

FILE

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Ohio American Water Company to)
Increase its Rates for Water and Sewer)
Service Provided to its Entire Service)
Area)

Case No. 11-4161-WS-AIK

PUCO

2012 MAR 19 PM 2:59

RECEIVED-SOCKETING DIV

PREPARED TESTIMONY
OF
CLIFFORD T. EVANS, P.E.

FACILITY AND OPERATIONS FIELD DIVISION
SERVICE MONITORING AND ENFORCEMENT DEPARTMENT

SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO

STAFF EXHIBIT__

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1 1. Q. Please state your name and business address.

2 A. My name is Clifford T. Evans. My address is 180 E. Broad Street,
3 Columbus, Ohio 43215-3793.

4
5 2. Q. By whom are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio.

7
8 3. Q. What is your present position with the Public Utilities Commission of
9 Ohio and what are your duties?

10 A. I am the Water and Wastewater Specialist in the Facility and Operations
11 Field Division of the Service Monitoring and Enforcement Department.
12 My section monitors company performance and compliance relative to
13 Ohio Administrative Code (OAC) 4901:1-15. My section also monitors
14 and enforces compliance with Commission orders as they relate to water
15 and wastewater operations and service issues.

16
17 4. Q. Would you briefly state your educational background and work history?

18
19 A. I have Bachelor of Science degree in Civil Engineering (1975) from the
20 Pennsylvania State University and am registered in Ohio, Illinois and
21 Indiana as a professional engineer. I have worked in the water and
22 wastewater utility field for most of the last 37 years starting in 1975 as a

1 field engineer performing meter testing, leak studies and distribution
2 modeling for The Pitometer Associates.

3 In 1978 I was employed by the Kankakee Water Company, currently know
4 as Aqua Illinois, starting as a staff engineer and progressing to the position
5 of Distribution and Collection Manager. My duties included engineering
6 design, project management, and the supervision of the company's
7 distribution department.

8 In 1987 I was employed by Utilities, Inc of Northbrook, Illinois as their
9 Administrative Engineer. My duties included project management and
10 environmental permitting issues for water and wastewater systems in 11
11 states.

12 In 1989 I was employed by Citizens Utilities of Illinois as their Manager
13 of Plant Engineering where I headed the design and project management
14 team for water and wastewater projects.

15 In 1990 I was employed by the consulting firm of Baxter & Woodman in
16 Crystal Lake, Illinois as a project engineer where I worked on client water
17 and wastewater improvement projects.

18 In 1991 I was employed by the consulting firm of Beam, Longest and
19 Neff, Inc. of Champaign, Illinois as a project engineer were I worked on
20 client water and wastewater improvement projects.

21 In 1992 I was employed by the Ohio American Water Company as an
22 Operations Engineer. My duties included various levels of design,

1 permitting, and project management for improvements in all of the
2 Company's facilities referred to in the staff report as the Group A,
3 Mansfield, and Lake White systems.

4 In 2000 I was employed as a Senior Project Engineer by Floyd Browne
5 Associates, an environmental consulting firm. My duties included
6 comprehensive planning studies, permitting, and design of client water and
7 wastewater projects.

8 In 2002 I was employed as an Environmental Compliance Officer for the
9 Buckeye Egg Farm (later to become Ohio Fresh Eggs). My duties
10 included the supervision of the potable water systems at two of the
11 company's northern properties, and the management of any projects
12 associated with the firm's environmental permits and compliance
13 agreements. I joined the Public Utilities Commission of Ohio in June
14 2005

15
16 5. Q. What is the purpose of your testimony in this case?

17 A. The purpose of my testimony is to respond to objections that were filed by
18 Ohio American Water Company (OAWC Objections #10 through #14)
19 and the Office of the Ohio Consumers' Counsel (OCC Objections #13
20 through #17) to the Service Monitoring and Enforcement section of the
21 Staff Report.

1 6. Q. What was OCC's objection 13 - Water Service Quality?

2 A. OCC objected that the Staff Report lacked any substantive
3 recommendations for addressing the overall water quality, especially in the
4 five Franklin County systems.

5 7. Q. What is your response to this objection?

6 A. Jim Williams of OCC refers to the 2010 Customer Survey results from the
7 Staff Report, and several customer comments/complaints filed in this case.
8 OCC states that these sources indicate that there continues to be customer
9 dissatisfaction with the overall water quality in the Franklin County district
10 and in the Lake White system. OCC recommends that the PUCO Staff
11 should investigate this issue further. Staff does and will continue to
12 address water quality issues through its regular inspections and review of
13 quarterly reports. Staff has also consistently worked directly with the
14 Company and customers to resolve any specific water quality complaints
15 that may arise and plans to continue doing so in the future. Therefore, the
16 need to perform any additional specific water quality issue investigation is
17 unnecessary and unwarranted at this time.

18 8. Q. Do you have any further comments on this issue?

19 A. Yes I do. OCC referred to a comment Staff made in the Staff Report,
20 "Staff is generally pleased with the Company's overall water service and
21 its efforts to maintain and improve water purveyance." The customer
22 surveys and other customer contacts referred to by OCC's Jim Williams in

1 his expert testimony are indications of the customers' perceived
2 dissatisfaction, and are taken seriously by both Company and Staff.
3 However, they are not reflective of the Company's overall on-going efforts
4 to address these issues – whether they are perceptions or documentable
5 facts.

6 9. Q. Please respond to OCC's Objection 14 - Unaccounted-for-Water (UFW)
7 Reduction and Reporting Commitment.

8 A. OCC objected that Ashtabula, Marion, Huber Ridge and the Madison
9 systems of OAWC are out of compliance with the current Commission
10 rule setting a 15% UFW standard. Staff acknowledges that these systems
11 do have reported UFW values at or in excess of 15%. But this does not
12 necessarily mean the Company is out of compliance with the rule.

13 Specifically, the rule states that each waterworks company shall:

14 *"Determine the amount of unaccounted-for water in each of its system(s).*

15 *This information shall be reported at least quarterly to the commission's*
16 *director of the consumer services department or the director's designee.*

17 *The report shall contain the proposed remedial actions to be taken if*
18 *unaccounted-for water is equal to or in excess of fifteen per cent of the*

19 *gross production. "* In other words, as long as the quarterly report
20 includes a remedial action report when UFW is in excess of 15%; then a
21 company or system is in compliance with the rule. Staff does not leave it
22 at this point; however, since it believes the intent of the rule is to see that

1 the Company is providing the most cost effective service to its customers.
2 OCC points out that water produced by the Company that does not reach
3 to consumers' meters is a cost that these consumers must bear in higher
4 rates. This is true, but it ignores the fact that it also costs money to locate
5 and eliminate these losses. We therefore must maintain a balance between
6 the two facets of water losses in order to be optimally cost effective. A set
7 point such as 15% makes a great general UFW target, but it is not always
8 reflective of the customers' best interest. A review of quarterly reports
9 and any associated remedial action reports at the time the Staff Report was
10 issued shows that the Marion District was the only system with a
11 potentially serious enough trend in UFW to warrant a closer inspection.
12 Staff will be working with the Company this year to address this issue.
13 Staff does not agree that any punitive action such as a \$10,000 penalty is
14 warranted at this time.

15 10. Q. Were there any objections to the Marion Service Commitment as seen in
16 prior rate cases (OAWC objection No. 11, OCC Objection No. 15)?

17 A. Yes. Both OCC and the Company objected to Staff's statements. The
18 Company objected stating that Staff had apparently "received inaccurate
19 information concerning the direct communications with the City of
20 Marion."¹ Mr. Little submitted a list of the meetings between OAWC and

¹ Dave Little Supplemental Direct Testimony, March 1, 2012; Question 6 response.

1 Marion that he states was verified as accurate by the Marion City Safety
2 Director. This was contrary to the initial information supplied to Staff, but
3 is accepted subject to verification by the City. The Company also stated
4 that Staff was not justified in recommending they develop revised
5 procedures for obtaining permits. Permits were brought to Staff's
6 attention as separate issue by the City of Marion, who stated that the
7 Company occasionally either failed to request a permit or had to be
8 contacted by the City to remind the Company that a permit was required.
9 The Company may be able to explain some or all of the reported lapses in
10 filing for the permits referred to in the Staff report, but it is still apparent
11 that there is the perception of a problem by the City personnel handling the
12 processing of permits. Staff finds it was warranted in recommending the
13 two parties meet to see if anything can be done to reduce the possibility of
14 late permit applications in the future.

15
16 OCC and the City of Marion objected that Staff failed to recommend
17 sanctions be imposed against the Company for its reported failure to
18 comply with this commitment. Staff finds that there may not have been a
19 failure and that sanctions are not warranted at this time.

20
21 11. Q. Were there any objections to Staff's statements concerning the Ashtabula
22 District (OAWC Objection No.11)?

1 A. Yes. The Company corrected a statement that the second phase of the
2 Ashtabula plant improvements would be completed by the end of 2011.
3 Staff agrees that the proposed completion date for the project should have
4 been December 31, 2012, subject to availability of capital funds.

5 12. Q. What, if any, were OCC's objections to this issue (OCC Objection No.
6 16)?

7 A. OCC did not object directly to the plant improvement issue, but it did
8 object to Staff's comments on the two recent failures to comply with the
9 requirements of filtration and disinfection of surface water, pursuant to
10 OAC Rule 3745-8-72, (deficient chlorine contact time) and one failure to
11 meet the finished water turbidity limits as defined in OAC Rule 3745-81-
12 73(A). OCC's specific objection was that Staff failed to recommend
13 sanctions for these events. However, OCC failed to take into
14 consideration that corrective measures were promptly taken by the
15 Company to address the issues and that two of the events were later found
16 not to be compliance failures when adjustments were made, with the
17 approval of the Ohio EPA, to the calculations for chlorine contact time.
18 Staff does not feel that a one time failure to meet finished water turbidity
19 limits warrants a sanction.

20 13. Q. Were there any objections to Staff's treatment of the lead service issue in
21 the Company's Tiffin district? (OCC Objection No. 17.)

1 A. Yes, OCC objected that Staff should have recommended the filing of a
2 lead service line replacement plan within 90 days of the Opinion and Order
3 in this case.

4 14. Q. Do you agree with this objection? Please explain why if you do not agree.

5 A. No, I do not agree. First, the Company already has an informal plan. It
6 replaces all lead services whenever they are uncovered due to excavations
7 for any of multiple reasons. Secondly, the Company is within the current
8 limits for lead and copper in drinking water and is even on a reduced
9 monitoring schedule. Both of these being true, Staff does not agree on the
10 necessity to require a formalized plan and report at this time.

11 15. Q. What were the Company's objection(s) to this topic?

12 A. The Company objected that it was not cost effective to replace all lead
13 services, regardless of whether replacement is required under Ohio EPA
14 rules. The comments on this issue in the Staff report were not intended to
15 require the Company to replace all lead services, only those exposed
16 during excavations for other purposes.

17 16. Q. What was the Company's objection No. 12 concerning, and what is your
18 response to it?

19 A. Ohio American objected to the Staff's recommendations for the
20 preparation of plans to replace the balance of the Imperial Biscayne
21 System No. 2 distribution mains (et al) by the end of the year 2013,
22 primarily because of the extremely high investment per customer in this

1 area. Staff acknowledges that there may be a high per customer expense,
2 but also finds that this issue has a strong reliability component, too. There
3 have been a large number of main breaks (over 40) in this system since
4 2005, and the very fact that the old mains are mostly in the customers'
5 backyards makes it more important to replace and relocate them. Staff
6 feels that its recommendation that these mains be replaced by the end of
7 2013 is warranted.

8 17. Q. What was the Company's objection to Staff recommendations concerning
9 the Mansfield Area, Imperial Biscayne concrete tank?

10 A. The Company objected to the Staff's recommended 6 month period after
11 the issuance of an opinion in order in this case for completion of the tank's
12 recommended repairs as being too short a time period and that it did not
13 allow for factors beyond its control. Staff maintains that this is a quality
14 and dependability of service issue and that it must be done at the earliest
15 possible time, but can agree to allow an extension to the 12 months Ohio
16 American feels is more appropriate² on an emergency basis.


17
18 16. Q. Does this conclude your testimony?

19 A. Yes it does.

² David K Little, Supplemental Direct Testimony (3/1/2012) Answer 6, page 5

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Testimony, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, or hand-delivered, upon the following parties of record, this 19th day of March, 2012.


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