		160,723

Schenectady, Norlick & Auburn Lakes

Schenectady

Residential 5/8 "

Avail Schenectady
W/d Schenectady
1/2 Avail Schenectady

3,168
3,180
24
8
6,172

264
265
2
2
511

36.0000
0.0000
11.0500
0.0000
114.311

Commercial 5/8 "

26

2

49.0000

1.764

Total Schenectady

6,408

534

116.012

Norlick Residential

1,108

102

36.0000

47.088

Auburn Lakes Condo's *

Woods at Auburn Lakes
Auburn Lakes
Auburn Crossing

12
12
12

1
1
1

6198.45
6638.34
1919.52

74,381
79,660
23,034

Total Auburn Lakes Condo's

36

2

177.026

* \$ 39.99 per Unit per Month

Total Flat Rate Customers

2,752

646

340,241

Total East

21,402

1,360

1,221,378

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION
Calculation of Private Fire Protection Revenues

TABLE 10

Case No. 09-1044-WW-AIR

		Current Rates		Pro Forma
Description	Bill Count	Quantity (1)	Annual Rate	Revenue
East:				
Private Fire Hydrants	222	19	567.48	\$10,508
4" Fire Lines	12	1	692.28	692
6" Fire Lines	134	11	944.88	10,572
Total East	368	31		21,772
West:				
Private Fire Hydrants	9418	785	458.88	360,144
4" Fire Lines	371	31	203.64	6,296
6" Fire Lines	2707	226	458.88	103,516
1 1/4" Hose Connection	290	24	19.80	479
1 1/2" Hose Connection	2988	249	28.56	7,111
2" Hose Connection	316	26	50.76	1,337
2 1/2" Hose Connection	1284	107	79.56	8,513
Total West	17,374	1,448		487,395
Total Lake Erie Division	17,742	1,479		\$509,167
SIC				15,275
Total Including SIC				\$524,442

Proposed Rates				
Description	Bill Count	Quantity	Annual Rate	REVENUE
East:				
Private Fire Hydrants	222	19	584.40	\$10,821
4" Fire Lines	12	1	713.04	713
6" Fire Lines	134	11	973.20	10,888
Total East	368	31		22,423
West:				
Private Fire Hydrants	9418	785	584.40	458,657
4" Fire Lines	371	31	272.02	8,410
6" Fire Lines	2707	226	612.97	138,276
1 1/4" Hose Connection	290	24	26.44	639
1 1/2" Hose Connection	2988	249	38.15	9,499
2" Hose Connection	316	26	67.80	1,785
2 1/2" Hose Connection	1284	107	106.27	11,371
Total West	17,374	1,448		628,637
Total Lake Erie Division	17,742	1,479		\$651,060

(1) Not Rounded (Number of Bills/12)

AQUA OHIO WATER COMPANY
LAKE ERIE DIVISION

Sheet 1 of 2

TABLE 11
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	\$ 3,734,268	WP 2a Page 2 of 2
346	Meters	1,638,083	WP 2a Page 2 of 2
347	Meter Installations	2,071,525	WP 2a Page 2 of 2
389	Land & Land Rights	232,699	WP 2a Page 2 of 2
390	Structures & Imp.	279,009	WP 2a Page 2 of 2
391	Office Furn. & Equip	192,756	WP 2a Page 2 of 2
Customer Rate Base		\$ 8,146,340	
Requested Rate of Return		8.71%	Schedule D-1
Return on Customer Plant		\$ 709,546	
<u>Operations and Maintenance Expense Accounts:</u>			
<u>Transmission & Distribution</u>			
663	Meter and Cust. Installation Expense	\$ 224,162	WP 3a Page 1 of 2
675	Service Maintenance	8,085	WP 3a Page 1 of 2
676	Meter Maintenance	-	WP 3a Page 1 of 2
Total Transmission & Distribution		\$ 232,247	
</			

AQUA OHIO WATER COMPANY
LAKE ERIE DIVISION
TABLE 11
CALCULATION of CUSTOMER CHARGE for 5/8" METER

Sheet 2 of 2

<u>Account</u>	<u>Description</u>	<u>Company Values</u>
<u>Summary of Variable Expenses Per Meter Size Rate Base:</u>		
	Return on Customers Plant	\$ 709,546
	Total O & M - Transmission & Distribution	232,247
	Total Customer Taxes	907,249
	Depreciation Expense	431,342
	Total Customer Variable Costs	\$ 2,280,385
	Total Equivalent 5/8" Meters	35,631 WP 5a
	Monthly Customer Variable Charges (\$2497647/35631)/12	\$ 5.3333
<u>Fixed Expenses per Meter Size</u>		
<u>Customer Accounts:</u>		
901	Supervision	\$ - WP 3a Page 2 of 2
902	Meter Reading Expenses	- WP 3a Page 2 of 2
903	Customer Records & Collection/Miscellaneous	931,824 WP 3a Page 2 of 2
905	Miscellaneous Customer Expense	124,650 WP 3a Page 2 of 2
	Total	\$ 1,056,474
	<u>Company</u>	<u>Customer Conversion Factor</u>
Payroll Taxes	\$ 1,987,960 x	0.2751
		\$ 546,950 See Footnote (1) Below
Customer Conversion Factor	= <u>Cust. Labor Exp.</u> = <u>\$ 335,074</u> = 0.2751	WP 3a Page 2 of 2
	<u>Total Payroll Exp.</u>	<u>1,217,870</u> WP 3a Page 2 of 2
	Total Customer Fixed Costs	\$ 1,603,424
	Total Customer Monthly Bills	362,566 Table 10 Page 2 of 2
	Monthly Customer Fixed Charges (\$ 1,327,169 / 372,169)	\$ 4.1912
	Customer Variable per Meter Size	\$ 5.3333
	Customer Fixed per Meter Size	\$ 4.1912
	Monthly Customer Charges for 5/8" Meters	\$ 9.52
(1)	Payroll Taxes	169,053 WP 4a
	Pension Cost Adjustment	512,862 WP 3a Page 2 of 2
	Hospitalization Adjustment	343,374 WP 3a Page 2 of 2
	925-3 Worker's Compensation	79,126 Schedule C-2.1 Page 4 of 8
	926-2 Employee Welfare Expenses	3,177 Schedule C-2.1 Page 4 of 8
	926-3 Employee Insurance Benefits	343,374 Schedule C-2.1 Page 4 of 8
	926-4 Employee Pensions	483,679 Schedule C-2.1 Page 4 of 8
	926-5 Employee Postretirement Benefits	24,132 Schedule C-2.1 Page 4 of 8
	926-6 Employee Thrift Plan	29,283 Schedule C-2.1 Page 4 of 8
	Total Payroll Taxes	1,987,960

AQUA OHIO WATER COMPANY
LAKE ERIE DIVISION

Sheet 1 of 2

TABLE 12
COMPARISON OF PRESENT & PROPOSED TARIFF

EAST	Current Monthly Rate	Proposed Monthly Rate	% Increase
<u>Customer Charges:</u>			
5/8" or 5/8" x 3/4"	9.25	9.52	2.92%
1"	17.78	23.80	33.86%
1-1/2"	35.40	47.60	34.46%
2"	59.88	76.16	27.19%
3"	130.44	142.80	9.48%
4"	229.03	238.00	3.92%
6"	511.02	476.00	-6.85%
<u>Consumption Charge:</u>			
	<u>Rate per 100 CF</u>		
1st 2,000 CF Per Month	4.2627	4.8296	13.30%
Next 8,000 CF Per Month	4.0127	4.5463	13.30%
Over 10,000 CF Per Month	2.5607	2.9012	13.30%
	<u>Rate per 1000 Gals</u>		
1st 14,960 Gals Per Month	5.6991	6.4566	13.29%
Next 59,840 Gals Per Month	5.3649	6.0779	13.29%
Over 74,800 Gals Per Month	3.4233	3.8786	13.30%
<u>Private Fire Service:</u>			
Private Fire Hydrant	47.29	48.70	2.98%
2" Service Line	39.38	40.56	3.00%
4" Service Line	57.69	59.42	3.00%
6" Service Line	78.74	81.10	3.00%
1-1/4" Hose Connection	12.99	13.37	2.93%
1-1/2" Hose Connection	16.52	17.01	2.97%
2" Hose Connection	20.08	20.68	2.99%
2-1/2" Hose Connection	23.60	24.30	2.97%

WEST	Current Monthly Rate	Proposed Monthly Rate	% Increase
<u>Customer Charges:</u>			
5/8" or 5/8" x 3/4"	8.00	9.52	19.00%
1"	15.37	23.80	54.85%
1-1/2"	30.61	47.60	55.50%
2"	51.79	76.16	47.06%
3"	112.82	142.80	26.57%
4"	198.08	238.00	20.15%
6"	441.96	476.00	7.70%
<u>Consumption Charge:</u>			
	<u>Rate per 100 CF</u>		
1st 2,000 CF Per Month	2.9971	3.7125	23.87%
Next 8,000 CF Per Month	2.5475	3.1555	23.87%
Over 10,000 CF Per Month	2.3977	2.9012	21.00%
	<u>Rate per 1000 Gals</u>		
1st 14,960 Gals Per Month	4.0067	4.9632	23.87%
Next 59,840 Gals Per Month	3.4064	4.2186	23.84%
Over 74,800 Gals Per Month	3.2055	3.8786	21.00%
<u>Private Fire Service:</u>			
Private Fire Hydrant	38.24	48.70	27.35%
2" Service Line	4.25	5.73	34.82%
4" Service Line	16.97	22.67	33.58%
6" Service Line	38.24	51.08	33.58%
1-1/4" Hose Connection	1.65	2.20	33.54%
1-1/2" Hose Connection	2.38	3.18	33.58%
2" Hose Connection	4.23	5.65	33.57%
2-1/2" Hose Connection	6.63	8.86	33.57%
<u>Norlick</u>			
	<u>Monthly</u>		
Flat Rate Service Per Custopmer	30.00	36.00	20.00%
<u>Seneca</u>			
	<u>Monthly</u>		
Residential Flat Rate	30.00	36.00	20.00%
Commercial Flat Rate	38.57	49.00	27.04%
Yard Hydrant	10.73	11.05	2.98%
Availability	5.73	0.00	-100.00%
<u>Auburn Hills Condos</u>			
Monthly Fee per Unit	39.99	39.99	0.00%

AQUA OHIO WATER COMPANY - LAKE ERIE DIVISION

TABLE 13

SUMMARY OF REVENUES AT PRESENT, RECOMMENDED & COST OF SERVICE RATES

Customer Class	Pro Forma Current Rates	12 Months Ending 12/31/09		Proposed Rates		Percent Increase
		Percent	Adjusted Cost of Service Amount	Amount	Percent	
Metered Revenue:						
Residential	11,040,080	77.9%	14,333,127	13,483,018	77.7%	22.1%
Commercial	1,673,917	11.8%	1,794,492	2,086,623	12.0%	24.7%
Industrial	439,097	3.1%	453,242	536,230	3.1%	22.1%
Public	312,186	2.2%	332,177	382,771	2.2%	22.6%
Utility	190,642	1.3%	213,790	216,759	1.2%	13.7%
Total Metered	13,655,923	96.4%	17,126,827	16,705,401	96.2%	22.3%
Private Fire Protection	509,167	3.6%	445,195	651,060	3.8%	27.9%
Public Fire Protection	0	0.0%	0	0	0.0%	0.0%
SIC	419,640	NA	NA	0	NA	NA
Other Revenues	176,147	NA	0	215,550	NA	NA
Total Revenues	14,760,877	100.0%	17,572,023	17,572,011	100.0%	19.0%

Adjustment to Cost of Service Study WP13a
 To Allocate Public Fire Protection Costs
 To Metered Rate Classes

	<u>Original Cost</u> <u>of Service</u>	<u>% For</u> <u>Metered</u>	<u>Adjustment</u>	<u>Adjusted for</u> <u>Public Fire</u>
Residential	13,198,427	83.7%	1,134,700	14,333,127
Commercial	1,652,429	10.5%	142,063	1,794,492
Industrial	417,360	2.6%	35,881	453,242
Public	305,880	1.9%	26,297	332,177
Utility	196,865	1.2%	16,925	213,790
Private Fire	445,195		0	445,195
Public Fire	<u>1,355,867</u>		<u>(1,355,867)</u>	<u>0</u>
Total	<u>17,572,023</u>	<u>100.0%</u>		<u>17,572,023</u>

AQUA OHIO, INC.
LAKE ERIE DIVISION
CASE NO. 09-1044-WW-AIR

REVISIONS TO
SCHEDULE S-4.1
AND
SCHEDULE S-4.2

AQUA OHIO, INC.
Lake Erie Division
Case No. 09-1044-WW-AIR
Corporate Process Utilized by the
Board of Directors and Corporate Officers

This update to the executive summary reflects the name changes of the parent and of Aqua Ohio, Inc. Attached are revised schedule S-4.1. These should replace the schedule S-4.1, pages 1 through 6 and related exhibits 1, 2, and 3 filed in Case No 07-0564-WW- AIR .

In addition, attached are updated organizational charts, previously included in S-4.2. While many of the subsequent exhibits included in S-4.2 have changed in name, none of the services or job descriptions have materially changed. For that reason, revised exhibits are not being provided at this time.

AQUA OHIO, INC.
Lake Erie Division
Case No. 09-1044-WW-AIR
Corporate Process Utilized by the
Board of Directors and Corporate Officers

Date Certain:	March 31, 2009	Schedule S-4.1
Test Year:	December 31, 2009	Page: 1 of 6
Type of Filing:	(X) Original () Updated () Revised	Witness Responsible:
Work Paper Reference No(s)		Robert G. Liptak

- (8) AN EXECUTIVE SUMMARY OF APPLICANT UTILITY'S CORPORATE PROCESS UTILIZED BY THE BOARD OF DIRECTORS AND CORPORATE OFFICERS. THIS WOULD INCLUDE A DISCUSSION OF ALL PERTINENT ELEMENTS OF THE APPLICANT UTILITY'S MANAGEMENT PROCESS ENCOMPASSING SUCH AREAS AS POLICY AND GOAL SETTING, STRATEGIC AND LONG-RANGE PLANNING, ORGANIZATION STRUCTURE, DECISION-MAKING, CONTROLLING PROCESS, INTERNAL AND EXTERNAL COMMUNICATIONS.

Aqua Ohio, Inc. was incorporated in 1926 in the State of Ohio to place all of the water properties owned by Federal Water & Gas Corporation under one corporate entity. Federal Water & Gas Corporation was the parent of Aqua Ohio, Inc. until 1945. As a result of the Public Utilities Holding Company Act of 1935, the Securities & Exchange Commission directed Federal Water & Gas Corporation to divest themselves of either the gas or water properties. The Company chose to divest itself of the water properties, and therefor in 1945 there was a secondary stock offering to the public for all the shares held by Federal Gas & Water Company. From, 1945 until 1973, the Company was a publicly held company operating under the rules of the Securities & Exchange Commission and was traded on the over-the-counter market. In 1973 the Company was merged into Consumers Water Company ("COWC") on an exchange ratio of 1.33 shares of Consumers common stock for each share of common stock of Aqua Ohio, Inc. and therefore Aqua Ohio, Inc. became a wholly-owned subsidiary of Consumers Water Company.

On March 10, 1999 Aqua America, Inc. issued 13,014,015 shares of common stock in exchange for all the shares of CWC and accordingly, CWC became a wholly-owned subsidiary of Aqua America, Inc. Aqua America, Inc. is one of the nation's largest publicly traded water utilities. Aqua America, Inc. serves approximately 2.8 million residents with water utility operations in Ohio, Pennsylvania, Illinois, New Jersey, Maine, Texas, New York, Indiana, Florida, Virginia, Missouri, South Carolina, and North Carolina.

AQUA OHIO, INC.
Lake Erie Division
Case No. 09-1044-WW-AIR
Corporate Process Utilized by the
Board of Directors and Corporate Officers

Date Certain:	March 31, 2009	Schedule S-4.1
Test Year:	December 31, 2009	Page: 2 of 6
Type of Filing:	(X) Original () Updated () Revised	Witness Responsible:
Work Paper Reference No(s)		Robert G. Liptak

The parent company provides many services for Aqua Ohio, Inc. including, but not limited to the following: Employee benefit plans (health and accident, disability, pension, etc.); arrangement of general business insurance; construction planning; purchasing; financial management; expert testimony and preparation assistance for rate cases; data processing; including selection of software and hardware; selection of independent auditors; and, compensation management.

All subsidiaries of Aqua America, Inc. Corporation operate on the theory of Management by Objectives. Each subsidiary establishes local goals as it relates to its operation, while corporate officers and heads of department set wider range goals for the Company's future.

Each subsidiary of Aqua America, Inc. develops a five year operating plan and capital improvement plan to identify what will be required in the future to maintain equipment, upgrade facilities and to meet the needs of existing and future customers. Each year the plan is reviewed and the upcoming year of the plan becomes the following year's budget with some slight modifications based upon current Division and Company operations and maintenance priorities.

Communications between Aqua Ohio, Inc. and Aqua America, Inc. is accomplished by many different methods, such as telephone, electronic mail, fax machines, written correspondence, personal contact and periodic senior management meetings, top management meetings, financial managers meetings, and superintendents meetings. The various meetings are held to have an exchange of ideas among all of Aqua America, Inc. managers, and also is a time to bring in outside speakers to present information to the Company.

Aqua Ohio, Inc. is comprised of four Divisions. The Divisions provide customers with portable water. The designation of the Divisions and the locations are shown on Exhibit 1, Schedule S-4.1. The number of customers served by the Divisions are shown on Exhibit 2, Schedule S-4.1.

AQUA OHIO, INC.
Lake Erie Division
Case No. 09-1044-WW-AIR
Corporate Process Utilized by the
Board of Directors and Corporate Officers

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As of December 31, 2008, the Company's customer base is comprised of 92.8% residential customers, 4.8% commercial customers, and 0.28% industrial customers. During 2008, the Company sold over 6.7 billion gallons of water. Because Aqua Ohio, Inc. operates in four different geographical areas of Ohio, its industrial customers are in a wide range of industrial products and industries.

The Aqua Ohio, Inc. Board of Directors currently consists of four inside Directors. The Directors are elected by the shareholders at the annual meeting in April. The Directors are elected to serve for a term of one year or until successors are chosen. If a vacancy occurs during the year and the Company's Board of Directors wishes to fill that vacancy, the Aqua Ohio, Inc. Board of Directors has the authority to appoint a Director for the interim. The members of the Aqua Ohio, Inc. Board of Directors are shown on Exhibit 3, Schedule S-4.1. The Board of Directors has six regularly scheduled meetings during the year in the months of February, March, May, August, October and December. A special meeting can be held anytime by giving proper notice by the President of the Company. Among the various functions performed by the Board of Directors is reviewing and approving annual budgets, approving sales of property, declaring dividends, major acquisitions, approve long term financing, and elections of Company officers etc.

AQUA OHIO, INC.
Lake Erie Division
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The officers of Aqua Ohio, Inc. are President Robert G. Liptak, Robert A. Kopas, Vice-President-Finance; Brian T. Bisson, Vice-President Engineering; Louis S. Kreider, Vice-President; James H. Purtz, Vice-President; and Albert J. Sauline, Vice-President.

The President of the company shall be the Chief Executive Officer of the Company and shall have general supervision, direction and control of the business and the officers of the Company. The President shall have all the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these regulations. The President reports to the Aqua Ohio, Inc. Board of Directors and the Regional President of Aqua America, Inc. Northern Operations the president acts as a liaison between Aqua Ohio, Inc. and Aqua America, Inc.

Each Vice President shall have such powers and shall conform to such duties as may be assigned to him by the Board of Directors. In case of the absence or disability of the President, the duties of the office of the President shall be performed by the Vice Presidents in the order of priority established by the Board, unless and until the Board of Directors shall otherwise direct. The Vice Presidents report to the President of the Company.

The Vice President-Finance is responsible for the financial planning, organizing, directing, controlling and staffing so as to insure the Company of a continuously sound, financial structure.

AQUA OHIO, INC.
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Aqua Ohio, Inc. has three Divisions (Exhibit 1 of Schedule S-4.1) in which it operates with a Division Manager. All Division Managers are Vice-Presidents and report to the President of the Company. Each Division Manager generally has a Customer Service Manager, Distribution Manager and Filtration Manager who report directly to him. Depending upon the customer base of the Division, there may be additional departments in addition to the ones mentioned above. For an illustration of the Division Management organization refer to revised schedule S-4.2, Exhibit 1, pages 1 thru 4.

Aqua Ohio, Inc. prepares an annual business plan and operates on the theory of Management by Objectives. The Company's mission is to achieve 100% customer satisfaction through a total commitment to providing high quality water and service at a competitive price. Each Division establishes local goals as it relates to its operation, while corporate officers and heads of department set wider range goals for the Corporation's future. Goal setting is done annually by the Divisions Managers and department heads who submit their goals to Ohio Corporate officers. After approval they are presented to Aqua America, Inc. for their review and approval. The capital budgets, as well as the operating budgets, are initiated by the Division Managers and reviewed by Ohio corporate officers. After review and recommendations the budgets are ultimately approved by the Board of Aqua America, Inc.

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Lake Erie Division
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Communications between Aqua Ohio, Inc. Division personnel and Service Center are maintained via regular telephone communications, overnight courier mail, data processing telephone lines for invoicing customers, electronic mail, regular visits between Division personnel and Corporate personnel, and periodic meetings for Division Managers and Department Managers.

Aqua Ohio, Inc. is a large and efficient water utility, but very small in comparison to the other types of Ohio investor-owned utilities. A successful utility needs competent and productive employees who maintain water quality through careful operations, monitoring and maintenance, satisfied customers who receive a quality product, and investors who are attracted to the utility because of the opportunity to obtain a consistently fair rate of return on their investment.

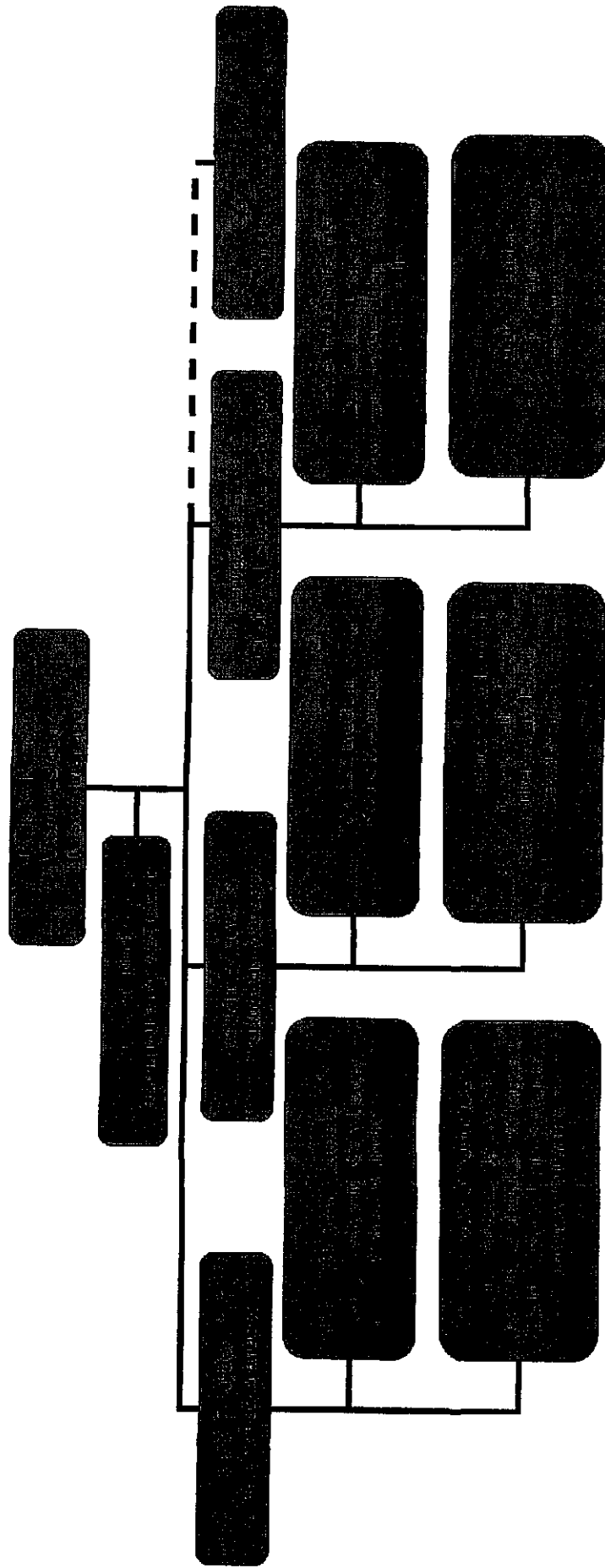
If any of these three factors—competent employees, satisfied customers and investors—are unavailable because of inadequate return on investment—all three parties suffer. Employees, customers and investors must all be adequately reward for their participation or quality of service will decline.

Quality water service and adequate returns can only be obtained when competent employees are justly compensated; therefore, the Company attempts to hire the best qualified people at any given particular time and compensate them appropriately. The Company's equipment must be satisfactorily maintained to provide customers with quality service and allow investors to obtain a competitive rate of return on their investment.

Aqua Ohio, Inc.

LAKE SHORE DIVISION

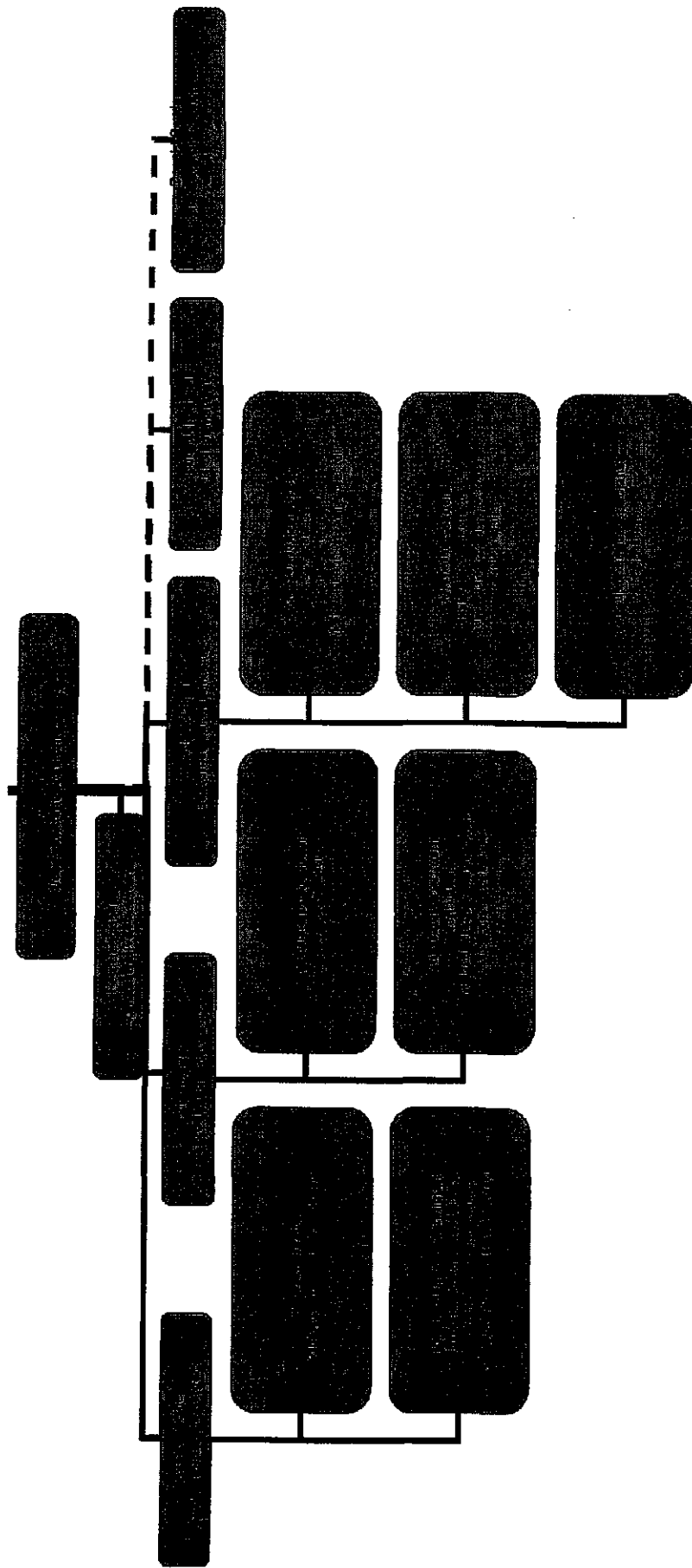
Organizational Chart



Total Complement: 30

11/9/2009

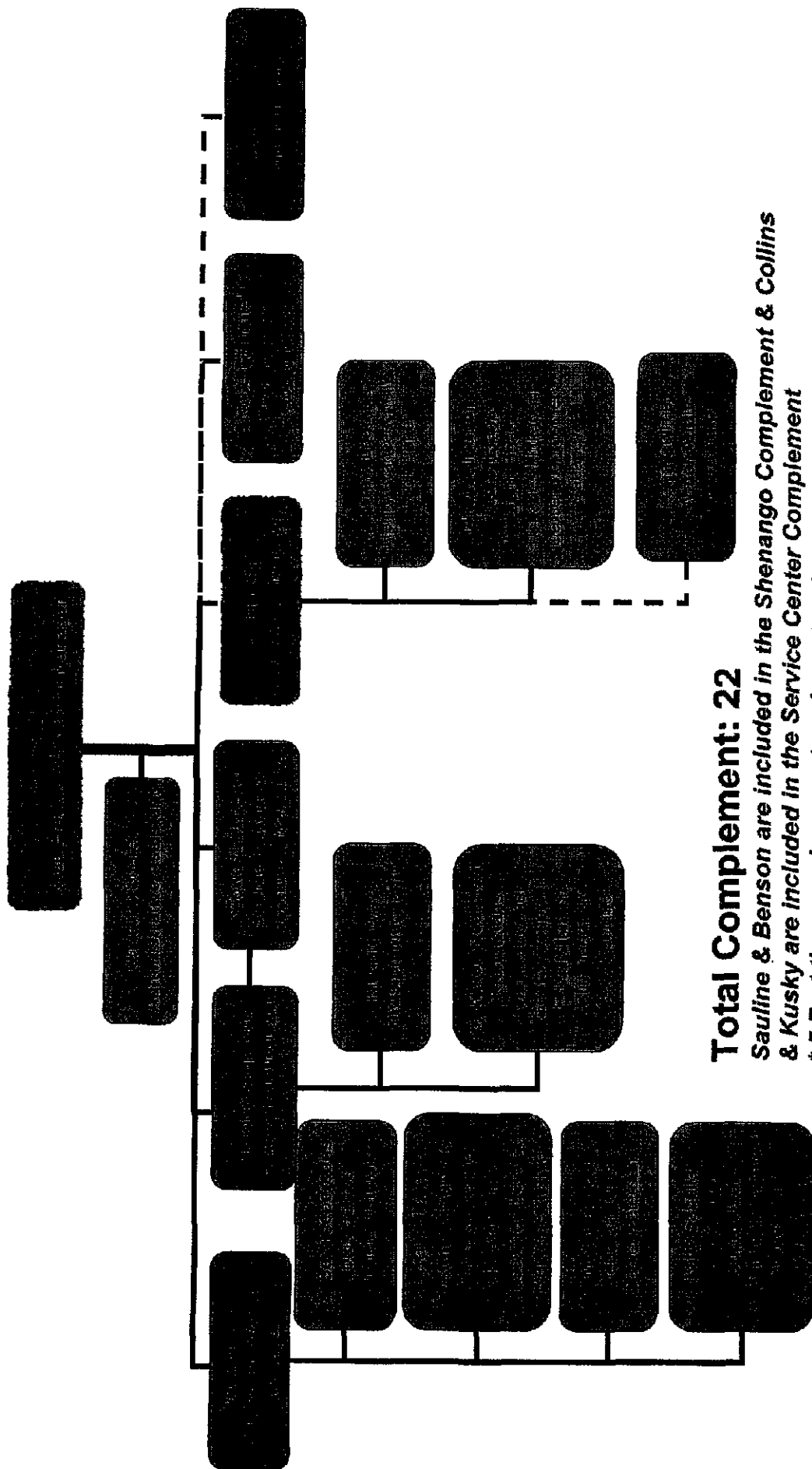
Aqua Ohio, Inc.
STARK REGIONAL DIVISION
Organizational Chart



Total Complement: 29

11/9/2009

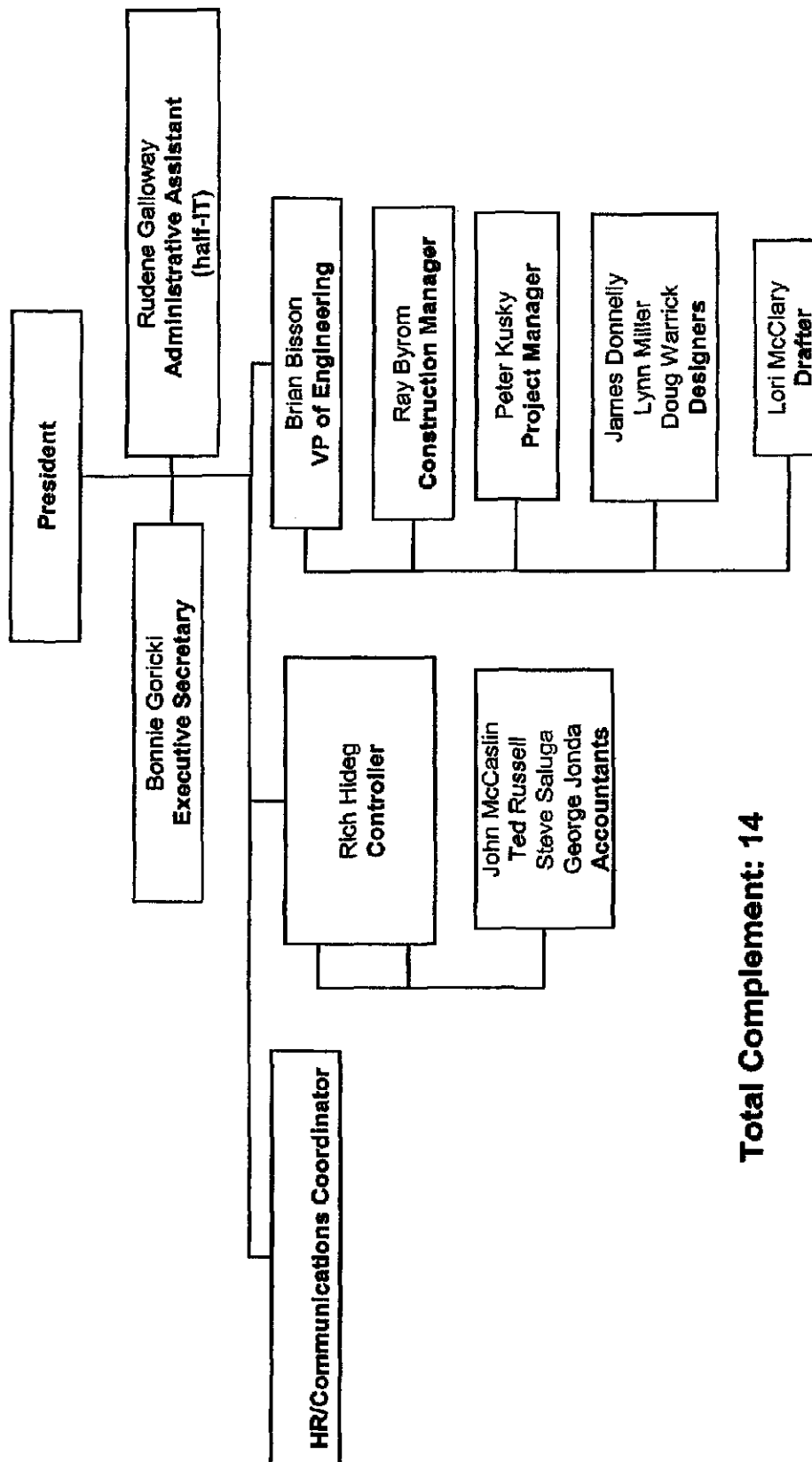
Aqua Ohio, Inc.
STRUTHERS DIVISION
Organizational Chart



Total Complement: 22

Sauline & Benson are included in the Shenango Complement & Collins & Kuskys are included in the Service Center Complement
*** 5 Part time employees at cash center, 1 at customer service and 1 at Lakes**

**Aqua Ohio, Inc.
SERVICE CENTER
Organizational Chart**



Total Complement: 14

EXHIBIT 2
Schedule S-4.1

AQUA OHIO, INC.
NUMBER OF CUSTOMERS
AS OF DECEMBER 31, 2008

LAKE ERIE	32,046
STARK REGIONAL	34,417
STRUTHERS	19,025
MASURY	<u>1,522</u>
TOTAL	<u><u>87,010</u></u>

**AQUA OHIO, INC.
BOARD OF DIRECTORS**

Nicholas DeBenedictis	Chairman, President & CEO Aqua America, Inc.
Robert G. Liptak	Regional President Aqua America, Inc. Northern Operations
Roy H. Stahl	Chief Administrative Officer, General Counsel and Secretary, Aqua America, Inc.
David P. Smeltzer	Chief Financial Officer, Aqua America, Inc.