

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 its Lake Erie Division.)

Case No. 09-1044-WW-AHR

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STIPULATION AND RECOMMENDATION

Ohio Administrative Code ("O.A.C.") Rule 4901-1-30 provides that any two or more parties to a proceeding may enter into a written or oral stipulation concerning the issues presented in such proceeding. Pursuant to O.A.C. Rule 4901-1-10(C), the Staff of the Public Utilities Commission of Ohio ("Staff") is considered a party for the purpose of entering into a stipulation. Accordingly, Aqua Ohio, Inc. (hereinafter referred to as "Aqua Ohio" or the "Company"), the Office of the Ohio Consumers' Counsel ("OCC"), and the Staff (hereinafter referred to individually as a "Party" and collectively as "Parties") hereby enter into this Stipulation and Recommendation ("Stipulation") and recommend that the Public Utilities Commission of Ohio ("PUCO" or "Commission") adopt it. The purpose of this Stipulation is to set forth the understanding and agreement of the Parties and to recommend that the Commission approve and adopt this Stipulation, which resolves all of the issues of the above-named rate proceeding, brought by the Company pursuant to Ohio Revised Code Sections ("R.C.") 4909.18 and 4909.19.

The Parties understand that although this Stipulation is not binding upon the Commission, it is entitled to careful consideration by the Commission. This Stipulation and its supporting documentation represent a just and reasonable resolution of the issues raised in this proceeding and is the product of a cooperative effort encouraged by this Commission and

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undertaken by Parties with diverse interests, to resolve the issues associated with this proceeding. Specifically, this Stipulation to which all of the Parties agree is supported by information set forth in the Company's application filed in Case No. 09-1044-WW-AIR on December 11, 2009 and in subsequent updates, pre-filed testimony submitted by the Company and OCC, and the Staff Report of Investigation ("Staff Report") issued on May 21, 2010, and the transcript of the local public hearings held during the course of this proceeding.

This Stipulation is the product of serious bargaining among capable, knowledgeable Parties with diverse interests. The Stipulation benefits customers and the public interest by, among other things, alleviating the impact of the rate increase as well as ensuring that Aqua Ohio addresses, monitors and investigates all consumer water quality and service complaints. Finally, the Parties believe that the settlement proposal taken in its entirety does not violate any regulatory principle or practice. The Parties request that the Commission give the Stipulation careful consideration and adopt it at the earliest practicable date.

Except for purposes of enforcing the Stipulation, this Stipulation, the information and data contained therein or attached, and the Commission's order adopting the Stipulation shall not be cited as precedent in any future proceeding for or against any Party, or the Commission itself, if the Commission approves the Stipulation. The Parties' agreement to this Stipulation, in its entirety, shall not be interpreted in a future proceeding before this Commission as their agreement to only an isolated provision of this Stipulation. More specifically, no specific element or item contained in or supporting this Stipulation shall be construed or applied to attribute the results set forth in this Stipulation as the results that any Party might support or seek in the absence of this Stipulation in these proceedings or in any other proceeding. This Stipulation represents a comprehensive compromise of issues raised by Parties with diverse

interests. It is submitted for the purposes of this case alone and should not be understood to reflect the positions that an individual Party may take as to any individual provision of the Stipulation standing alone, nor the position a Party may have taken if all of the issues in this proceeding had been litigated. Nothing in this Stipulation shall be used or construed by any party or the Commission for any purpose to imply, suggest or otherwise indicate that the results produced through the compromise reflected herein represent fully the objectives of any Party. This Stipulation is submitted for purposes of this proceeding only, and is not deemed binding in any other proceedings, except as necessary to enforce the terms of this Stipulation. As with such stipulations reviewed by the Commission, the willingness of the Parties to sponsor this document currently is predicated on the reasonableness of the Stipulation taken as a whole.

This Stipulation is expressly conditioned upon adoption in its entirety by the Commission, without material modification. Should the Commission reject or materially modify all or any part of this Stipulation, any Party may, within thirty (30) days of the issuance of the Commission's order, file an application for rehearing or terminate and withdraw the Stipulation by filing a notice with the Commission in this proceeding, including service to all Parties. The Parties agree they will not oppose or argue against any other Party's application for rehearing that seeks to uphold the original, unmodified Stipulation. If, upon rehearing, the Commission does not adopt the Stipulation in its entirety without material modification, then any Party may terminate and withdraw from the Stipulation by filing a notice with the Commission, including service to all Parties, in this proceeding within thirty (30) days of the Commission's Entry (or Order) on Rehearing.

Prior to any Party filing a notice seeking a withdrawal from this Stipulation pursuant to

this provision, the Parties agree to convene immediately to work in good faith to try to achieve an outcome that substantially satisfies the intent of the Stipulation and, if a new agreement is reached that includes agreement with the Party wishing to terminate, then the new agreement shall be submitted to the Commission for its review and approval. Upon the filing and notice of termination and withdrawal by any Party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In this event the Parties request that the Commission acknowledge the notice within thirty days of its filing, but whether or not the Commission acknowledges the notice does not alter the effectiveness of the notice of termination and withdrawal. In the event of a notice of termination and withdrawal, and if the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are unsuccessful in reaching a new agreement that includes all Parties to the present Stipulation, this proceeding shall go forward at the procedural point at which this Stipulation was filed, the Commission shall convene an evidentiary hearing and the Parties shall be afforded the full opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to brief all issues which shall be decided based upon the record and briefs as if this Stipulation had never been executed.

All Parties fully support this Stipulation in its entirety and urge the Commission to accept and approve the terms herein.

WHEREAS, this Stipulation represents an accommodation of the diverse interests represented by the Parties and is entitled to careful consideration by the Commission;

WHEREAS, this Stipulation represents a serious compromise of complex issues and involves substantial benefits that would not otherwise have been achievable; and

WHEREAS, the Parties believe that the agreements herein represent a fair and reasonable

solution to the issues raised in this matter;

NOW, THEREFORE, the Parties stipulate, agree and recommend that the Commission make the following findings and issue its Opinion and Order in these proceedings approving this Stipulation in accordance with the following:

1. The value of Aqua Ohio's property used and useful in the rendition of water service (rate base) for the Lake Erie Division of Aqua Ohio is \$41,683,902 as set forth in Staff Report Updated Schedule A-1, attached hereto as Stipulation Exhibit 1.
2. For Aqua Ohio's Lake Erie Division, the total adjusted operating revenues for the test year are \$14,798,996; its total adjusted operating expenses are \$12,426,082; and its net operating income is \$2,372,914, as taken from Staff Report Updated Schedule C-1, attached hereto as Stipulation Exhibit 2.
3. A net operating income of \$2,372,914.00 is insufficient to provide Aqua Ohio with reasonable compensation for water service rendered to its Lake Erie Division customers.
4. A just and reasonable increase in the revenue requirement for Aqua Ohio's Lake Erie Division is \$1,437,094 which brings total revenues resulting from this case to \$16,236,090 as reflected on updated Staff Report Schedule A-1. (Stipulation Exhibit 1)
5. The rates are based upon the Parties' settlement of issues raised by Aqua Ohio's application predicated upon a Test Year of January 1, 2009 to December 31, 2009 and a Date Certain of March 31, 2009, the Staff Report of Investigation, and the parties' objections to the Staff Report of Investigation and direct testimony. The rates will be effective with services rendered after Commission approval of the Stipulation and Aqua Ohio's filing of the final compliance tariffs.

6. In the context of resolving all of the issues in the current rate proceeding, Aqua Ohio has made the following changes with respect to customer charges in its tariff:

- i) Reconnection charge of \$48.28 for regular hours;
- ii) Reconnection charge of \$135.60 for "other than regular hours";
- iii) Account activation charge of \$25.57; and
- iv) Dishonored payment charge of \$21.37.

These rates are included in Stipulation Exhibit No. 3.

7. Within (30) days of the Commission's Opinion and Order in this case the Company will, in consultation with the Staff and OCC, develop and mail a customer notice to those customers or responsible parties that are affected by the decision to eliminate the available for use ("AFU") charge in the Lake Seneca Community. The customer notice shall include an explanation of why the charge is being eliminated.
8. Aqua Ohio will seriously consider merging the Lake Erie Division with the Masury Division under the stipulated terms in Case No. 09-560-WW-AIR.
9. Customer service: In order to resolve all of the issues raised in the current proceeding, the Company will undertake the following:
- a. The Company shall investigate the underlying causes of water quality and service complaints that were included in the quarterly reports provided by the Company, from April 2009 through the second quarter of 2010 and file the results in a written report within 60 days of the Opinion and Order;
 - b. The Company shall file a quarterly operating report, beginning for the quarter ending September 2010, and each quarter thereafter. The quarterly operating reports shall include all information required under section 4901:1-15-14 of the Ohio Administrative Code.
 - c. All quarterly operating reports shall be filed with the PUCO within 30 days of the end of that quarter.
10. Lake Seneca Discoloration Issues: Aqua Ohio agrees to investigate within 21 days of

receipt of a customers' complaint discolored water issues brought to the Company's attention by its customers or by the PUCO or by OCC on behalf of Aqua Ohio's customers by members of the Lake Seneca community. If the discolored water is being caused by conditions related to the customers' lines and internal plumbing, then the Company shall inform the customer of its findings and offer guidance to the customer on how to resolve such discolorations.

11. Infrastructure Leakage Index: Aqua agrees to meet with Staff and OCC within 60 days of the Opinion and Order in this case to discuss the Infrastructure Leakage Index (ILI) calculations and to develop a format with Staff for reporting the ILI. Aqua agrees to file the first report including 2009 and 2010 data for the Lake Erie Division only by February 28, 2011 and subsequent reports of ILI data for all Aqua Ohio divisions with customer counts exceeding 3,000 are to be submitted by February 28 of the year following the reporting year.
12. In accordance with the recommendations set forth in the Staff Report, Aqua Ohio will not seek recovery of incremental pension expense in this proceeding. Aqua Ohio will defer annual pension expense incremental to the amount currently included in base rates and shall record the deferral in either a unique sub-account of account 182.3, "Other Regulatory Assets" or Account 254, "Other Regulatory Liabilities." Aqua Ohio will not seek recovery of this pension deferral in a base rate proceeding for a period of five (5) years. Aqua Ohio also agrees that the deferred balance will not accrue carrying charges. Aqua will file, under this docket, annual updates on the deferral balance, and the Commission Staff and OCC will review these updates and the regulatory asset. The Commission may determine whether the five (5) year deferral continues to be

appropriate. The update should be filed annually by February 14, starting in 2011.

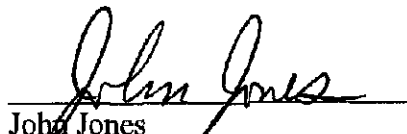
13. OCC and the Commission Staff retain all their rights under the Ohio Administrative Code and Ohio Revised Code with regard to service quality, rates and other matters, including the right to seek remedies for any failures of the Company to comply with the Ohio Administrative Code and Ohio Revised Code or other regulatory standards.
14. The Parties submit the following additional Stipulation exhibits which are herein incorporated as a part of the Stipulation:
 - A. Stipulation Exhibit 1, Stipulation Schedules;
 - B. The rate structure shall be that as reflected in the attached tariffs, which are attached as Stipulation Exhibit No. 2, Proposed Tariff Sheets with attached notification of customer rights and bill form; and
 - C. Customer notice letters, attached as Stipulation Exhibit 3.
15. The Staff Report (Staff Exhibit 1), Aqua Ohio's application, updates, supplements and modifications thereto (Aqua Exhibit 1), and all testimony filed by the Parties to date, Louis S. Kreider Testimony (Aqua Exhibit 2), Richard A. Hideg Testimony (Aqua Exhibit 3), Robert A. Kopas Testimony (Aqua Exhibit 4), Robert G. Liptak Testimony (Aqua Exhibit 5), Theodore C. Russell (Aqua Exhibit 6), David R. Monie Testimony (Aqua Exhibit 7), John J. Spanos Testimony (Aqua Exhibit 8), Amr A. Ibrahim Testimony (OCC Exhibit 1), Daniel J. Duann Testimony (OCC Exhibit 2), James D. Williams Tetimony (OCC Exhibit 3), Steven B. Hines Testimony (OCC Exhibit 4), Stephen R. Chaney Testimony (Staff Exhibit 2), William Ross Willis Testimony (Staff Exhibit 3), Mary Vance Testimony (Staff Exhibit 4), Peter Baker Testimony (Staff Exhibit 5), Clifford T. Evans Testimony (Staff Exhibit 6), Chuck Goins Testimony (Staff Exhibit 7), Marchia Rutherford Testimony (Staff Exhibit 8) shall be admitted into evidence. Effective upon approval of the Stipulation in its entirety by the Commission,

the Parties withdraw their objections to the Staff Report. The recommendations set forth in the Stipulation shall supersede any evidence in this proceeding that is inconsistent with any of the terms, provisions and conditions of this Stipulation. To the extent that there is a conflict between the evidence filed herein and the Stipulation, the Stipulation shall control.

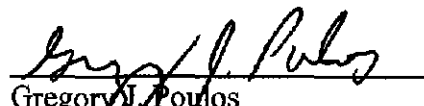
16. The Parties agree that the Staff Report of Investigation resolves any and all remaining issues not addressed in the Stipulation.
17. All notices required by law or by order of the Commission or its Attorney Examiner to be made and published, up until the date the Parties signed this Stipulation, have been properly made and published.

The undersigned hereby stipulate and agree and each represents that he or she is authorized to enter into this Stipulation and Recommendation, this 28th day of July, 2010.

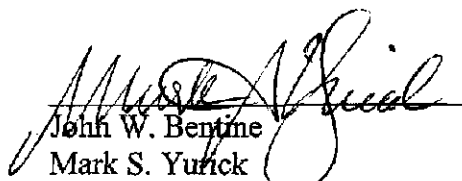
On behalf of the
STAFF OF THE PUBLIC UTILITIES
COMMISSION OF OHIO


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On Behalf of
AQUA OHIO, INC.

A handwritten signature in black ink, appearing to read "John W. Bentine", is written over a horizontal line.

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STIPULATION

SCHEDULE A-1

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Revenue Requirements

	<u>Applicant</u> (a)	<u>Stipulated</u>	<u>Stipulated</u>
(1) Rate Base (b)	\$ 41,275,758	\$ 41,683,902	\$ 41,683,902
(2) Adjusted Operating Income (c)	1,830,725	2,372,914	2,372,914
(3) Rate of Return Earned (2) / (1)	4.44%	5.69%	5.69%
(4) Rate of Return Recommended (d)	8.63%	7.85%	7.85%
(5) Required Operating Income (1) x (4)	\$ 3,562,098	\$ 3,272,186	\$ 3,272,186
(6) Income Deficiency (5) - (2)	1,731,373	899,272	899,272
(7) Gross Revenue Conversion Factor (e)	1.6241	1.598063	1.598063
(8) Revenue Increase Required (6) x (7)	2,811,923	1,437,094	1,437,094
(9) Revenue Increase Recommended	2,811,133	1,437,094	1,437,094
(10) Adjusted Operating Revenue (c)	14,760,877	14,798,996	14,798,996
(11) Revenue Requirements (9) + (10)	\$ 17,572,010	\$ 16,236,090	\$ 16,236,090
(12) Increase Over Current Revenue (9) / (10)	19.04%	9.71%	9.71%

- (a) Applicant's Schedule A-1
- (b) Staff's Schedule B-1
- (c) Staff's Schedule C-2
- (d) Refer to Rate of Return Section
- (e) Staff's Schedule A-1.1

EXHIBIT

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STIPULATION

SCHEDULE A-1.1

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Gross Revenue Conversion Factor

(1) Gross Revenue	100.000000
(2) Uncollectibles (1) x 0.460100% (a)	<u>0.460100</u>
(3) Net Revenue (1) - (2)	99.539900
(4) Ohio Gross Receipts Tax (3) x 4.75% (b)	<u>4.728145</u>
(5) Income Before Federal Income Taxes (3) - (4)	94.811755
(6) Federal Income Taxes (7) x 34% (c)	<u>32.235997</u>
(7) Operating Income Percentage (5) - (6)	62.575758
(8) Gross Revenue Conversion Factor (1) / (7)	<u>1.598063</u>

(a) Staff's C-1.1

(b) Derived From Staff's Schedule C-1.1 as Follows:

(1) Increase in Ohio Gross Receipts Tax	\$ 67,940
(2) Proposed Total Revenue Increase	1,437,094
(3) Uncollectibles	<u>6,612</u>
(4) Net Revenue Increase	\$ 1,430,482
Effective Gross Receipts Tax Rate (1) / (4)	<u>4.75%</u>

(c) Derived From Staff's Schedule C-1.1 as Follows:

(1) Net Revenue Increase (b)	\$ 1,430,482
(2) Increase in Ohio Gross Receipts Tax	<u>67,940</u>
(3) Net Revenue Increase (1) - (2)	1,362,542
(4) Increase in Federal Income Taxes	\$ 463,264
(5) Effective FIT Rate (4) / (3)	<u>34.00%</u>

STIPULATION

SCHEDULE B-1

Aqua Ohio, Inc.
Case No. 09-1044-VW-AIR
Rate Base Summary
As of Date Certain, March 31, 2009

	<u>Applicant</u> (a)	<u>Staff</u>	
(1) Plant in Service	\$ 90,637,229	\$ 90,551,106	(b)
(2) Depreciation Reserve	<u>19,563,184</u>	<u>19,261,665</u>	(c)
(3) Net Plant in Service (1) - (2)	71,074,045	71,289,441	
(4) Construction Work in Progress			(d)
(5) Working Capital Allowance			(e)
(6) Less: Contributions in Aid of Construction	(26,052,151)	(26,052,151)	(f)
(7) Less: Advances for Construction	(146,698)	(146,698)	(f)
(8) Less: Customers' Advances - Related Facilities	(6,865)	(6,865)	(f)
(9) Less: Other Items	<u>(3,592,573)</u>	<u>(3,399,825)</u>	(g)
(10) Rate Base (3) Thru (9)	<u>\$ 41,275,758</u>	<u>\$ 41,683,902</u>	

(a) Applicant's Schedule B-1

(b) Staff's Schedule B-2

(c) Staff's Schedule B-3

(d) Staff's Schedule B-4, Subject to 10% Limitation

(e) Staff's Schedule B-5

(f) Applicant's Schedule B-6

(g) Staff's Schedule B-6

STIPULATION

SCHEDULE B-2

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Jurisdictional Plant in Service Summary

<u>Major Property Groupings</u>	<u>Applicant</u> (a)	<u>Staff</u> (b)
(1) Intangible Plant	\$ 298,124	\$ 268,976
(2) Source of Supply Plant	1,618,472	1,618,473
(3) Pumping Plant	3,820,814	3,820,814
(4) Water Treatment Plant	10,579,286	10,579,286
(5) Transmission & Distribution Plant	67,909,961	67,858,495
(6) General Plant	<u>3,034,441</u>	<u>3,034,441</u>
(7) Total District (1) thru (6)	87,261,098	87,180,485
(8) Corporate Office Intangible Plant	2,142,315	2,136,803
(9) Corporate Office General Plant	<u>1,233,816</u>	<u>1,233,818</u>
(10) Total Corporate Office (8) + (9)	<u>3,376,131</u>	<u>3,370,621</u>
(11) Total District and Corporate Office (7) + (10)	<u>\$ 90,637,229</u>	<u>\$ 90,551,106</u>

(a) Applicant's Schedule B-2

(b) Staff's Schedule B-2.1

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Jurisdictional Plant In Service

Acct. No.	Description	Applicant's Unadjusted (a)	Adjustments (b)	Staff's Adjusted Jurisdictional (c)	Jurisdictional Allocations (d)	Staff's Adjusted Jurisdictional (e)
<u>Intangible Plant:</u>						
301	Organization	\$ 80,534	\$ (48,879)	\$ 11,655	100.00%	\$ 11,655
302	Franchises & Consents	145,695		145,695	100.00%	145,695
303	Misc. Intangible Plant	111,626		111,626	100.00%	111,626
	Total Intangible Plant	317,855	(48,879)	268,976		268,976
<u>Source of Supply Plant:</u>						
310	Land & Land Rights	378,122	(146,442)	231,680	100.00%	231,680
311	Structures & Improvements	69,579		69,579	100.00%	69,579
312	Collecting & Impounding Res.					
313	Lake, River & Other Intakes	1,426,525	(285,465)	1,141,060	100.00%	1,141,060
314	Wells & Springs	40,786	(9,792)	30,994	100.00%	30,994
316	Supply Mains	145,160		145,160	100.00%	145,160
	Total Source of Supply Plant	2,060,172	(441,699)	1,618,473		1,618,473
<u>Pumping Plant:</u>						
320	Land and Land Rights	4,894		4,894	100.00%	4,894
321	Structures & Improvements	688,384		688,384	100.00%	688,384
323	Other Power Prod. Equip.	493,409		493,409	100.00%	493,409
325	Electric Pumping Equip.	2,634,127		2,634,127	100.00%	2,634,127
326	Diesel Pumping Equipment					
328	Other Pumping Equip.					
	Total Pumping Plant	3,820,814		3,820,814		3,820,814
<u>Water Treatment Plant:</u>						
330	Land and Land Rights	270,785		270,785	100.00%	270,785
331	Structures & Improvements	1,821,265		1,821,265	100.00%	1,821,265
332	Water Treatment Equip.	8,687,236		8,687,236	100.00%	8,687,236
	Total Water Treatment Plant	10,579,286		10,579,286		10,579,286
<u>Trans. & Distribution Plant:</u>						
340	Land & Land Rights	409,336	(51,467)	358,071	100.00%	358,071
341	Structures & Improvements	546,326		546,326	100.00%	546,326
342	Distr. Reser. & Standpipes	4,549,717		4,549,717	100.00%	4,549,717
343	Trans. and Distr. Mains	44,730,210		44,730,210	100.00%	44,730,210
345	Services	7,223,727		7,223,727	100.00%	7,223,727
346	Meters	2,989,415		2,989,415	100.00%	2,989,415
347	Meter Installations	2,294,673		2,294,673	100.00%	2,294,673
348	Hydrants	8,166,357		8,166,357	100.00%	8,166,357
	Total Trans. & Dist. Plant	\$ 67,909,962	\$ (51,467)	\$ 67,858,495		\$ 67,858,495

STIPULATION

SCHEDULE B-2.1
PAGE 2 OF 3Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Jurisdictional Plant in Service

Acct. No.	Description	Applicant's Unadjusted (a)	Adjustments (b)	Staff's Adjusted Jurisdictional (c)	Jurisdictional Allocations (d)	Staff's Adjusted Jurisdictional (e)
<u>General Plant:</u>						
389	Land & Land Rights	\$	\$	\$		\$
390	Structures & Improvements					
390.1	Str. & Imp.-leasehold Impr.	83,439		83,439	100.00%	83,439
391.1	Office Furniture	98,384		98,384	100.00%	98,384
391.2	Data Processing	65,397		65,397	100.00%	65,397
391.3	Computers	203,694		203,694	100.00%	203,694
392	Trans. Equip.- Fully Depre.	133,212		133,212	100.00%	133,212
392.1	Trans. Equip.- Depreciable	669,943		669,943	100.00%	669,943
393	Stores Equipment	5,159		5,159	100.00%	5,159
394	Tools, Shop, & Garage Equip.	305,875		305,875	100.00%	305,875
395	Laboratory Equip.	78,475		78,475	100.00%	78,475
396	Power Operated Equip.	761,438		761,438	100.00%	761,438
397	Communication Equipment	588,579		588,579	100.00%	588,579
398	Miscellaneous Equipment	40,866		40,866	100.00%	40,866
	Total General Plant	3,034,441		3,034,441		3,034,441
	Total District Water Plant in Service	87,722,530	(542,045)	87,180,485		87,180,485
<u>Serv.Center Intan. Plant:</u>						
303	Misc. Intangible Plant	6,387,342	(16,434)	6,370,908	33.64%	2,136,803
	Total Service Center Office Intangible Plant	\$ 6,387,342	\$ (16,434)	\$ 6,370,908		\$ 2,136,803

STIPULATION

SCHEDULE B-2.1
PAGE 3 OF 3Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Jurisdictional Plant in Service

Acct. No.	Description	Applicant's Unadjusted (a)	Adjustments (b)	Staff's Adjusted Jurisdictional (c)	Jurisdictional Allocations (d)	Staff's Adjusted Jurisdictional (e)
<u>Service Center General Plant:</u>						
389	Land & Land Rights	\$ 693,797	\$	\$ 693,797	33.54%	\$ 232,700
390	Structures & Improvements	778,373		778,373	33.54%	261,066
390.1	Structures & Improvements					
	Leasehold Improvements	1,067,802		1,067,802	33.54%	358,141
391.1	Office Furniture & Equip.	198,742		198,742	33.54%	66,658
391.2	Office Furniture & Equip.					
	Data Processing	414,364		414,364	33.54%	138,978
391.3	Office Furniture & Equip.					
	Computers	266,465		266,465	33.54%	89,372
392	Transportation Equipment					
	Fully Depreciated					
392.1	Trans. Equip. - Depreciable					
394	Tools, Shop and Garage	81,054		81,054	33.54%	27,186
395	Laboratory Equipment	55,110		55,110	33.54%	18,484
397	Communication Equipment	112,948		112,948	33.54%	37,883
398	Miscellaneous Equipment	9,987		9,987	33.54%	3,350
<u>Total Service Center</u>						
Office General Plant		3,678,642		3,678,642		1,233,818
Total Corporate Office		10,065,984	(16,434)	10,049,550		3,370,821
Total District &						
Corporate Office		\$ 87,788,514	\$ (558,478)	\$ 87,230,035		\$ 90,551,106

- (a) Applicant's Schedule B-2.1
 (b) Staff's Schedule B-2.1a Thru B-2.1g
 (c) Columns (a) + (b)
 (d) Applicant's Schedule B-3
 (e) Columns (c) x (d)

STIPULATION

SCHEDULE B-2.1d

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Purification Land Adjustment - Account 330

(1) Elimination of Purification Land (a)

\$ 0

(a) Case No. 07-564-WW-AIR

STIPULATION

SCHEDULE B-2.1e

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Auburn Lakes Adjustment

(1) Account 301 - Organization (a)	(29,149)
(2) Account 343 - Transmission & Distribution Mains (a)	<u>0</u>
(3) Total Auburn Lakes System Acquisition Adjustment (1) + (2)	\$ <u>(29,149)</u>

(a) Applicant's Workpaper WPB-2.3a and Staff's Data Request No. 32

STIPULATION

SCHEDULE B-2.1f

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Service Center - CIS Modifications and Enhancements Adjustment

(1) Service Center Account 303 CIS Modifications and Enhancements Adjustment (a)	\$	
(2) Service Center Account 303 CIS Defect/Issue Tracking Adjustment (a)		<u>(16,434)</u>
(3) Total (1) + (2)	\$	<u>(16,434)</u>

(a) Applicant's Workpaper WPB-2.3q and Staff's Data Request No. 33

STIPULATION

SCHEDULE B-3
PAGE 1 OF 3Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Jurisdictional Depreciation Reserve

Acct. No.	Description	Applicant's Unadjusted (a)	Adjustments (b)	Staff's Adjusted Jurisdictional (c)	Jurisdictional Allocations (d)	Staff's Adjusted Jurisdictional (e)
<u>Intangible Plant:</u>						
301	Organization	\$ 7,800	\$ (1,682)	\$ 6,118	100.00%	\$ 6,118
302	Franchises & Consents	148,876	(4,428)	144,448	100.00%	144,448
303	Misc. Intangible Plant	47,660		47,660	100.00%	47,660
	Total Intangible Plant	204,326	(6,110)	198,216		198,216
<u>Source of Supply Plant:</u>						
310	Land & Land Rights					
311	Structures & Improvements	21,137		21,137	100.00%	21,137
312	Collecting & Impounding Res.					
313	Lake, River & Other Intakes	575,549	(285,465)	590,084	100.00%	590,084
314	Wells & Springs	21,389	(9,792)	11,597	100.00%	11,597
316	Supply Mains	35,275		35,275	100.00%	35,275
	Total Source of Supply Plant	953,350	(295,257)	658,093		658,093
<u>Pumping Plant:</u>						
320	Land and Land Rights					
321	Structures & Improvements	235,946		235,946	100.00%	235,946
323	Other Power Prod. Equip.	149,826		149,826	100.00%	149,826
325	Electric Pumping Equip.	643,230		643,230	100.00%	643,230
326	Diesel Pumping Equipment					
328	Other Pumping Equip.					
	Total Pumping Plant	1,029,002		1,029,002		1,029,002
<u>Water Treatment Plant:</u>						
330	Land and Land Rights					
331	Structures & Improvements	508,726		508,726	100.00%	508,726
332	Water Treatment Equip.	3,784,951		3,784,951	100.00%	3,784,951
	Total Water Treatment Plant	4,293,677		4,293,677		4,293,677
<u>Transmission & Distribution Plant:</u>						
340	Land & Land Rights					
341	Structures & Improvements	100,829		100,829	100.00%	100,829
342	Distr. Reser. & Standpipes	1,242,174		1,242,174	100.00%	1,242,174
343	Trans. and Distr. Mains	3,750,848		3,750,848	100.00%	3,750,848
345	Services	2,703,948		2,703,948	100.00%	2,703,948
346	Meters	1,353,332		1,353,332	100.00%	1,353,332
347	Meter Installations	223,148		223,148	100.00%	223,148
348	Hydrants	917,170		917,170	100.00%	917,170
	Total Trans. & Distrib. Plant	\$ 10,291,549	\$	\$ 10,291,549		\$ 10,291,549

STIPULATION

SCHEDULE B-3
PAGE 2 OF 3Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Jurisdictional Depreciation Reserve

Acct. No.	Description	Applicant's Unadjusted (a)	Adjustments (b)	Staff's Adjusted Jurisdictional (c)	Jurisdictional Allocations (d)	Staff's Adjusted Jurisdictional (e)
<u>General Plant:</u>						
389	Land & Land Rights	\$	\$	\$	\$	\$
390	Structures & Improvements					
390	Struc. & Improv. - Lease Improv.	83,439		83,439	100.00%	83,439
391.1	Office Furniture and Equipment	41,789		41,789	100.00%	41,789
391.2	Off. Furn. and Equip. - D.P.	53,978		53,978	100.00%	53,978
391.3	Off. Furn. and Equip. - Computers	225,069		225,069	100.00%	225,069
392	Trans. Equip. - Fully Depr.	133,212		133,212	100.00%	133,212
392	Trans. Equip. - Depreciable	259,068		259,068	100.00%	259,068
393	Stores Equipment	7,009		7,009	100.00%	7,009
394	Tools, Shop, & Garage Equip.	126,712		126,712	100.00%	126,712
395	Laboratory Equip.	63,959		63,959	100.00%	63,959
396	Power Operated Equip.	381,063		381,063	100.00%	381,063
397	Communication Equipment	403,727		403,727	100.00%	403,727
398	Miscellaneous Equipment	33,112		33,112	100.00%	33,112
	Total General Plant	1,812,137		1,812,137		1,812,137
	Tot. District Water Depre. Reserve	18,584,041	(301,367)	18,282,674		18,282,674
<u>Service Center Intangible Plant:</u>						
303	Miscellaneous Intangible Plant	1,360,735	(460)	1,360,275	33.54%	456,236
	Total Service Center Intangible Plant	\$ 1,360,735	\$ (460)	\$ 1,360,275		\$ 456,236

STIPULATION

SCHEDULE B-3
PAGE 3 OF 3Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Jurisdictional Depreciation Reserve

Acct. No.	Description	Applicant's Unadjusted	Adjustments	Staff's Adjusted Jurisdictional	Jurisdictional Allocations	Staff's Adjusted Jurisdictional
		(a)	(b)	(c)	(d)	(e)
<u>Corporate Office General Plant</u>						
389	Land & Land Rights					
390	Structures & Improvements	42,880		42,880	33.54%	14,382
390.1	Struc. & Impr.- Leasehold Impr.	965,464		965,464	33.54%	323,817
391.1	Office Furniture and Eq.	140,406		140,406	33.54%	47,092
391.2	Off. Furn. and Eq.- Data Pro.	57,608		57,608	33.54%	19,322
391.3	Off. Furn. and Eq.- Computers	245,846		245,846	33.54%	82,457
392	Trans.Eq.- Fully Depreciated					
392.1	Trans.Eq. - Depreciable					
394	Tools, Shop. & Garage Equip.	38,037		38,037	33.54%	12,758
395	Laboratory Equip.	48,895		48,895	33.54%	16,399
397	Communication Equipment	15,752		15,752	33.54%	5,283
398	Miscellaneous Equipment	3,713		3,713	33.54%	1,245
Total Service Center General Plant		1,558,601		1,558,601		522,755
Total Service Center		2,919,336	(460)	2,918,876		978,991
Total District and Service Center		\$ 21,503,377	\$ (301,827)	\$ 21,201,550		\$ 19,281,665

- (a) Applicant's Schedule B-3
 (b) Staff's Schedule B-3.1
 (c) Columns (a) + (b)
 (d) Applicant's Schedule B-7
 (e) Columns (c) x (d)

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Summary of Staff's Adjustments to Reserve

Acct. No.	Description	Reclassification Reserve (a)	Green Road Plant Exclusion (b)	Reclassification Organization To Legal Expense (c)	Auburn Lakes (d)	Service Center CIS Modification & Enhancements (e)	Total Adjustments (f)
Intangible Plant:							
301	Organization	\$ 4,428		\$ (2,466)	\$ (3,644)	\$	(1,682)
302	Franchises & Consents	(4,428)					(4,428)
Source of Supply Plant:							
310	Land and Land Rights						
313	Lake & Other Intakes		(285,465)				(285,465)
314	Wells and Springs		(8,792)				(8,792)
Transmission & Distribution Plant:							
343	Transmission & Distribution Plant Mains					(460)	(460)
Service Center Intangible Plant:							
303	Misc. Intangible Plant Service Center						
Total Adjustments		\$	(286,257)	\$ (2,466)	\$ (3,644)	\$ (460)	(301,827)

(a) Staff's Schedule B-3.1a
(b) Staff's Schedule B-3.1b
(c) Staff's Schedule B-3.1c
(d) Staff's Schedule B-3.1d
(e) Staff's Schedule B-3.1e
(f) Columns (a) thru (e)

STIPULATION

SCHEDULE B-3.1d

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Auburn Lakes Adjustment

(1) Account 301 - Organization (a)	\$ (3,644)
(2) Account 343 - Transmission & Distribution Mains (a)	<u>0</u>
(3) Total Auburn Lakes System Acquisition Adjustment (1) + (2)	\$ <u>(3,644)</u>

STIPULATION

SCHEDULE B-3.1e

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Service Center - CIS Modifications and Enhancements Adjustment

(1) Service Center Account 303 CIS Modifications and Enhancements Adjustment (a)	\$	
(2) Service Center Account 303 CIS Defect/Issue Tracking Adjustment (a)		<u>(460)</u>
(3) Total (1) + (2)	\$	<u>(460)</u>

- (a) Staff's Workpaper WPB-3.1
(b) OCC objection

STIPULATION

SCHEDULE B-3.2
PAGE 1 OF 3Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Jurisdictional Depreciation Expense

Acct. No.	Description	Jurisdictional Plant In Service (a)	Accrual Rate (b)	Jurisdictional Depreciation Expense (c)
<u>Intangible Plant:</u>				
301	Organization	\$ 11,655	(h)	\$ 1,165
302	Franchises & Consents	145,895	(h)	795
303	Misc. Intangible Plant	111,826	(h)	5,391
	Total Intangible Plant	268,976		7,351
<u>Source of Supply Plant:</u>				
310	Land & Land Rights	231,880		
311	Structures & Improvements	69,579	3.00%	2,087
312	Collecting & Impounding Res.		2.10%	
313	Lake, River & Other Intakes	1,141,060	2.49%	28,412
314	Wells & Springs	30,994	4.00%	1,240
315	Supply Mains	145,160	1.50%	2,177
	Total Source of Supply Plant	1,818,473		33,916
<u>Pumping Plant:</u>				
320	Land and Land Rights	4,894		
321	Structures & Improvements	688,364	2.18%	15,007
323	Other Power Prod. Equip.	493,408	3.50%	17,269
325	Electric Pumping Equip.	2,634,127	2.84%	74,809
326	Diesel Pumping Equipment			
328	Other Pumping Equip.			
	Total Pumping Plant	3,820,814		107,085
<u>Water Treatment Plant:</u>				
330	Land and Land Rights	270,785		
331	Structures & Improvements	1,621,265	3.96%	64,202
332	Water Treatment Equip.	8,687,236	2.62%	227,606
	Total Water Treatment Plant	10,579,286		291,808
<u>Transmission & Distribution Plant:</u>				
340	Land & Land Rights	358,071		
341	Structures & Improvements	546,325	2.33%	12,729
342	Distr. Reser. & Standpipes	4,549,717	2.27%	103,279
343	Trans. and Distr. Mains	44,730,210	1.50%	670,953
345	Services	7,223,727	2.50%	180,593
346	Meters	2,989,415	3.52%	105,227
347	Meter Installations	2,294,673	4.35%	99,818
348	Hydrants	5,166,357	1.57%	81,112
	Total Trans. & Distribution Plant	\$ 67,858,496		\$ 1,253,711

STIPULATION

SCHEDULE B-3.2

PAGE 2 OF 3

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Jurisdictional Depreciation Expense

Acct. No.	Description	Jurisdictional Plant In Service (a)	Accrual Rate (b)	Jurisdictional Depreciation Expense (c)
<u>General Plant:</u>				
389	Land & Land Rights	\$		\$
390	Structures & Improvements		2.10%	
390	Leasehold Improvements	83,439	(d)	
391.1	Office Furniture	88,364	3.59%	3,531
391.2	Off. Furn. & Equip. - Data Processing	65,397	9.12%	5,964
391.3	Off. Mach. & Equip. - Computers	203,694	12.10%	24,647
392	Trans. Equip. - Fully Depre.	133,212	(e)	
392	Trans. Equip.	669,943	10.00%	66,994
393	Stores Equipment	5,159	3.00%	155
394	Tools, Shop & Garage Equip.	306,875	3.85%	11,776
395	Laboratory Equip.	78,475	3.62%	2,841
396	Power Operated Equip.	781,438	5.36%	40,813
397	Communication Equipment	588,579	6.15%	36,198
398	Miscellaneous Equipment	40,866	5.32%	2,174
	Total General Plant	3,034,441		198,093
	Total Water Plant in Service	\$ 87,180,485		\$ 1,588,964
<u>Serv. Center Intan. Plant:</u>				
303	Misc. Intangible Plant	2,136,803	(h)	228,670
	Total Service Center Office Intangible Plant	2,136,803		228,670
<u>Service Center General Plant:</u>				
389	Land & Land Rights	232,700		
390	Structures & Improvements	261,066	2.10%	5,462
390	Structures & Improvements			
	Leasehold Improvements (e)	358,141	2.86%	1,041
391	Office Furniture & Equip.	66,656	3.59%	2,393
391	Office Furniture & Equip.			
	Data Processing	138,978	9.12%	12,675
391	Office Furniture & Equip.			
	Computers	89,372	12.10%	10,814
392	Transportation Equipment			
	Fully Depreciated		(d)	
392	Trans. Equip. - Depreciable		10.00%	
394	Tools, Shop and Garage	27,186	3.85%	1,047
395	Laboratory Equipment	18,484	3.62%	669
397	Communication Equipment	37,883	6.15%	2,330
398	Miscellaneous Equipment	3,350	5.32%	178
	Total Service Center Office General Plant	1,233,818		36,629
	Total Service Center	3,370,621		265,299
	Total District & Service Center	\$ 90,551,108		\$ 2,154,263

STIPULATION

SCHEDULE B-3.2
PAGE 3 OF 3Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Jurisdictional Depreciation Expense

Acct. No.	Description	Jurisdictional Plant In Service	Accrual Rate (b)	Jurisdictional Depreciation Expense (g)
Less: CIAC (f)				
313	Lake River & Other Intakes	\$ 58,527	2.49%	\$ 1,457
321	Structures & Improvements	112,421	2.18%	2,451
325	Electric Pumping Equipment	190,320	2.84%	5,405
331	Structures & Improvements	179,637	3.96%	7,114
332	Water Treatment Equipment	825,200	2.62%	21,620
340	Land & Land Rights	1,651		
342	Distr. Reser. & Standpipes	251,986	2.27%	5,720
343	Trans. And Distr. Mains	21,643,358	1.50%	324,660
345	Services	785,511	2.50%	19,638
348	Hydrants	2,001,530	1.57%	31,424
390	Structures & Improvements	2,000	2.10%	42
Total CIAC		28,052,151		419,521
Net District & Service Center		\$ 64,498,955		\$ 1,734,742

- (a) Staff's Schedule B-2.1
 (b) Staff's Schedule B-3.3
 (c) Columns (a) x (b)
 (d) Fully Depreciated
 (e) Staff's Data Request No. 16 and Staff's Schedule B-3.3
 (f) Applicant's Schedule B-3.2
 (g) Columns (e) x (b)
 (h) Staff's Data Request No. 16 and Staff's Workpaper WPB - 3.1

STIPULATION

SCHEDULE C-1

Aqua Ohio, Inc.
Case No. 09-1044-VW-AIR
Proforma Operating Income Statement
For The Twelve Months Ending December 31, 2009

	Stipulated		Applicant
	Adjusted Revenues & Expenses (a)	Proforma Adjustments (b)	Proforma Revenues & Expenses (d)
		Proforma Revenues & Expenses (c)	
<u>Operating Revenues</u>			
Metered Sales	\$ 13,655,923	\$ 1,426,115	\$ 15,082,038
Unmetered Sales	509,167		509,167
Other Operating Revenues	633,906	10,979	644,885
Total Operating Revenues	14,798,996	1,437,094	16,236,090
<u>Operating Expenses</u>			
Operation and Maintenance	6,281,625	6,612	6,288,237
Depreciation and Amortization	1,734,742		1,734,742
Taxes, Other Than Income	3,849,494	67,940	3,917,434
Federal Income Taxes	560,221	463,264	1,023,485
Total Operating Expenses	12,426,082	537,816	12,963,898
Net Operating Income	\$ 2,372,914	\$ 899,278	\$ 3,272,192
Rate Base (e)	\$ 41,683,902		\$ 41,683,902
Rate of Return (f)	5.69%		7.85%
			8.63%

- (a) Staff's Schedule C-2
- (b) Staff's Schedule C-1.1
- (c) Columns (a) + (b)
- (d) Applicant's Schedule C-1
- (e) Staff's Schedule B-1
- (f) Net Operating Income / Rate Base

STIPULATION

SCHEDULE C-1.1

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Proforma Adjustments

(1) Stipulated Revenue Increase (a)	\$ 1,426,115
(2) Late Payment Revenue (1) x 0.769889% (b)	<u>10,979</u>
(3) Total Stipulated Revenue Increase (1) + (2)	\$ <u>1,437,094</u>
(4) Uncollectible Accounts Expense (3) x 0.460100% (c)	\$ <u>6,612</u>
(5) Ohio Gross Receipts Tax (d)	\$ <u>67,940</u>
(6) Federal Income Tax (e)	\$ <u>463,264</u>

- (a) Applicant's Schedule E-4
- (b) Staff's Schedule C-3.3
- (c) Staff's Schedule C-3.10
- (d) Staff's Schedule C-3.20b
- (e) Staff's Schedule C-4

STIPULATION

SCHEDULE C-2

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Adjusted Test Year Operating Income

	<u>Applicant</u>			<u>Staff</u>	
	<u>Test Year Revenues & Expenses</u>	<u>Adjustments</u>	<u>Adjusted Revenues & Expenses</u>	<u>Incremental Adjustments</u>	<u>Adjusted Revenues & Expenses</u>
	(a)	(b)	(c)	(d)	(e)
<u>Operating Revenues</u>					
Metered Sales Revenues	\$ 13,789,586	\$ (133,663)	\$ 13,655,923	\$	\$ 13,655,923
Unmetered Sales Revenue	509,440	(273)	509,167		509,167
Other Operating Revenues	462,890	132,897	595,787	38,119	633,906
Total Operating Revenues	14,761,916	(1,039)	14,760,877	38,119	14,798,996
<u>Operating Expenses</u>					
Purchased Water	291,362		291,362		291,362
Other Operation and Maintenance	6,558,584	223,245	6,781,829	(791,566)	5,990,263
Total Operation and Maintenance	6,849,946	223,245	7,073,191	(791,566)	6,281,625
Depreciation	1,997,358	(259,861)	1,737,497	(2,755)	1,734,742
Taxes, Other Than Income	3,802,462	7,791	3,810,253	39,241	3,849,494
Income Taxes	303,508	5,703	309,211	251,010	560,221
Total Operating Expenses	12,953,274	(23,122)	12,930,152	(504,070)	12,426,082
Net Operating Income	\$ 1,808,642	\$ 22,083	\$ 1,830,725	\$ 542,189	\$ 2,372,914

- (a) Applicant's Schedule C-2
(b) Applicant's Schedule C-3
(c) Columns (a) + (b)
(d) Staff's Schedule C-3
(e) Columns (c) + (d)

STIPULATION

SCHEDULE C-3

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Summary of Staff's Adjustments

	Staff's Adjustments (a)	Applicant's Adjustments (b)	Staff's Incremental Adjustments (c)
<u>Operating Revenues</u>			
C-3.1 Metered Sales	\$ (133,863)	\$ (133,863)	\$
C-3.2 Unmetered Sales	(273)	(273)	
C-3.3 Other Revenues	<u>171,016</u>	<u>132,897</u>	<u>38,119</u>
Total Revenue Adjustments	\$ <u>37,080</u>	\$ <u>(1,039)</u>	\$ <u>38,119</u>
<u>Operating Expenses</u>			
C-3.4 Labor Expense	\$ (53,090)	\$ 50,506	\$ (103,596)
C-3.5 Pension Expense	(231,209)	106,665	(337,874)
C-3.6 Postretirement Expense	(2,140)	(1,583)	(557)
C-3.7 Employee Insurance Expense	(41,476)	42,620	(84,096)
C-3.8 Operating Contract Expense	(69,300)	(15,259)	(54,041)
C-3.9 Miscellaneous Water Treatment Expense	(96,143)		(96,143)
C-3.10 Uncollectible Expense	(4,000)	9,242	(13,242)
C-3.11 Rate Case Expense	8,038	27,000	(18,962)
C-3.12 Tank Painting Expense	41,868	41,868	
Billing Expense		47,797	(47,797)
C-3.13 Purchased Water Expense	(13,618)	(13,618)	
C-3.14 Sludge Hauling Expense	(72,000)	(72,000)	
C-3.15 Natural Gas Expense	(23,890)		(23,890)
C-3.16 Lobbying Expense	(1,593)		(1,593)
C-3.17 Sundry Expense	(9,647)		(9,647)
C-3.18 Cell Phone Expense	<u>(128)</u>		<u>(128)</u>
Total O & M Expenses	(568,328)	223,238	(791,566)
C-3.19 Depreciation & Amortization	(262,616)	(258,861)	(2,755)
C-3.20 Taxes Other Than Income	47,032	7,791	39,241
C-3.21 Federal Income Taxes	<u>256,713</u>	<u>5,703</u>	<u>251,010</u>
Total Expense Adjustments	\$ <u>(527,199)</u>	\$ <u>(23,129)</u>	\$ <u>(504,070)</u>

- (a) Staff's Schedules C-3.1 Through C-3.21
(b) Applicant's Schedule C-3
(c) Columns (a) - (b)

STIPULATION

SCHEDULE C-3.3

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Other Operating Revenue Adjustment

System Improvement Revenue Adjustment

(1) Base Revenue (a)	\$ 14,165,090
(2) System Improvement Percentage (b)	<u>3.00%</u>
(3) Annualized System Improvement Revenue (1) x (2)	424,953
(4) Test Year System Improvement Charge (c)	<u>275,439</u>
(5) Adjustment (3) - (4)	\$ <u>149,514</u>

Other Miscellaneous Revenue Adjustment

(6) Adjusted Other Miscellaneous Revenue (d)	\$ 95,888
(7) Test Year Other Miscellaneous Revenue (c)	<u>74,669</u>
(8) Adjustment (6) - (7)	\$ <u>21,219</u>

Late Payment Adjustment

(9) Base Revenue (1)	\$ 14,165,090
(10) Annualized System Improvement Revenue (3)	424,953
(11) Adjusted Other Miscellaneous Revenue (6)	<u>95,888</u>
(12) Adjusted Revenue (9) + (10) + (11)	14,685,931
(13) Late Payment Rate (e)	<u>0.769889%</u>
(14) Late Payment Revenue (12) x (13)	113,065
(15) Test Year Late Payment Revenue (c)	<u>112,782</u>
(16) Adjustment (14) - (15)	\$ <u>283</u>
(17) Other Operating Revenue Adjustment (5) + (8) + (16)	\$ <u>171,016</u>

- (a) Applicant's Schedule E-4
(b) Calculated from Case No. 08-1239-WW-SIC
(c) Applicant's WPC-2.1a
(d) Staff Workpaper WPC-3.3a
(e) Staff Workpaper WPC-3.3b

STIPULATION

SCHEDULE C-3.4

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Labor Expense Adjustment

	<u>Lake Erie Division</u>	<u>Service Center</u>	<u>Total</u>
(1) Annualized Labor Expense (a)	\$ 1,699,634	\$ 1,144,635	
(2) Lake Erie Division Allocation (b)	<u>100%</u>	<u>34.61%</u>	
(3) Total Labor Annualized Expense (1) x (2)	1,699,634	398,158	
(4) O&M Allocation Percentage (b)	<u>86.60%</u>	<u>100.00%</u>	
(5) Total O&M Labor Expense (3) x (4)	1,471,883	396,158	1,868,041
(6) Test Year Expense (c)	<u>1,451,185</u>	<u>469,946</u>	<u>1,921,131</u>
(7) Labor Expense Adjustment (5) - (6)	\$ <u>20,698</u>	\$ <u>(73,788)</u>	\$ <u>(53,090)</u>

(a) Derived From Staff's Data Request No. 26

(b) Applicant's Schedule C-3.4

(c) Applicant's Schedule WPC-2.1a and WPC-2.1b

STIPULATION

SCHEDULE C-3.8

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Post Retirement Expense Adjustment

	<u>Lake Erie Division</u>	<u>Service Center</u>	<u>Total</u>
(1) Postretirement Expense (a)	\$ 83,000	\$ 83,000	
(2) Lake Erie Division / Service Center Allocation (a)	<u>30.93%</u>	<u>15.48%</u>	
(3) Lake Erie Division Postretirement Expense (1) x (2)	\$ 25,672	\$ 12,832	
(4) Lake Erie Division Allocation (a)	<u>91.83%</u>	<u>34.61%</u>	
(5) Total Lake Erie Division Postretirement Expense (3) x (4)	\$ 23,575	\$ 4,441	\$ 28,016
(6) O&M Expense Ratio (a)			<u>100.00%</u>
(7) O&M Postretirement Expense (5) x (6)			\$ 28,016
(8) Test Year Postretirement Expense (b)			<u>30,156</u>
(9) Adjustment (7) - (8)			\$ <u>(2,140)</u>

(a) Applicant's Schedule C-3.9

(b) Applicant's Schedule WPC-2.1a and WPC-2.1b

STIPULATION

SCHEDULE C-3.7

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Employee Insurance Expense Adjustment

	<u>Lake Erie Division</u>	<u>Service Center</u>	<u>Total</u>
(1) Hospitalization Expense net of Employee Contribution (a)	\$ 287,707	\$ 141,261	
(2) Lake Erie Division Allocation (b)	<u>91.83%</u>	<u>34.81%</u>	
(3) Lake Erie Division Hospitalization Expense (1) x (2)	\$ 264,201	\$ 48,890	\$ 313,091
(4) O&M Expense Ratio (b)			<u>100.00%</u>
(5) O&M Hospitalization Expense (3) x (4)		\$	313,091
(6) Test Year Hospitalization Expense (c)			<u>354,588</u>
(7) Adjustment (5) - (6)		\$	<u>(41,475)</u>

- (a) Derived from Staff's Data Request No. 26
(b) Applicant's Schedule C-3.8
(c) Applicant's Schedule WPC-2.1a and b

STIPULATION

SCHEDULE C-3.8

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Operating Contract Expense Adjustment

(1) Lake Erie Division Transportation Expense (a)	\$ 137,215
(2) Operating Contract Percentage (a)	<u>91.83%</u>
(3) Lake Erie Division Transportation (1) x (2)	126,005
(4) Test Year Expense (b)	<u>170,133</u>
(5) Transportation Adjustment (3) - (4)	(44,128)
(6) Lake Erie Division Workers Compensation Expense (c)	84,255
(7) Operating Contract Percentage (a)	<u>91.83%</u>
(8) Total Operating Contract Expense (6) x (7)	59,005
(9) Test Year Operating Contract Expense (b)	<u>84,177</u>
(10) Workers Compensation Adjustment (8) - (9)	(25,172)
(11) Total Operating Contract Adjustment (5) + (10)	\$ <u>(69,300)</u>

- (a) Staff's Data Request No. 9
(b) Applicant's Schedule WPC-2.1a
(c) Staff's Data Request No. 6

STIPULATION

SCHEDULE C-3.9

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Miscellaneous Water Treatment Expense Adjustment

(1) Adjusted Miscellaneous Treatment Expense (a)	\$ 247,549
(2) Test Year Miscellaneous Treatment Expense (b)	<u>343,692</u>
(3) Adjustment (1) - (2)	<u>\$ (96,143)</u>

- (a) Staff's Data Request Nos. 6 and 29 and Staff's Workpaper WPC-3.9 (less executive risk)
(b) Applicant's Schedule WPC-2.1a

STIPULATION

SCHEDULE C-3.11

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Rate Case Expense Adjustment

(1) Estimated Rate Case Expense (a)	\$ 149,494
(2) Amortization Period for Rate Case Expense (a)	<u>3</u>
(3) Annual Amortization of Rate Case Expense (1) / (2)	49,831
(4) Test Year Rate Case Expense (b)	<u>41,793</u>
(5) Adjustment (3) - (4)	\$ <u>8,038</u>

(a) Applicant's Updated Rate Case Expense

(b) Applicant's C-2.1a

STIPULATION

SCHEDULE C-3.17

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Sundry Expense Adjustment

(1) Elimination of Sundry Expenses (a)

\$ (9,647)

(a) Staff's Data Request No. 25 and Staff's Workpaper WPC-3.17

STIPULATION

SCHEDULE C-3.20

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Summary of Taxes Other Than Income Adjustments

	<u>Schedule Reference</u>	
(1) Property Taxes	C-3.20a	\$ 2,934,971
(2) Ohio Gross Receipts Tax	C-3.20b	699,225
(3) FICA Taxes	C-3.20c	156,457
(4) Federal Unemployment Taxes	C-3.20d	1,639
(5) State Unemployment Taxes	C-3.20e	2,371
(6) PUCCO & OCC Assessments	C-3.20f	22,224
(7) EPA Licenses Fee	C-3.20g	<u>32,807</u>
(8) Total Taxes Other Than Income Taxes (1) Thru (7)		3,849,494
(9) Test Year Taxes Other Than Income Tax (a)		<u>3,802,462</u>
(10) Adjustment (8) - (9)		\$ <u>47,032</u>

(a) Applicant's Schedule C-2.1

STIPULATION

SCHEDULE C-3.20

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Summary of Taxes Other Than Income Adjustments

	<u>Schedule Reference</u>	
(1) Property Taxes	C-3.20a	\$ 2,934,971
(2) Ohio Gross Receipts Tax	C-3.20b	669,225
(3) FICA Taxes	C-3.20c	156,457
(4) Federal Unemployment Taxes	C-3.20d	1,639
(5) State Unemployment Taxes	C-3.20e	2,371
(6) PUCO & OCC Assessments	C-3.20f	22,224
(7) EPA Licenses Fee	C-3.20g	<u>32,607</u>
(8) Total Taxes Other Than Income Taxes (1) Thru (7)		3,849,494
(9) Test Year Taxes Other Than Income Tax (a)		<u>3,802,462</u>
(10) Adjustment (8) - (9)		\$ <u>47,032</u>

(a) Applicant's Schedule C-2.1

STIPULATION

SCHEDULE C-3.20a

Aqua Ohio, Inc.
Case No. 09-1044-WWW-AIR
Calculation of Property Tax

(1) Jurisdictional District Plant & Service at 3/31/09 (a)	\$ 87,180,485
(2) Material & Supplies (b)	285,228
(3) Less OWDA Property - Non Taxable (b)	<u>(7,164,558)</u>
(4) Total Property (1) Thru (3)	80,301,155
(5) Assessment Valuation Percentage (c)	<u>36.96%</u>
(6) Assessed Property @ 3/31/09 (4) x (5)	29,679,307
(7) Average Property Tax Rate - Per \$1,000 (c)	<u>98.70</u>
(8) Jurisdictional District Property Tax (6) x (7)	2,929,348
(9) Jurisdictional Corporate Property Tax (d)	<u>5,623</u>
(10) Total Lake Erie Divion Property Tax (8) + (9)	\$ <u>2,934,971</u>

(a) Staff's Schedule B-2.1

(b) Applicant's Schedule WPC-3.16a

(c) Staff's Data Request No. 34 and Staff's Workpaper WPC-3.20a

(d) Most Recent Corporate Office Property Tax Bill Times Lake Erie Allocation Factor (\$16,766 x 33.54%)

STIPULATION

SCHEDULE C-3.20b

Aqua Ohio, Inc.
Case No. 09-1044-VWV-AIR
Calculation of Ohio Gross Receipts Taxes

	<u>Adjusted Operating Income</u>	<u>Performa Operating Income</u>
(1) Adjusted Operating Revenue (a)	\$ 14,798,898	\$ 16,236,090
(2) Less: Uncollectible Accounts Expense (1) x 0.460100% (b)	88,090	74,702
(3) Less: Sales to Governmental Facilities (1) x .011430% (c)	1,692	1,856
(4) Less: Statutory Exemption \$25,000 x 34.75% (d)	<u>8,688</u>	<u>8,688</u>
(5) Net Taxable Revenue	14,720,527	16,150,845
(6) Tax Rate	<u>4.75%</u>	<u>4.75%</u>
(7) Ohio Gross Receipts Tax	<u>\$ 699,225</u>	<u>\$ 767,165</u>

(a) Staff's Schedule C-1

(b) Staff's Schedule C-3.10

(c) Derived from Staff's Data Request 36

(d) Derived from Staff's Data Request 36, (\$14,767,798 / \$42,495,877)

STIPULATION

SCHEDULE C-3.20c

Aqua Ohio, Inc.
Case No. 09-1044-WMAIR
Calculation of FICA Taxes

(1) Adjusted O&M Labor Expense (a)	\$ 2,095,792
(2) O&M Wages not Subject to OASDI Taxes (b)	<u>50,604</u>
(3) O&M Wages Subject to OASDI Taxes (1) - (2)	2,045,187
(4) OASDI Taxes (3) x .0620	126,802
(5) Health Insurance Taxes (1) x .0146	<u>29,655</u>
(6) FICA Taxes (4) + (5)	<u>\$ 156,457</u>

	<u>Lake Erie</u>	<u>Corn</u>	<u>Total</u>
Annual Salary (c)	\$ 1,699,634	\$ 1,144,635	
Incentive Compensation	<u>0</u>	<u>0</u>	
Total	1,699,634	1,144,635	
Payroll Subject to Social Security (d)	<u>1,693,197</u>	<u>1,014,527</u>	
Payroll Not Subject to Social Security	6,437	130,108	
Lake Erie Division Allocation Percentage (a)	<u>100.00%</u>	<u>34.61%</u>	
Lake Erie Division Wages	6,437	45,030	
O&M Percentage (a)	<u>88.60%</u>	<u>100.00%</u>	
O&M Wages Not Subject to FICA	<u>\$ 5,574</u>	<u>\$ 45,030</u>	<u>\$ 50,604</u>

- (a) Staff's Schedule C-3.4 (\$1,701,159 + \$392,247)
 (b) Applicant's Schedule WPC-3.18
 (c) Derived from Staff's Schedule C-3.4
 (d) Derived from Staff's Data Request No. 26

STIPULATION

SCHEDULE C-3.20d

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of Federal Unemployment Taxes

	<u>Lake Erie Division</u>	<u>Service Center</u>	<u>Total</u>
(1) Number of Employees (a)	30	14	
(2) Taxable Wages (1) x \$7,000	\$ 210,000	\$ 98,000	
(3) Lake Erie Division Allocation (b)	<u>94.00%</u>	<u>34.81%</u>	
(4) Lake Erie Division Taxable Wages (2) x (3)	197,400	33,918	
(5) O&M Allocation Percentage (a)	<u>86.60%</u>	<u>100.00%</u>	
(6) O&M Taxable Wages (4) x (5)	\$ 170,948	\$ 33,918	\$ 204,866
(7) Tax Rate			<u>0.8%</u>
(8) Federal Unemployment Tax (6) x (7)			<u>\$ 1,639</u>

- (a) Derived from Staff's Data Request No. 26
(b) Applicant's Schedule WPC-3.18a

STIPULATION

SCHEDULE C-3.20a

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Calculation of State Unemployment Taxes

	<u>Lake Erie Division</u>	<u>Service Center</u>	<u>Total</u>
(1) Number of Employees (a)	30	14	
(2) Taxable Wages (1) x \$9,000	\$ 270,000	\$ 126,000	
(3) Lake Erie Division Allocation (b)	<u>94.00%</u>	<u>34.61%</u>	
(4) Lake Erie Division Taxable Wages (2) x (3)	\$ 253,800	\$ 43,609	
(5) O&M Allocation Percentage (a)	<u>86.60%</u>	<u>100.00%</u>	
(6) O&M Taxable Wages (4) x (5)	\$ 219,791	\$ 43,609	\$ 263,400
(7) Tax Rate			<u>0.9%</u>
(8) State Unemployment Tax (6) x (7)			<u>\$ 2,371</u>

(a) Staff's Data Request No. 28

(b) Applicant's Schedule WPC-3.18b

STIPULATION

SCHEDULE C-3.21

Aqua Ohio, Inc.
Case No. 09-1044-WW-AIR
Federal Income Tax Expense Adjustment

(1) Adjusted Federal Income Taxes (a)	\$ 560,221
(2) Test Year Income Taxes (b)	<u>303,508</u>
(3) Adjustment (1) - (2)	\$ <u>256,713</u>

- (a) Staff's Schedule C-4
(b) Applicant's Schedule C-2

STIPULATION

SCHEDULE C-4

Aqua Ohio, Inc.
Case No. 09-1044-VWW-AIR
Calculation of Federal Income Taxes

	Adjusted Operating Income	Proforma Operating Income
(1) Operating Income Before FIT (a)	\$ 2,933,135	\$ 4,295,677
<u>Reconciling Items:</u>		
(2) Interest Charges (b)	(1,267,191)	(1,267,191)
(3) Book Depreciation (c)	1,734,742	1,734,742
(4) Tax Accelerated Depreciation (d)	3,083,483	3,083,483
(5) Excess of Tax Over Book Depreciation (3) - (4)	(1,348,741)	(1,348,741)
<u>Other Reconciling Items:</u>		
(6) Pension Expense (e)	253,148	253,148
(7) Tank Painting Expense (f)	297,560	297,560
(8) Total Other Reconciling Items (6) + (7)	550,708	550,708
(9) Total Reconciling Items (2)+(5)+(8)	(2,065,224)	(2,065,224)
(10) Federal Taxable Income (1) + (9)	867,911	2,230,453
<u>Federal Income Taxes:</u>		
(11) First \$17,305 x 15%	2,596	2,596
(12) Next \$8,653 x 25%	2,163	2,163
(13) Next \$8,653 x 34%	2,942	2,942
(14) Next \$81,334 x 39%	31,720	31,720
(15) Next \$3,345,057 x 34%	255,869	718,933
(16) Next \$1,730,500 x 35%		
(17) Next \$1,153,667 x 38%		
(18) Excess of Taxable Income Over \$6,346,167 x 35%		
(19) Federal Income Taxes - Line (11) Through (18)	295,090	758,354
<u>Deferred Income Taxes:</u>		
(20) Tax Accelerated Depreciation (d)	3,083,483	3,083,483
(21) Tax Straight Line Depreciation (d)	1,678,846	1,676,846
(22) Excess of Tax Accelerated over Tax S/L Deprec. (20) - (21)	1,406,637	1,406,637
(23) Deferred @ 34.00% (g)	478,257	478,257
(24) Investment Tax Credit Utilized		
<u>Other Deferred Taxes:</u>		
(25) Amortization of Prior Years ITC (h)	(20,378)	(20,378)
(26) Other Reconciling Items (8) X 35%	(192,748)	(192,748)
(27) Total Other Deferred Taxes (25) + (26)	(213,126)	(213,126)
(28) Total Deferred Taxes (23) + (24) + (27)	265,131	265,131
(29) Total Federal Income Taxes (19) + (28)	\$ 560,221	\$ 1,023,485

- (a) Staff's Schedule C-1
 (b) Staff's Schedule B-1, \$41,421,359 x 0.0304, Weighted Cost of Debt
 (c) Staff's Schedule B-3.2
 (d) Applicant's C-4
 (e) Staff's Schedule C-3.5
 (f) Staff's Schedule C-3.12
 (g) Line 19/ Line 10

P.U.C.O. TARIFF NO. 1

DIVISION A - MEASURED OR METERED SERVICE RATE SCHEDULE

CUSTOMER CHARGE PER MONTH

	Per Month
Customer Charge for a 5/8" meter.....	\$9.21
Customer Charge for a 5/8" x 3/4" meter.....	\$9.21
Customer Charge for a 1" meter.....	\$17.18
Customer Charge for a 1-1/2" meter.....	\$33.83
Customer Charge for a 2" meter.....	\$56.50
Customer Charge for a 3" meter.....	\$122.40
Customer Charge for a 4" meter.....	\$214.47
Customer Charge for a 6" meter.....	\$477.81

VOLUMETRIC RATES

	Per 10 Cu. Ft.
For the first 2,000 cubic feet or any part thereof per month	\$0.33994
For the next 8,000 cubic feet per month	\$0.28605
For all consumption over 10,000 cubic feet per month	\$0.26600

Per 100 Gallon

For the first 14,960 gallons or any part thereof per month	\$0.45446
For the next 59,840 gallons per month	\$0.38242
For all consumption over 74,800 gallons per month	\$0.35581

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	\$0.45446
Next 59,840 Gallons	\$0.38242
Over 74,800 Gallons	\$0.35581

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

EXHIBIT

tabbies

Aqua Ohio, Inc.
Lake Erie Division

Section 4-1
Seventh Revised Sheet No. 2
Canceling Sixth Revised Sheet No. 2

P.U.C.O. TARIFF NO. 1

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	\$38.24

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

Section 4-2
Fourth Revised Sheet No. 1
Canceling Third Revised Sheet No. 1

P.U.C.O. TARIFF NO. 1

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..... \$38.00

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

Section 4-3
Fourth Revised Sheet No. 1
Canceling Third Revised Sheet No. 1

P.U.C.O. TARIFF NO. 1

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	\$36.00
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:

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

Section 4-3
First Revised Sheet No. 2
Cancelling Original Sheet No. 2

P.U.C.O. TARIFF NO. 1

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

P.U.C.O. TARIFF NO. 1

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.....	\$9.21
Customer Charge for a 5/8" x 3/4" meter	\$9.21
Customer Charge for a 1" meter.....	\$17.18
Customer Charge for a 1 1/2" meter.....	\$33.63
Customer Charge for a 2" meter.....	\$56.50
Customer Charge for a 3" meter.....	\$122.40
Customer Charge for a 4" meter.....	\$214.47
Customer Charge for a 6" meter.....	\$477.81

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	0.311890	0.130170	\$0.44206
For the next 8,000 cubic feet per month	0.301010	0.130170	\$0.43118
For all consumption over 10,000 cubic feet per month	0.135830	0.130170	\$0.26600

			Per 100 Gallon
For the first 14,960 gallons or any part thereof per month	0.416970	0.174020	\$0.59099
For the next 59,840 gallons per month	0.402420	0.174020	\$0.57844
For all consumption over 74,800 gallons per month	0.181590	0.174020	\$0.35561

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

Section 4-4
Fourth Revised Sheet No.2
Canceling Third Revised Sheet No.2

P.U.C.O. TARIFF NO. 1

DIVISION B -PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

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

AUTOMATIC SPRINKLERS

Size of Connection	Per Month
2"	\$40.58
4"	\$59.42
6"	\$81.10

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-AJR

AQUA OHIO, INC.

**762 W. Lancaster Avenue
Bryn Mawr, PA 19010**

SUMMARY OF CUSTOMER RIGHTS AND OBLIGATIONS

DEAR CUSTOMER:

As an Aqua Ohio, Inc. customer, you have certain rights and obligations, which are summarized below. We suggest you keep this for future reference. We are pleased to have you as our customer, and it is our intent to always provide you with a safe and dependable water service.

- (1) You have the right to have any inquiry or complaint handled courteously and promptly by the Company. An inquiry or complaint can be made to the Company either in writing to 762 W. Lancaster Ave., Bryn Mawr, PA 19010 or by calling 877.987.2782. The Company shall investigate each complaint in a fair and complete manner and report the results to the customer, either orally or in writing, within ten business days after the date of the receipt of the complaint. If your complaint is not resolved after you have called Aqua Ohio, or for general utility information, residential and business customers may contact the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll free) or for TTY at 1-800-686-1570 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.puco.ohio.gov. Residential customers may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at 1-877-742-5622 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.pickoec.org.
- (2) Installation of Service Lines-

 - (A) The application for the installation of a Company service line must state the uses, to which the water is to be applied, and the correct lot and street number or other complete identification of the premises to be supplied.
 - (B) The application for installation of a Company service line will be accepted subject to the condition that there shall be a water main fronting the premises to be served. When such condition does not exist, it will be necessary for the applicant first to enter into a main extension agreement with the Company pursuant to the provisions contained in Section 3-7 of the Company's Master Tariff (Tariff), entitled "Extension of Mains".
 - (C) A Company service line may not be used to supply more than one premise, except as provided in paragraph 3, Section 3 - 6 of the Tariff.
 - (D) Service lines shall be installed to provide for inside meter settings, except in special cases where the Company has approved outside meter settings.
 - (E) The curb stop or outside meter vault shall be installed at a place designated by the Company between the curb line and the property line.
 - (F) Curb stops or valves in the Company's service lines are for the exclusive use and under the exclusive control of the Company.

- (G) The customer service line is the water line and related facilities from the Company service line to the premises to be served. The customer shall at his expense install, maintain and repair the customer service line. When a leak in the customer service line is discovered, the Company shall give the customer fourteen (14) days written notice of disconnection. Within such time, the customer must make repairs. However, if the leak in the customer service line, in the opinion of the Company, is considered an emergency, no notice of disconnection shall be required.
- (H) If a Company service line is to be installed where any portion of the line must pass through property not owned by the customer, the customer must assume full responsibility for acquiring the right to pass through such property.
- (I) When the installation of a customer service line has been completed, the customer shall leave the service line turned off.
- (J) The customer service line shall be laid at a depth of not less than four and one-half feet nor more than five feet below ground level. The service line shall be not less than 1-inch nominal size and shall be either "Type K" copper tubing or other Company-approved water pipe.
- (K) The customer service line may be laid in a separate trench or it may be laid on a ledge on either side of the sewer trench. Said ledge shall be cut into the sewer trench so as to provide a shelf six inches wide of solid firm soil for the entire length of the pipe. The customer shall leave the trench open and pipe uncovered until it is inspected and approved by the Company representative.
- (L) The Company service line is the water line and related facilities from the water main to and including the curb stop at or near the property line. The Company service line shall be owned, operated and maintained by the Company.
- (M) Service line installation work shall be performed in accordance with specifications and requirements of the Company. All costs of material and installation required to serve applicant's lot shall be the responsibility of the applicant (see exception below) and the applicant shall contract directly with a pre-qualified contractor, recognized and approved by the Company for all service line installation work. The Company will only pay for costs of residential service lines from the main to a shut-off at or near the curb when one (or both) of the following criteria exist: a) the main extension was in service at 12/31/03 and/or b) the applicant for service was previously served by an individual well. Where a service line is to be installed in a paved or improved street, the cost of removing and replacing the street surface shall also be paid by the customer. In no event shall these provisions require anything more than reimbursement to the Company of the actual out-of-pocket cost of connecting the service.

(3) Bills and Payments for Service-

- (A) The customer is liable for the payment of all water and water service supplied to his/her premise.

- (B) All bills for charges due to the Company shall be paid to the remittance address provided, or to any duly authorized agent of the Company.
- (C) Bills will be mailed or delivered at the address of the premises served, unless the customer shall, in writing, request that they be sent to some other address specified, but failure to receive a bill shall not relieve the customer from the obligation to pay the same when due. Residential bills for water service become delinquent not less than fifteen (15) days after the billing date thereof. Non-residential bills for water service become delinquent not less than twenty-one (21) days after the billing date thereof. Water service may be shut off not less than fourteen (14) days after the Company mails a disconnection notice informing the customer of the delinquent bill.
- (D) The late payment fee will not be charged if mailed on or before the past due date indicated on the bill. The post office date stamped by the sending office will determine the mailing date of the payment. The envelope in which such payment has been mailed may be preserved by the Company; and where payment is made after the past due date, the Company may credit the amount enclosed to the customer's account and add the late fee.
- (E) The past due date of the customer's bill will be automatically extended to include the first full business day following a Saturday, Sunday or a legal holiday.
- (F) In case a customer files a written objection to any bill on or prior to the past due date of the bill, the Company will accept payment of the net bill within five (5) days after the customer has been notified of the result of the Company's investigation made in response to the complaint.
- (G) Bills for water service (except final bills on discontinuance of service) may be rendered monthly, but shall be rendered at least quarterly, and in the case of metered service shall show the quantity of water used as the billing basis for the period for which the bill is rendered.
- (H) In cases in which a meter cannot be read, whatever the cause, the Company may require a payment on account equal to a representative charge for a period of similar length for service rendered to the same premises, or if that cannot be ascertained, then to similar premises.
- (I) A customer desiring water service to be discontinued temporarily to a premises used or occupied for only part of the year shall so notify the Company. Such premises save and except public playgrounds, educational buildings and facilities, boulevards, and open spaces being furnished water service solely for lawn sprinkling or other irrigation purposes, shall, however, remain subject to continuous year-round charges at tariff rates.
- (J) At such time as the Company is notified of the change in tenancy or ownership, requiring the filing of a new application for water service, whether such notice is given by the customer or a third party, the Company shall make a final meter reading and shall render a final billing. The customer shall be liable for said final bill. Upon rendering of the final bill, the service contract shall be terminated. Service to the premises will not be restored until payment of such bill, or

application made by a new customer. Other occupants of the premises shall not be held liable for the payment of the water service contract between the Company and the person whose name the service is in, if the person whose name the service is in vacates the premises.

- (K) Bills rendered upon termination of the contract must be paid on or before the past due date indicated on the bill. When not so paid, the past due amount becomes due and payable.
- (4) The Company may discontinue all or any part of its service to a customer as stated below. In an instance where a customer's service could be disconnected under more than one of the following conditions, the minimum notice provision, which may include no notice, will be provided.
 - (A) No notice is required in any of the following instances:
 - (1) For tampering with any main, service line, meter, curb stop, curb box, seal or other appliance under the control of or belonging to, the Company;
 - (2) For connecting the service line, or any pipe directly or indirectly connected therewith, with any other source of supply or with any apparatus which may, in the opinion of the Company, contaminate the Company's water supply; or
 - (3) For any violation, or failure to comply with, the regulations of the Company which may, in the opinion of the Company or any public authority, create an emergency situation.
 - (B) The customer must be given not less than 24 hours written notice before service is disconnected when any of the following conditions exist:
 - (1) For the use of water for any other purpose or upon any premises not stated in the application; or
 - (2) To prevent waste or reasonably avoidable loss of water.
 - (C) The customer must be given not less than fourteen (14) days written notice before service is disconnected when any of the following conditions exist:
 - (1) For non-payment of any tariffed charges when due or within any additional period for payment permitted by the Company or for not making a deposit as required. Disconnection of service for non-payment may not occur prior to fourteen days after the due date;
 - (2) For any violation of, or failure to comply with, the regulations of the Company other than stated in Paragraph 4. (A) above;
 - (3) For misrepresentation in the applications to any material fact;
 - (4) For denial to the Company of reasonable access to the premises for the purpose of inspection; or

(5) For violation of federal, state or local laws or ordinances where such violation affects the provision of utility service by the Company.

(D) The Company may require a customer to make a deposit or an additional deposit on an account, as set forth in Chapter 4901:1-17 of the Ohio Administrative Code, to reestablish creditworthiness. The customer may also reestablish creditworthiness and service by providing a guarantor, as set forth in Rule 4901:1-15-28 and Chapter 4901:1-17 of the Ohio Administrative Code.

(E) The Company shall reconnect previously disconnected service, unless prevented by circumstances beyond the Company's control, or unless a customer requests otherwise, by the close of the following regular Company business day after any of the following:

- (1) Receipt by the Company of the full amount of arrears for which service was disconnected, including any required deposit or reconnection charge; or
- (2) Agreement by the Company and the customer on a deferred payment plan and a payment, if required under the plan; and
- (3) The elimination of conditions that warranted disconnection of service.

(F) If service is discontinued and the customer wishes to guarantee reinstatement of service the same day on which payment is rendered, both of the following conditions apply:

- (1) If reinstatement of service is requested the same day, the customer must notify the Company no later than 12:30 p.m., and the customer must make payment to a duly authorized agent or provide proof of payment; and
- (2) The Company may require that the customer sign an agreement to pay the Company's reconnection fee if it occurs after normal Company business hours. This fee shall be collected at the time reinstatement of service arrangements are made or rendered with the customer's next billing at the Company's discretion.

(G) The Company may not insist upon payment of any current bill, excluding any reconnection charge, before restoring service unless that bill is more than fourteen days past due.

(H) The Company's employees who normally perform the termination of service can advise the customer of the conditions to be met to avoid disconnection, and refer the customer to the person(s) to contact at the Company's office.

(I) Disconnection of service for nonpayment is prohibited if the disconnection of service would be especially dangerous to the health as certified pursuant to the following provisions:

- (1) The customer must have a form provided by the Company signed by a licensed physician, physician assistant, clinical nurse specialist, certified nurse practitioner, certified midwife or local board of health physician stating that a special danger exists to the health of the customer or permanent resident of the household.

- (2) In the event that service has been disconnected within twenty one days prior to certification of special danger to health, service shall be restored to that resident if the proper certification is made, in accordance with the foregoing provisions.
- (3) Certifications shall prohibit disconnection for thirty days. Certification may be renewed two additional times (thirty days each) by a licensed physician, physician assistant, clinical nurse specialist, certified nurse practitioner, certified midwife or local board of health physician by providing an additional certificate to the Company. The total certification period is not to exceed ninety days in any twelve-month period.
- (J) Service may not be refused or disconnected to any customer or refused to any applicant for service for any of the following reasons:
 - (1) Failure to pay for service furnished to a customer(s) formerly receiving service at the premises, unless the former customer(s) continues to reside at the premises.
 - (2) Failure to pay for a class of service different from the service provided for the account in question.
 - (3) Failure to pay any amount which, according to established payment dispute and resolution procedures, is in bona fide dispute.
 - (4) Failure to pay any charge not specified in the Company's Tariff.
- (5) The Company shall perform either an on-site or bench meter test once every three years, without charge, if requested by the customer. The meter test shall be performed within thirty days from the request. The Company may request a reasonable justification for a meter test. Results of an on-site meter test shall be provided to the customer at the time of the test. Should the on-site meter test indicate primary meter inaccuracy, the primary meter shall be removed and bench tested in accordance with the accuracy standards set forth in paragraph (B)(1) of Rule 4901:1-15-19 of the Ohio Administrative Code. If an on-site meter test is conducted or, if the primary meter is removed for off-site testing, the Company shall provide the customer the test results and any associated billing adjustments in writing. If the primary meter fails to meet the accuracy standards, the Company shall, within thirty days, perform any necessary billing adjustments. Additional customer requested meter tests within a three-year period shall be at the expense of the customer if the meter is found to be accurate. The customer may request that a meter test be performed in the presence of a staff member of the Commission or his representative. The customer also has the right to be present when the test is performed.
- (6) Aqua Ohio, Inc. will establish a residential customer's creditworthiness, as set forth in the Chapter 4901:1-17 of the Ohio Administrative Code. In accordance with PUCO rules, Aqua Ohio, Inc. may require new customer to establish financial responsibility prior to receiving service. Financial responsibility may be established if: (a) the applicant owns the property being served or other real estate in the service territory and has demonstrated financial responsibility; or (b) the applicant demonstrates that he or she is a satisfactory credit risk; or (c) the applicant demonstrates that he or she had water service with another water utility within a period of twenty-four consecutive months preceding the date of the application, unless that utility's records indicate that the applicant's service was disconnected for nonpayment during the last twelve consecutive months of service or the applicant had

received two consecutive bills with past due balances during that twelve-month period. When an applicant requests a copy of his or her payment history to satisfy this requirement the Company shall provide a customer, at his or her written request, written information reflecting the customer's payment history. The Company shall provide this information within five business days of this request; or (d) the customer provides a guarantor; or (e) the customer provides a security deposit. If a deposit is required, it will not be an amount in excess of one-twelfth of the estimated charge for all regulated service provided by the Company for the ensuing 12 months plus 30% of the monthly estimated charge. The Company will pay interest at the rate of three percent per annum. The Company shall not be required to pay interest on a deposit held less than 180 days. Deposit will be refunded with interest upon establishment of financial responsibility, as set forth in Chapter 4901:1-17 of the Ohio Administrative Code. If a guarantor is provided rather than a deposit, the guarantor will be released as set forth in Chapter 4901:1-17 of the Ohio Administrative Code.

- (7) The customer has the right to see a proper Company photo identification whenever Company employees or agents seek access to the customer's premises, and state the reason for the visit.
- (8) The customer has the right to examine the Company's rates, rules and regulations which are available for review upon request at the Company's office or at the office of the PUCO.
- (9) The customer has the right to examine the comprehensive set of Standards for Waterworks Companies that the PUCO has adopted. These new standards are available from the Commission or are available for your review upon request at the Company's office.

Aqua Ohio, Inc.
Lake Erie Division

Section 7
Addendum to the Tariff

P.U.C.O. TARIFF NO. 1

Aqua Ohio, Inc.
PO Box 281 • Struthers, OH 44471
Address Service Requested

Billing Date
03/17/10

Account Number
--

Service Address: --

Service From	Service Days	Amount Due By	Amount Due After
01/13/10 to 03/10/10	56	04/08/10 \$ 58.81	04/08/10 \$ 61.36

Prev. Read	Curr. Read	Consumption	Amount	Code
51400 A	52900 A	1,500 CU. FT.	\$ 9.99	CC
			\$ 40.88	W
			\$ 1.71	SI
			\$ 6.13	PF

1,500 CU. FT. = 11,220 gallons

Keep Top Portion 5% Late Fee After Due Date 122049 PC-

Front of Bill

By 04/08 \$ 58.81 After 04/08 \$ 61.36 ***** S=28283 1up=840185

**Auto

FIRST-CLASS
MAIL
PRESORTED
US POSTAGE
PAID
AQUA

If you have questions about your water bill or service, please contact us at:

Tel: 877-987-2782 Email: custserv@aquaaamerica.com
Fax: 866-780-8292 Pay by Phone for a fee call: 1-866-269-2906

We welcome the opportunity to work with you and will do our best to answer your questions. If your complaint is not resolved after you have called Aqua Ohio, or for general utility information, residential and business customers may contact the Public Utilities Commission of Ohio (PUCO) for assistance at 1-800-686-7826 (toll free) or for TTY at 1-800-686-1570 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.puco.ohio.gov.

Residential customers may also contact the Ohio Consumers' Counsel (OCC) for assistance with complaints and utility issues at 1-877-742-5622 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.pickocc.org.

Rate Schedule Furnished Upon Request.
This bill may also be paid at an authorized Western Union agency.

Back of Bill

Send This Portion with Your Payments to: Aqua Ohio, Inc., PO Box 281, Struthers, OH 44471

Checks must be postmarked prior to past due date or the late fee must be added.
Please DO NOT mail cash. Please DO NOT use staples or paperclips.

EXPLANATION OF CODES:

A - Actual	FS - Fire Service	SC - Service Charge
C - Customer Reading	MC - Minimum Charge	SI - SIC Charge
CC - Customer Charge	MS - Miscellaneous	SO - Swapout Meter
CR - Credit	P - Previous Balance	SR - Surcharge
D - Deposit	PF - Public Fire Protection	SW - Sewer Rate Code
DM - Deduct Meter	PN - Penalty	TC - Turn-On Charge
E - Estimate	S - Sewer	W - Water
FH - Fire Hydrant		



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
RATES FOR CUSTOMERS IN THE FORMER NORLICK PLACE WATER COMPANY
IMPORTANT NOTICE ABOUT YOUR WATER RATES

Dear Customer:

On December 11, 2009 the Company filed an Application (Case No. 09-1044-WW-AIR) with the Public Utilities Commission of Ohio to increase rates. The increase is to recover the increased capital improvements and operating and maintenance expenses incurred since the current rates were established in May 2008. The PUCO granted an increase of (\$1,437,094 or 51.1% of the company total request) on Xxx xx, 2010. The new rates will be effective for service rendered on or after Xxx xx, 2010.

	<u>Old Rate</u>	<u>New Rate</u>
Flat Rate Monthly	\$30.00	\$36.00

- Dishonored Payment Charge increases from \$16.33 to \$21.37.
- Reconnection Fee increases from \$43.00 to \$48.28 during business hours and from \$130.00 to \$135.60 for other than regular business hours.
- Account Activation Charge increases from \$21.00 to \$25.57.

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

EXHIBIT

tabbles

3

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

Dear Customer:

On December 11, 2009 the Company filed an Application (Case No. 09-1044-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 May 2008. The PUCO granted an increase of (\$1,437,094, or 51.1% of the company total request) on Xxxx xx, 2010. The new rates will be effective for service rendered on or after Xxx xx, 2010. The average residential bill will increase from \$30.94 to \$34.19 (based on 735 CF of consumption) per month.

<u>Monthly Volume Used</u>	<u>Per 10 CF Rate</u>		<u>Size</u>	<u>Monthly Customer Charge</u>	
	<u>Old Rate</u>	<u>New Rate</u>		<u>Old Rate</u>	<u>New Rate</u>
First 2,000 cu.ft.	\$29971	\$33994	5/8"	\$8.00	\$9.21
Next 8,000 cu.ft.	\$25475	\$28605	5/8 x 1/4"	\$8.00	\$9.21
Over 10,000 cu.ft.	\$23977	\$26600	1"	\$15.37	\$17.18
			1-1/2"	\$30.61	\$33.63
			2"	\$51.79	\$56.50
			3"	\$112.82	\$122.40
			4"	\$198.08	\$214.47
			6"	\$441.96	\$477.81

<u>Private Fire Hose Connection</u>	<u>Old Rate</u>	<u>New Rate</u>	<u>Private Fire Automatic Sprinkler</u>	<u>Old Rate</u>	<u>New Rate</u>
1-1/4" hose connection	\$1.65	\$2.20	2"	\$4.25	\$5.73
1-1/2" hose connection	\$2.38	\$3.18	4"	\$16.97	\$22.67
2" hose connection	\$4.23	\$5.65	6"	\$38.24	\$51.08
2-1/2" hose connection	\$6.63	\$8.86			
Private Fire Hydrants	\$38.24	\$38.24			

- Dishonored Payment Charge increases from \$16.33 to \$21.37.
- Reconnection Fee increases from \$43.00 to \$48.28 during business hours and from \$130.00 to \$135.60 for other than regular business hours.
- Account Activation Charge increases from \$21.00 to \$25.57.

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

AQUA OHIO, INC.
LAKE ERIE DIVISION
RATES FOR CUSTOMERS IN THE FORMER LAKE ERIE EAST DIVISION
IMPORTANT NOTICE ABOUT YOUR WATER RATES

Dear Customer:

On December 11, 2009 the Company filed an Application (Case No. 09-1044-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 May 2008. The PUCO granted an increase of (\$1,437,094, or 51.1% of the company total request) on Xxxx xx, 2010. The new rates will be effective for service rendered on or after Xxxx xx, 2010. The average residential bill will decrease from \$33.01 to \$32.86 (based on 535 CF of consumption) per month.

<u>Monthly Volume Used</u>	<u>Per 10 CF Rate</u>		<u>Size</u>	<u>Monthly Customer Charge</u>	
	<u>Old Rate</u>	<u>New Rate</u>		<u>Old Rate</u>	<u>New Rate</u>
			5/8"	\$9.25	\$9.21
			5/8 x 1/4"	\$9.25	\$9.21
First 2,000 cu.ft.	\$42627	\$44206	1"	\$17.78	\$17.18
Next 8,000 cu.ft.	\$40127	\$43118	1-1/2"	\$35.40	\$33.63
Over 10,000 cu.ft.	\$25607	\$26600	2"	\$59.88	\$56.50
			3"	\$130.44	\$122.40
			4"	\$229.03	\$214.47
			6"	\$511.02	\$477.81

<u>Private Fire Hose Connection</u>	<u>Old Rate</u>	<u>New Rate</u>	<u>Private Fire Automatic Sprinkler</u>	<u>Old Rate</u>	<u>New Rate</u>
1-1/4" hose connection	\$12.99	\$13.37	2"	\$39.38	\$40.56
1-1/2" hose connection	\$16.52	\$17.01	4"	\$57.69	\$59.42
2" hose connection	\$20.08	\$20.68	6"	\$78.74	\$81.10
2-1/2" hose connection	\$23.60	\$24.30			
Private Fire Hydrants	\$47.29	\$48.70			

- Dishonored Payment Charge increases from \$16.33 to \$21.37.
- Reconnection Fee increases from \$43.00 to \$48.28 during business hours and from \$130.00 to \$135.60 for other than regular business hours.
- Account Activation Charge increases from \$21.00 to \$25.57.

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

AQUA OHIO, INC.
LAKE ERIE DIVISION
RATES FOR CUSTOMERS IN THE FORMER SENECA UTILITIES, INC. WATER
COMPANY
IMPORTANT NOTICE ABOUT YOUR WATER RATES

Dear Customer:

On December 11, 2009 the Company filed an Application (Case No. 09-1044-WW-AIR) with the Public Utilities Commission of Ohio to increase rates. The increase is to recover the increased capital improvements and operating and maintenance expenses incurred since the current rates were established in May 2008. The PUCO granted an increase of (\$1,437,094, or 51.1% of the company total request) on Xxx xx,2010. The new rates will be effective for service rendered on or after Xxxx xx, 2010.

<u>Flat Rate</u> <u>Monthly</u>	<u>Old</u> <u>Rate</u>	<u>New</u> <u>Rate</u>
Residential	\$30.00	\$36.00
Commercial	\$38.57	\$49.00
Availability	\$5.73	\$0.00
Yard Hydrant	\$10.73	\$11.05

- Dishonored Payment Charge increases from \$16.33 to \$21.37.
- Reconnection Fee increases from \$43.00 to \$48.28 during business hours and from \$130.00 to \$135.60 for other than regular business hours.
- Account Activation charge increase from 21.00 to \$25.57.

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