

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 its) Case No. 09-1044-WW-AIR
Lake Erie Division.)

ENTRY

The attorney examiner finds:

- (1) The Commission has caused an investigation to be made of the facts set forth in Aqua Ohio, Inc.'s Lake Erie Division (Aqua Ohio, applicant, or company) application in this case, the exhibits attached thereto, and of the matters connected with the application.
- (2) On November 16, 2009, a motion to intervene was filed by the Office of the Ohio Consumers' counsel (OCC). No one opposed OCC's motion to intervene. OCC's motion to intervene is reasonable and shall be granted.
- (3) A written report of the staff's investigation of the rate case application (staff report) was filed on May 21, 2010.
- (4) Objections to the Commission staff report were filed by Aqua Ohio and OCC on June 21, 2010.
- (5) The public evidentiary hearing shall commence on July 22, 2010, at 10:00 a.m., in Hearing Room 11-D, at the offices of the Commission, 180 E. Broad Street, 11th Floor, Columbus, Ohio, 43215-3793.
- (6) Section 4903.083, Revised Code, requires that the Commission hold at least one session of the local public hearing within the applicant utility's service territory, and further requires that at least one session of the hearing be held after 5:00 p.m. Accordingly, the local public hearings will be conducted at the following times and locations: Tuesday, July 13, 2010, at 6:00 p.m., at the Mentor Senior Center, Main Hall, 8484 Munson Road, Mentor, Ohio 44060, and on Tuesday, July 20, 2010, at 6:00 p.m., at the Lake Seneca Arrowhead Lodge, 233 Seneca Drive, Montpelier, Ohio 43453.

- (7) The applicant should publish legal notice of the local public hearings in a newspaper of general circulation in the affected service territory once a week for two consecutive weeks prior to the scheduled date of the local hearing. The hearing notice should not appear in the legal notice section of the newspaper. The notice should read as follows:

LEGAL NOTICE

The Public Utilities Commission of Ohio has scheduled local public hearings in Case No. 09-1044-WW-AIR, *In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in its Lake Erie Division*. The local hearings are scheduled for the purpose of providing an opportunity to interested members of the public to testify in this proceeding. The local hearings will be held on Tuesday, July 13, 2010, at 6:00 p.m. at the Mentor Senior Center, Main Hall, 8484 Munson Road, Mentor, Ohio 44060, and on Tuesday, July 20, 2010, at 6:00 p.m. at the Lake Seneca Arrowhead Lodge, 233 Seneca Drive, Montpelier, Ohio 43453. An evidentiary hearing is also scheduled to commence on July 22, 2010, at 10:00 a.m., in Hearing Room 11-A, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215. By its application, Aqua Ohio, Inc. seeks a rate increase, which would generate approximately \$2,811,133 or 19.0 percent over current revenue. The staff of the Commission recommends a revenue increase range between \$1,352,711 and \$1,696,491 or between 9.14 percent and 11.46 percent over current revenue.

The major issues in this case raised are:

- (a) The appropriate rate of return;
- (b) The appropriate rate base;
- (c) The determination of test-year revenues and operating expenses or costs of service including, but not limited to, taxes, depreciation, and rate case expenses;

- (d) The determination of which expenses should be recoverable from customers;
- (e) The consideration of improvements regarding quality of water and service;
- (f) The consideration of alternative rate design mechanisms in order to lessen the impact of any ordered rate increases;
- (g) The determination of how much of a rate increase is appropriate;
- (h) The determination of the appropriate amount of profit necessary for Aqua Ohio to adequately serve its customers.

Further information may be obtained by contacting the Public Utilities Commission of Ohio, 180 East Broad Street, Columbus, Ohio 43215-3793, the PUCO website at <http://www.puc.state.oh.us>, or the Commission's hotline at 1-800-686-7826.

It is, therefore,

ORDERED, That OCC's motion to intervene be granted. It is, further,

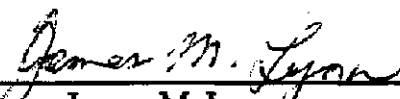
ORDERED, That the public evidentiary hearing shall commence as designated in Finding (5). It is, further,

ORDERED, That the local public hearings be held at the time and places designated in Finding (6). It is, further,

ORDERED, That notice of the local public hearings be published by the applicant as directed in Finding (7). It is, further,

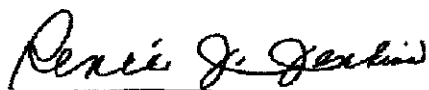
ORDERED, That a copy of this entry be served upon each party of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


By: James M. Lynn
Attorney Examiner

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Entered in the Journal
JUN 25 2010



Renee J. Jenkins
Secretary