

FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

Case No. 10- ~~0311~~ **311-WW-ATB**

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**MOTION FOR APPROVAL OF WAIVERS OF VARIOUS APPLICATION FILING
REQUIREMENTS**


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

- | | | |
|----|-----------------|--|
| 1 | Schedule B-2.3 | Gross Additions, Retirements & Transfers-Total Company |
| 2 | Schedule C-9 | Operation and Maintenance costs- Total Company |
| 3 | Schedule C-9.1 | Payroll Analysis- Total Company |
| 4 | Schedule C-11.1 | Comparative Balance Sheet For The Most Recent Five Calendar Years |
| 5 | Schedule C-11.2 | Comparative Income Statement For The Most Recent Five Calendar Years |
| 6 | Schedule C-12.1 | Revenue Statistics-Total Company |
| 7 | Schedule C-12.3 | Sales Statistics - Total Company |
| 8 | Schedule C-13 | Analysis of Reserve for Uncollectible Accounts |
| 9 | Schedule D-1.1 | Rate of Return Summary (Parent-Consolidated) |
| 10 | Schedule D-2.1 | Embedded Cost of Short Term Debt (Parent-Consolidated) |
| 11 | Schedule D-3.1 | Embedded Cost of Long Term Debt (Parent-Consolidated) |
| 12 | Schedule D-4.1 | Embedded Cost of Preferred Stock (Parent-Consolidated) |
| 13 | Schedule D-4.2 | Embedded Cost of Preferred Stock (Parent-Consolidated) |
| 14 | Schedule D-5.1 | Comparative Financial Data (Parent-Consolidated) |

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- 15 Schedule F-1 Projected Jurisdictional Income Statement (Current Rates)
- 16 Schedule F-1a Projected Jurisdictional Income Statement (Proposed Rates)
- 17 Schedule F-4 Projected Statement of Changes in Financial Position
(Current Rates)
- 18 Schedule F-4a Projected Statement of Changes in Financial Position
(Proposed Rates)
- 19 Expert Testimony on Rate of Return

Respectfully submitted,



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MEMORANDUM IN SUPPORT

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

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

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

1.) Schedule B-2.3 ("Gross Additions, Retirements and Transfers") requires the Applicant to provide for each plant account the balances, gross additions, retirements and transfers for the total company which occurred in the interim period from the last annual report filed with the Commission to the date certain in its application. Aqua proposes to provide information, for each plant account, the balances, gross additions, retirements and transfers for the Stark Regional Division only, that occurred in the interim period from the date certain of the last rate case to the date certain in this case, as opposed to total company information. The Stark Regional Division data should be sufficient as Aqua is only seeking a rate increase for its Stark Regional Division in this application.

2.) Schedule C-9 ("Operations and Maintenance Costs-Total Company") and C-9.1 (Payroll Analysis- Total Company) Aqua proposes to prepare these schedules for the Stark Regional Division only, for the reason that it is the only division which is the subject of this rate case. Data on a total company basis, to the extent that it relates to other Aqua divisions, is not relevant to this case.

3.) Schedules C-11.1 (Comparative Balance Sheets) & C-11.2 (Comparative Income Statements) all call for the production of total company data. Aqua proposes to prepare these schedules for the Stark Regional Division only, since Stark Regional is the only Division which is the subject of this rate application. Data on a total company basis, to the extent that it relates to other Aqua divisions, is not relevant to this rate case, but will be provided to Staff through responses to data requests if needed.

4.) Schedule C-12.1 (Revenue Statistics) and C-12.3 (Sales Statistics) all call for the production of total company data. Aqua proposes to prepare these schedules for the Stark Regional Division only, since Stark Regional is the only Division which is the subject of this rate

application. Data on a total company basis, to the extent that it relates to other Aqua divisions, is not relevant to this rate case, but will be provided to Staff through responses to data request if needed.

5.) Schedule C-13 (Analysis of Reserve for Uncollectible Accounts) calls for the production of total company data. Aqua proposes to prepare this schedule for the Stark Regional Division only, since Stark Regional is the only Division which is the subject of this rate application. Data on a total company basis, to the extent that it relates to other Aqua divisions, is not relevant to this rate case, but will be provided to Staff through responses to data requests if needed.

6.) Schedules D-1.1 ("Rate of Return Summary/Parent-Consolidated"), D-2.1 ("Embedded Cost of Short Term Debt/Parent-Consolidated"), D-3.1 ("Embedded Cost of Long Term Debt/Parent-Consolidated"), D-4.1 (Embedded Cost of Preferred Stock/Parent-Consolidated"), D-4.2 ("Embedded Cost of Preferred Stock/Parent-Consolidated"), and D-5.1 (Comparative Financial Data/Parent-Consolidated) are to be prepared using parent- consolidated cost of capital data. The Staff has, in rate cases spanning a period of more than a decade, determined that the appropriate capital structure to be used in the rate of return analysis was the stand-alone capital structure of Aqua Ohio, Inc. Staff, in its review of the rate application, historically has only required the Aqua Ohio, Inc. capital structure data as filed on other Section D schedules as opposed to the Aqua America capital structure, and the Commission has approved the use of the stand alone capital structure in previous cases.

7.) Schedules F-1 ("Projected Jurisdictional Income Statement-Current Rates") and F-1a ("Projected Jurisdictional Income Statement-Proposed Rates") are for the purpose of projecting revenues and expenses for the total company for a one-year period beginning nine months after the

Application filing date. Aqua considers the schedules an important tool in illustrating the effect of the proposed rate increase, and, therefore, Aqua desires to file Schedule F-1 and F-1a. However, Aqua proposes to alter the format of the schedule to a format similar to Schedule C-1, including both current and proposed rate data for the Stark Regional Division, which is more relevant than total company.

8.) Schedule F-4 (Projected Statement of Changes in Financial Position-Current Rates) and F-4a (Projected Statement of Changes in Financial Position-Proposed Rates). Aqua Ohio does not keep these records in its ordinary course of business. Therefore Aqua Ohio requests a waiver of the requirements to file this data.

9.) Applicant is seeking a waiver in the time of filing of expert testimony in support of its Rate of Return Schedules filed in the above-captioned case. The purpose of the waiver is to avoid the imposition of additional cost in preparing the rate case. Applicant believes and hopes that this rate increase application can be resolved by stipulation of the parties without the need for a hearing. If in fact this rate application can be resolved without the need to conduct a hearing, then significant expense may be saved by not preparing and filing expert testimony pertaining to the Rate of Return Schedules. Therefore, Applicant proposes not to file testimony of a consultant that supports the requested rate of return, but rather to submit testimony of one of its officers, Robert A. Kopas, which would set forth the rationale and background for the rate of return proposed by Applicant.

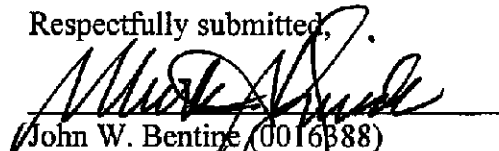
In the event that the rate of return issue is not stipulated, Applicant requests a waiver so that it may hire a consultant to prepare and file expert testimony on rate of return at a later stage in the proceedings if it becomes evident that this issue will not be settled. By proceeding in this

manner, Applicant is likely to save the expense of a consultant, a rate case expense that would, in the normal course, be passed onto ratepayers.

WHEREFORE, Aqua Ohio respectfully moves the Public Utilities Commission of Ohio to grant Aqua Ohio a waiver from filing the following Schedules:

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|----|------------------------------------|---|
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| 2 | Schedule C-9 | Operation and Maintenance costs- Total Company |
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| 16 | Schedule F-1a | Projected Jurisdictional Income Statement (Proposed Rates) |
| 17 | Schedule F-4 | Projected Statement of Changes in Financial Position (Current Rates) |
| 18 | Schedule F-4a | Projected Statement of Changes in Financial Position (Proposed Rates) |
| 19 | Expert Testimony on Rate of Return | |

Respectfully submitted,



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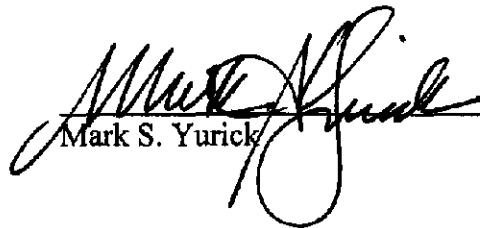
Attorneys for Aqua Ohio, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing *Motion for Approval of Waivers of Various Application Filing Requirements* upon the persons listed below via United States first-class mail, postage prepaid, this 12th day of March, 2010.

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