

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Aqua :
Ohio, Inc. for Authority to Increase its : Case No. 09-1044-WW-AIR
Rates and Charges in the Lake Erie :
Division. :

TESTIMONY OF

LOUIS S. KREIDER

ON BEHALF OF
AQUA OHIO, INC.
LAKE ERIE DIVISION

1 **Q. Would you please state your name and address for the record?**

2 A. My name is Louis S. Kreider and my business address is 8644 Station Street,
3 Mentor, Ohio 44060.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Aqua Ohio, Inc. as Vice President-Division Manager of the
6 Lake Erie Division.

7 **Q. Please outline your educational and professional background.**

8 A. I graduated from Miami University in 1972 with a Bachelor of Science degree in
9 Business Administration. In 1985, I received my Masters in Business
10 Administration from Youngstown State University. I was a Certified Public
11 Accountant and currently hold an Ohio Environmental Protection Agency Class II
12 Water Distribution license. I have served as Chairman of the Ohio Chapter of the
13 National Association of Water Companies and have been a member of the
14 American Water Works Association for more than twenty years.

1 **Q. How long have you been employed by the Company?**

2 A. Since January 1, 1980.

3 **Q. Have you been employed at the Lake Erie Division the entire time?**

4 A. No. I was initially assigned to the Rates Department and then served as Assistant
5 Secretary-Treasurer and Manager of the Company's Accounting Department from
6 1983 to 1985. In October 1985, I was transferred to the Lake Erie Division.

7 **Q. Mr. Kreider, what is your primary area of responsibility?**

8 A. To direct the Company's operations of the Lake Erie Division and its thirty (30)
9 employees.

10 **Q. To what service territories do the divisions that are the subject of this rate
11 case provide water service?**

12 A. The Lake Erie Division provides water service in Ashtabula, Geauga, Lake,
13 Summit and Williams Counties. In Lake County, this includes the Cities of
14 Mentor, Mentor-on-the-Lake and Kirtland, portions of Concord and Painesville
15 Townships and the Villages of Waite Hill and Kirtland Hills. In Ashtabula
16 County, the Company serves the Village of Jefferson and provides bulk supply to
17 the Village of Roaming Shores. The Division also provides water service to
18 approximately 300 customers located in Sagamore Hills and Northfield Center
19 Township in Summit County, approximately 300 customers in Lake Seneca and
20 115 customers in Norlick Place which are both located in Williams County. In
21 addition, the division provides water supply services to three Home Owners
22 Associations located in Auburn Township in Geauga County.

1 **Q. How many customers does the Lake Shore Division system serve?**

2 A. Approximately 31,400.

3 **Q. Mr. Kreider, would you briefly describe the Lake Erie Division water**
4 **systems?**

5 A. In Lake County, the system obtains its water supply from Lake Erie through a raw
6 water intake structure located approximately one-half mile from shore. Water
7 flows from the intake structure through a 36-inch diameter pipe line to a lowlift
8 pump station which is located along the shore of the lake. Low service pumps
9 transfer the water from the lowlift pump station to the treatment plant facilities
10 where it flows through the various treatment processes, by gravity, to the finished
11 water clearwells. The finished water is then pumped from the clearwells into the
12 distribution system. The treatment process consists of flash mixing, coagulation,
13 flocculation, settling and filtration. Alum and polymer are added to aid in
14 flocculation and settling, fluoride is added for prevention of dental cavities, and
15 sodium hypochlorite is added for disinfection. Average day pumpages for 2007
16 and 2008 were 8.77 and 8.32 million gallons a day, respectively. During peak
17 summertime demands, maximum day pumpage has exceeded 16 million gallons a
18 day. Due to local topography, the system is divided into five separate pumping
19 levels. Water storage and booster station facilities are designed to meet the
20 system requirements. The distribution system is comprised of approximately 420
21 miles of water main, eleven water storage tanks and eight booster stations.
22 In Ashtabula County, the company purchases its water supply from Ohio
23 American Water Company. Average day demands in 2007 and 2008 were .390

1 and .400 million gallons a day, respectively. The distribution system is comprised
2 of approximately 25 miles of water main and one storage tank.

3 In Geauga, Summit and Williams Counties, the Company operates four water
4 plants supplied by groundwater.

5 **Q. Does the Company provide water for public fire protection?**

6 A. In Lake County, the Division has approximately 4,200 hydrants in the system for
7 public fire protection and works very closely with the municipalities it serves in
8 providing a high level of fire protection. In fact, the Insurance Services Office
9 has rated Mentor an ISO Class 2 which is the best public protection classification
10 rating north of Columbus, Ohio. In Ashtabula County, the Division has
11 approximately 180 hydrants in its system located in the Village of Jefferson.

12 **Q. Please describe the quality of the water provided by the Company.**

13 A. The Company is very pleased with the performance of its water treatment
14 facilities in providing a safe and reliable supply of water. In fact, the annual
15 "Consumer Confidence Reports" issued by the Company continue to demonstrate
16 Aqua's ability to produce high quality water meeting or exceeding all EPA
17 drinking water standards.

18 **Q. Describe the Company's efforts in the area of customer service.**

19 A. The Company implemented "Project Meritage" during the period 2007 – 2009.
20 This was a major initiative which utilizes state-of-the-art technology to centralize
21 several customer service functions including call center response and service
22 order scheduling. Aqua Ohio customers call a toll-free number which primarily is
23 handled by the Company's call center in Cary, North Carolina. The new system
24 has IVR (interactive voice response) and ACD (automated call distribution) to

1 enhance customer service. In addition, the Company is also utilizing new
2 management software called "Service Link" to dispatch service work orders to the
3 field service representatives.

4 The Company has also continued its program to utilize technology to automate
5 data collection from its water meters. Meter readers utilize radio frequency
6 transceivers to collect water usage information on approximately 38% of the
7 Division's accounts. This is beneficial to our customers by eliminating the need
8 to access their homes to obtain readings. Approximately 11,800 accounts are now
9 being served with this new technology. The company also initiated monthly (vs.
10 bi-monthly) meter reading in June 2009.

11 I am also pleased to report that 23 of 29 employees eligible to be licensed with the
12 Ohio Environmental Protection Agency are currently certified in water treatment
13 or distribution.

14 **Q. In addition to customer service and technical training of its employees, what**
15 **other steps has the Company taken to improve the quality of its service?**

16 **A.** The Company has continued to invest in new facilities and replace aging
17 infrastructure to insure the provision of reliable and quality water service and
18 meet the ever more stringent requirements of the Safe Drinking Water Act.
19 During 2007 and 2008, the Company replaced 16 water mains in its Lake County
20 service territory. These mains had experienced 85 breaks, resulting in service
21 outages, in the 5 years preceding replacement.

22 **Q. Does this conclude your direct testimony?**

23 **A.** Yes.

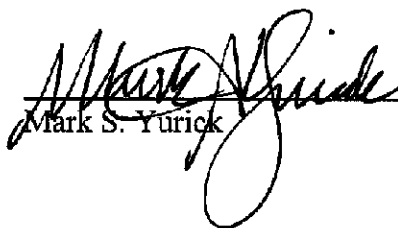
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Direct Testimony of Louis S. Kreider* was served upon the following parties of record or as a courtesy, via U.S. Mail postage prepaid, express mail, hand delivery, or electronic transmission, on December 24th, 2009.

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