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May 4, 2010

Renee Jenkins
Chief of Docketing
The Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, Ohio 43215

PUCO

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2010 MAY -4 PM 4:43

Re: Clarifying Recommendation and Stipulation
In The Matter of the Application of Aqua Ohio, Inc. for Authority to
Increase Rates and Charges in Its Masury Division
PUCO Case No. 09-0560-WW-AIR

Dear Ms. Jenkins:

This is to clarify that the rate increases agreed upon by the Parties in the Recommendation and Stipulation in Case Number 09-560-WW-AIR will be imposed for services rendered after the Stipulation and Recommendation is approved by the Public Utilities Commission of Ohio. Paragraph 7 of the Recommendation and Stipulation states that rates will be effective with "bills rendered" after Commission approval of the Stipulation. It is not Aqua Ohio's intent to charge customers at the new rate for services rendered prior to Commission approval.

Once the Commission approves the Recommendation and Stipulation, Aqua Ohio will submit revised tariff sheets consistent with the approval order. Assuming Commission approval on May 5, 2010, the Company intends to file these sheets on or about May 6, 2010. Aqua Ohio shall also mail Customer Notices of the increase in rates. These mailings are anticipated to occur on or about May 7, 2010. Customers shall initially see these rate increases on their first bill that reflects May for services provided after May 5, 2010.¹ A copy of the Customer Notice, with confusing references to "bills rendered" deleted and "services rendered" inserted, is attached hereto.

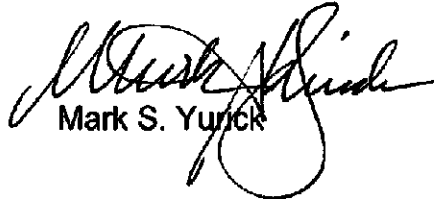
¹ Beginning May 6, 2010.

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Aqua Ohio has contacted counsel for all Parties hereto and informed them that this clarifying letter, consistent with the original intent of the Parties, was to be filed by the Company on this date.

Very truly yours,



Mark S. Yurick

cc: All Parties (w/ attachment)

AQUA OHIO, INC.
MASURY DIVISION
IMPORTANT NOTICE ABOUT YOUR WATER RATES

Dear Customer:

On August 7, 2009 the Company filed an Application (Case No. 09-0560-WW-AIR) with the Public Utilities Commission of Ohio to increase rates. The increase is to recover the increased capital investments and operating and maintenance expenses incurred since the current rates were established in March 2001. The PUCO granted an increase of \$318,008, or 65.91% of the Company total request on xxxx, 2010. The total rate increase will be phased in over a period of four years. The phased in percentage increase for year 1 will be 28.3%. The phased in percentage increase for year 2 will be 28.3%. The phased in percentage for year 3 will be 28.3%. The phased in percentage decrease for year 4 will be 21.45% from year 3 levels. Bills will be rendered monthly beginning with bills rendered _____.

The monthly customer charge remains unchanged during the phase-in period.

Monthly Customer Charge

<u>Size</u>	<u>Old Rate</u>	<u>New Rate</u>
5/8"	\$4.99	\$10.93
3/4"	\$7.49	\$16.40
1"	\$12.49	\$27.33
1-1/2"	\$24.98	\$54.65
2"	\$39.97	\$87.44
3"	\$74.95	\$163.95
4"	\$124.92	\$273.25
6"	\$249.85	\$546.50

Phase-In Year 1

The new rates will be effective for services rendered on or after xxxx, 2010. The phase-in year 1 increase to the average residential bill will be from \$19.05 to \$24.85 (based on 494 CF of consumption) per month.

Metered Service Rates

<u>Monthly Volume Used</u>	<u>Per 10 CF Rate</u>	
	<u>Old Rate</u>	<u>New Rate</u>
First 2,500 cu. ft.	\$2.731	\$2.815
Over 2,500 cu. ft.	\$2.025	\$2.073

Monthly Customer Charge for
Public Fire Protection

	<u>Old Rate</u>	<u>New Rate</u>
<u>Residential Customers</u>	\$3.07	\$4.31

Non-Residential

Customers

2,000 square feet or less	\$4.31	\$5.53
Each additional 500 sq ft	\$0.80	\$1.03

<u>Private Fire Dry System</u>	<u>Old Rate (Annual)</u>	<u>New Rate (Annual)</u>	<u>Private Fire Wet System</u>	<u>Old Rate (Annual)</u>	<u>New Rate (Annual)</u>
4" Service	\$1,189.91	\$1,670.58	2"	\$580.56	\$815.08
6" Service	\$1,804.07	\$2,532.84	4"	\$2,096.74	\$2,943.74
8" Service	\$3,603.33	\$5,058.96	6"	\$3,915.20	\$5,496.78
			8"	\$5,728.85	\$8,043.07
Private Fire Hydrants	\$321.28	\$450.96			

Modified
Attachment
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Miscellaneous Charges

These miscellaneous charges will not change after the first increase.

- Dishonored Payment Charge increases from \$15.00 to \$16.00.
- Reconnection Fee increases from \$29.00 to \$43.00 during business hours.
- An Account Activation Charge is being established at \$21.00 for new or transferred service.

Phase-In Year 2

The new rates will be effective for services rendered on or after xxxx, 2011. The phase-in year 2 increase to the average residential bill will be from \$24.85 to \$31.46 (based on 494 CF of consumption) per month.

Metered Service Rates

Monthly Volume Used	<u>Per 10 CF Rate</u>	
	Old Rate	New Rate
First 2,500 cu.ft.	\$2815	\$4151
Over 2,500 cu.ft.	\$2073	\$3055

Monthly Customer Charge for Public Fire Protection

	Old Rate	New Rate
<u>Residential Customers</u>	\$4.31	\$5.53

Non Residential Customers

2,000 square foot or less	\$4.31	\$5.53
Each additional 500 sq ft	\$0.80	\$1.03

<u>Private Fire Dry System</u>	Old Rate (Annual)	New Rate (Annual)
4" Service	\$1,670.58	\$2,143.42
6" Service	\$2,532.84	\$3,249.72
8" Service	\$5,058.96	\$6,490.92
Private Fire Hydrants	\$450.96	\$578.64

<u>Private Fire Wet System</u>	Old Rate (Annual)	New Rate (Annual)
2"	\$815.08	\$1,045.78
4"	\$2,943.74	\$3,776.91
6"	\$5,496.78	\$7,052.56
8"	\$8,043.07	\$10,319.53

Phase-In Year 3

The new rates will be effective for services rendered on or after xxxx, 2012. The phase-in year 3 increase to the average residential bill will be from \$31.46 to \$39.94 (based on 494 CF of consumption) per month.

Metered Service Rates

<u>Monthly Volume Used</u>	<u>Per 10 CF Rate</u>	
	<u>Old Rate</u>	<u>New Rate</u>
First 2,500 cu.ft.	\$.4151	\$.5865
Over 2,500 cu.ft.	\$.3055	\$.4316

Monthly Customer Charge for Public Fire Protection

	<u>Old Rate</u>	<u>New Rate</u>
<u>Residential Customers</u>	\$5.53	\$7.10
<u>Non-Residential Customers</u>		
2,000 square foot or less	\$5.53	\$7.10
Each additional 500 sq ft.	\$1.03	\$1.32

<u>Private Fire Dry System</u>	<u>Old Rate (Annual)</u>	<u>New Rate (Annual)</u>	<u>Private Fire Wet System</u>	<u>Old Rate (Annual)</u>	<u>New Rate (Annual)</u>
4" Service	\$2,143.42	\$2,750.09	2"	\$1,045.78	\$1,341.78
6" Service	\$3,249.72	\$4,169.52	4"	\$3,776.91	\$4,845.93
8" Service	\$6,490.92	\$8,328.15	6"	\$7,052.56	\$9,048.71
			8"	\$10,319.53	\$13,240.37
Private Fire Hydrants	\$578.64	\$742.44			

Phase-In Year 4

The new rates will be effective for services rendered on or after xxxx, 2013. The phase-in year 4 decrease to the average residential bill will be from \$39.94 to \$31.71 (based on 494 CF of consumption) per month.

Metered Service Rates

<u>Monthly Volume Used</u>	<u>Per 10 CF Rate</u>	
	<u>Old Rate</u>	<u>New Rate</u>
First 2,500 cu.ft.	\$.5865	\$.4200
Over 2,500 cu.ft.	\$.4316	\$.3089

Monthly Customer Charge for Public Fire Protection

	<u>Old Rate</u>	<u>New Rate</u>
<u>Residential Customers</u>	\$7.10	\$5.57
<u>Non-Residential Customers</u>		
2,000 square foot or less	\$7.10	\$5.57
Each additional 500 sq ft.	\$1.32	\$1.03

<u>Private Fire Dry System</u>	<u>Old Rate (Annual)</u>	<u>New Rate (Annual)</u>	<u>Private Fire Wet System</u>	<u>Old Rate (Annual)</u>	<u>New Rate (Annual)</u>
4" Service	\$2,750.09	\$2,160.28	2"	\$1,341.78	\$1,054.00
6" Service	\$4,169.52	\$3,275.28	4"	\$4,485.93	\$3,806.62
8" Service	\$8,328.12	\$6,541.92	6"	\$9,048.71	\$7,108.03
			8"	\$13,240.37	\$10,400.70
Private Fire Hydrants	\$742.44	\$583.20			

For further information, contact Aqua Customer Service at (877) 987-2782.