

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of Ohio : Case No. 11-4161-WS-AIR
American Water Company to :
Increase Its Rates for :
Water Service and Sewer :
Service. :

- - -

PUBLIC HEARING

before Attorney Examiner Katie Stenman and
Commissioner Cheryl Roberto, at the Harvest Assembly
of God Church, 8075 Dellinger Road, Galloway, Ohio,
called at 6:06 p.m. on Monday, March 5, 2012.

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- - -

APPEARANCES:

Whitt Sturtevant, LLP
By Ms. Melissa L. Thompson
155 East Broad Street, Suite 2020
Columbus, Ohio 43215

On behalf of the Company.

Bruce J. Weston, Interim
Ohio Consumers' Counsel
By Ms. Melissa Ranay Yost
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

On behalf of the Residential
Consumers of the Ohio American
Water Company.

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WITNESS

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1 Monday Evening Session,
2 March 5, 2012.

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4 THE ATTORNEY EXAMINER: The Public
5 Utilities Commission of Ohio has assigned for public
6 hearing at this time and place, Case No.
7 11-4161-WS-AIR, captioned In the Matter of The
8 Application of Ohio American Water Company to
9 Increase Its Rates for Water Service and Sewer
10 Service.

11 My name is Katie Stenman. I am one of
12 the attorney examiners assigned by the Commission to
13 hear this case.

14 Presiding with me this evening is
15 Commissioner Cheryl Roberto. In the room are members
16 of the Public Utilities Public Affairs office, and
17 they're present tonight and available to answer any
18 questions concerning the utility matter.

19 At this time I'd like to take appearances
20 on behalf of the parties, starting with the company.

21 MS. THOMPSON: Good evening, your Honor.
22 My name is Melissa Thompson, and I am here
23 representing Ohio American Water Company, with the
24 firm of Whitt Sturtevant, LLP, 155 East Broad Street,
25 Columbus, Ohio 43215.

1 THE ATTORNEY EXAMINER: On behalf of
2 Consumers' Counsel.

3 MS. YOST: Thank you. On behalf of the
4 Office of the Ohio Consumers' Counsel, Melissa Yost,
5 10 West Broad Street, Suite 1800, Columbus, Ohio
6 43215.

7 THE ATTORNEY EXAMINER: Thank you. Do we
8 have any other intervenors with us tonight?

9 MR. KENNEDY: I'm Steve Kennedy, Prairie
10 Township Trustee, and we are an intervenor; address
11 6621 West Broad Street.

12 THE ATTORNEY EXAMINER: Okay. But their
13 attorney isn't present?

14 MR. KENNEDY: The attorney isn't present.

15 THE ATTORNEY EXAMINER: You will not be
16 giving testimony?

17 MR. KENNEDY: Not on behalf of the
18 intervenor.

19 THE ATTORNEY EXAMINER: Thank you.

20 In August of last year, Ohio American
21 Water Company filed this application for a rate
22 increase. In its application Ohio American requested
23 a 22 percent revenue increase for water services and
24 a 12 percent increase for wastewater service.

25 The PUCO Staff Report was issued in

1 January of this year. For Franklin County the staff
2 recommended a 10.34 to 12.2 percent increase over
3 current revenues for water service and 7.07 to
4 8.97 percent increase over current revenues for
5 wastewater service. Staff also recommended lowering
6 the customer charge from the current 9.51 to 8.55.

7 The Staff Report is a recommendation
8 only. The five PUCO Commissioners may implement some
9 of the suggestions and reject others.

10 The purpose of this evening's public
11 hearing is to receive comments from the public
12 regarding Ohio American's application in this case.
13 It is not a question and answer session, but it is
14 your opportunity to let the Commission know what you
15 think about Ohio American's request.

16 The local public hearings in this case
17 are only one aspect of the process. An evidentiary
18 hearing is also scheduled to commence on March 26,
19 2012, at the Commission's office here in Columbus.

20 When you arrived, you were offered the
21 opportunity to sign up and testify. After I finish
22 my introduction, I will begin calling witnesses
23 forward who have signed up on the sign-up sheet.

24 If you have not signed up, I will give
25 you an opportunity after taking those witnesses

1 first.

2 Before you give your comments, I'll ask
3 you to state your name and address for the record,
4 and before you present your testimony, I will ask you
5 to take an oath, swearing what you're about to tell
6 us the truth.

7 Your testimony will be considered part of
8 the official record in this case, and it will be
9 reviewed by the Commission before they make their
10 final decision regarding the application.

11 Additionally the parties to the case and
12 I will be permitted to ask you questions about your
13 testimony. Should you decide you do not want to
14 testify, when I call your name, you may simply pass.
15 Also, once you finish testifying or if you're just
16 here to observe, you may leave at any time.

17 As a side note, tonight's hearing is
18 being transcribed by a court reporter. If you plan
19 to testify, please speak plainly and clearly so she
20 can accurately reflect your testimony, and also, if
21 you prepared a prewritten statement, please give
22 her a copy when you complete your testimony.

23 At this time I will begin calling
24 witnesses forward starting with Morgan Gierman.

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MORGAN GIERMAN,

being first duly sworn, as prescribed by law, was
examined and testified as follows:

DIRECT TESTIMONY

My name is Morgan H. Gierman. I live at
1456 Brenthaven Drive. I am the president of the
Timberbrook Homeowners Association. I represent 370
homes, which approximately 300 of them are on the
Ohio American Water system, not the wastewater
system.

We have been doing this type of exchange
for quite a while now, and we are opposed to any
increase as an association. My premise of that is --
and I don't necessarily have any facts or data with
me -- but in this economy, which I think if you read
the papers, there's not a lot of people getting
increases, period, and I think it's a very poor time
to put more burden of expenses on the residents who
aren't getting compensated -- to pay more out of
pocket -- from whom they're employed to.

There's a lot of foreclosures in
Timberbrook. As far as my being the sitting
president, it's probably at an all-time high, so
there's still lots of people hurting out there.

And it's my understanding, through

1 talking to Mr. Kennedy and through some of the
2 things, that Ohio American Water is about to be
3 acquired or bought or purchased by Aqua, and the
4 representatives of Aqua are sitting in the room. We
5 are very reasonable people. We do have meetings at
6 least two to three times a year, of which I will do
7 my best to make you aware of because we don't want to
8 create this aspect that we're not approachable.

9 We do put out a newsletter with which we
10 don't mind you all being quoted in or, you know,
11 having a say, but as it stands here, it's my
12 understanding that this water issue is not governed
13 in the same way our gas and our electric is in
14 regards to the accountability factors of how they do
15 their business, in regards to how they get their
16 increases.

17 And as the sitting president, I have been
18 indirectly involved in pursuing legislation to bring
19 people like Ohio American Water and Aqua under the
20 same umbrella as the other utilities which I
21 mentioned, and we feel that that's fair.

22 And, so, you know, that's where we come
23 from, and that's our position, and I will be more
24 than happy after the meeting is over to talk to
25 anybody. I'm here representing 370 homes, of which,

1 as I said, at least 300 are on your system, and, you
2 know, we want to know you because we need the water.

3 I'm not going to be one of those types of
4 individuals who come up here and tell you I don't
5 like the water. I do, and I pay a little bit extra
6 at my house to make it softened and reverse
7 osmosized, and I believe it's the best water that
8 money can buy. But I pay extra for that, not a lot
9 of people do, and I like it and everyone that comes
10 to my house likes it.

11 With that, I'm not going to stand up here
12 and tell you your water's terrible. I think it's
13 great. But the increases at this time I think needs
14 to be rethought and ideas how to make increases maybe
15 more incremental because I do realize, too, that
16 costs have to go up, the cost-of-living raises and
17 things like that. I mean, that's common sense, and I
18 know of that.

19 And so we're open to those types of ideas
20 and avenues so that, you know, like, people who were
21 here two or three years ago when we were dealing with
22 an increase that was, you know, in the 20 percent
23 plus bracket, you know, and it was thrust upon us
24 like it's no big deal, and it's, like, yes, it was a
25 big deal.

1 And Ohio American Water has been very
2 approachable from my standpoint. I had a few
3 business cards in my possession of people whom I can
4 contact in an instant. They have been out to repair
5 the lines, and, you know, in proximity to my house
6 twice in the last probably year and a half and did a
7 fine job.

8 So, you know, this isn't the president of
9 the Timberbrook Homeowners Association coming out
10 here to yell at you. We want to work with you.

11 Thank you very much.

12 THE ATTORNEY EXAMINER: Thank you.

13 That was the only person we have signed
14 up to testify tonight. Is there anyone else who
15 would like to give testimony?

16 Because you are an intervenor, you cannot
17 give testimony here tonight on behalf of your
18 township. You can testify on your own behalf if you
19 are a customer, but you cannot give testimony on
20 behalf of the township.

21 Would you like to come up and give
22 testimony?

23 Please state your name and address.

24 MR. HEMANN: Andrew Hemann, H-E-M-A-N-N,
25 810 Formation Court.

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ANDREW HEMANN,
being first duly sworn, as prescribed by law, was
examined and testified as follows:

DIRECT TESTIMONY

MR. HEMANN: I guess with the rate
increase -- and Ohio American Water knows who I am.
If there's another rate increase after what we went
through, as early as it is -- when was the last rate
increase? Can you tell me?

THE ATTORNEY EXAMINER: I believe it was
2010.

MR. HEMANN: And it happens every year,
and we fought them and fought them and fought them.
I guess why I'm up here right now, I didn't get any
notice of the hearing. When I was a big part in
this, Steve knows, we would put signs up and we would
get crowds. I didn't know the company was being
sold.

In a nutshell, we pay way too much for
water out here, and we have had problems with water
out here as far as hardness. It has gotten better.

But this company, Aqua, is there a
representative here?

Okay, and your name is, sir?

1 MR. KOLODZIEJ: Ed Kolodziej.

2 MR. HEMANN: We do not want more than
3 just having good water, good water pressure, getting
4 what we pay for. Like if you go to Kroger's, or
5 whatever, you get what you pay for.

6 And we pay a lot. The average around
7 here, I have a family of seven. I have four out of
8 the house, now down to one. The average bill is
9 \$100, \$120 a month, and probably if we wouldn't have
10 fought as hard as we did over the years, it would
11 probably be 200.

12 I'll let you know, Ed, if they start the
13 same shenanigans as they did in the past, we're going
14 to fight you. We are not going to put up with it.
15 It's just ridiculous to pay top money for water,
16 especially well water. All you do is run a process
17 and treat the water and put it into our house. I
18 worked with Columbus water so I know about water.

19 You said something about approachable
20 when I walked in. If you could be a better customer
21 rep for us, it would be much better than Ohio
22 American Water was because they weren't, and we had
23 to fight them the whole time from the systems
24 utilities until now.

25 I don't have a whole lot to say. I

1 didn't prepare anything. I know there is hardship in
2 this community, along with other communities, with
3 taxes and all those other things that go into it, but
4 we shouldn't have to pay the money we're paying for
5 water.

6 And I think it's ridiculous that you are
7 even asking for something, especially when you are
8 selling the company. I don't know what this is all
9 about. I had to go online and check PUCO to look at
10 the DIS to see what was going on.

11 People can't. There's no voice for us,
12 PUCO doesn't have a voice, and Ohio Consumers'
13 Counsel -- are they here? I guess we will do this
14 again and hopefully get more people at these
15 hearings.

16 Did you put an ad in the paper, Northwest
17 News?

18 AUDIENCE MEMBER: It was in the Columbus
19 Dispatch.

20 MR. HEMANN: It was in the Dispatch? How
21 big was the notice? You saw it?

22 AUDIENCE MEMBER: Yes. That's why I'm
23 here tonight.

24 MR. HEMANN: Are you a customer?

25 AUDIENCE MEMBER: Yes.

1 MR. HEMANN: Did you tell your neighbors?

2 AUDIENCE MEMBER: Yes.

3 MR. HEMANN: That's the biggest thing out
4 here, is that we always kept an eye on stuff. Maybe
5 we let our guard down for a year, and here we are
6 again. You guys are coming at us again.

7 That's all I have. I don't have a whole
8 lot. Thank you.

9 THE ATTORNEY EXAMINER: Thank you.

10 Anyone else like to give testimony?

11 Anyone?

12 All right, seeing no one else, I'd like
13 thank everyone for coming this evening. This will
14 conclude this evening's public hearing and it will be
15 submitted on the record for the Commission's
16 consideration in this case.

17 Everyone from the Commission and
18 hopefully people from the company and OCC will stick
19 around in case there are any questions. Thank you.

20 (The hearing concluded at 6:23 p.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Monday, March 5, 2012, and carefully compared with my original stenographic notes.

Rosemary Foster Anderson,
Professional Reporter and
Notary Public in and for
the State of Ohio.

My commission expires April 5, 2014.

(RFA-8758)

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This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 11-4161-WS-AIR

Summary: Transcript Transcript of Ohio American Water Company hearing held on 03/05/12 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.