

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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

- - -

PROCEEDINGS

before Ms. Katie Stenman and Mr. Jeffrey Jones,  
Hearing Examiners, at the Public Utilities Commission  
of Ohio, 180 East Broad Street, Room 11-A, Columbus,  
Ohio, called at 10:00 a.m. on Monday, March 26, 2012.

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- - -

APPEARANCES:

Whitt Sturtevant, LLP  
By Mr. Mark Whitt  
and Ms. Melissa Thompson  
PNC Plaza, 20th Floor  
155 East Broad Street  
Columbus, Ohio 43215

On behalf of the Applicant.

Bruce J. Weston, Ohio Consumers' Counsel  
By Ms. Melissa Yost  
and Ms. Kyle Kern  
Assistant Consumers' Counsel  
10 West Broad Street, Suite 1800  
Columbus, Ohio 43215-3485

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

Mike DeWine, Ohio Attorney General  
William Wright, Section Chief  
Public Utilities Section  
By Mr. Thomas G. Lindgren  
and Mr. Devin Parram  
Assistant Attorneys General  
180 East Broad Street, 6th Floor  
Columbus, Ohio 43215-3793

On behalf of the staff of the Public  
Utilities Commission of Ohio.

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Monday Morning Session,  
March 26, 2012.

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EXAMINER STENMAN: The Public Utilities Commission of Ohio has called for hearing at this time and place case number 11-4161-WS-AIR, being In the Matter of the Application of Ohio American Water Company to Increase its Rates for Water and Sewer Service.

My name is Katie Stenman, and with me is Jeff Jones, we're the attorney examiners assigned by the Commission to hear this case.

At this time I'll start by taking appearances of the parties starting with the company.

MR. WHITT: Thank you, your Honor. From the law firm Whitt Sturtevant, LLP, Mark Whitt and Melissa Thompson, 155 East Broad Street, Suite 2020, Columbus, Ohio, 43215.

EXAMINER STENMAN: Thank you.

MS. YOST: Good morning. On behalf of the office of the Ohio Consumers' Counsel, Melissa Yost, Kyle Kern, 10 West Broad Street, Suite 1800, Columbus, Ohio, 43215.

EXAMINER STENMAN: Thank you.

MR. LINDGREN: On behalf of the staff of

1 the Commission, Ohio Attorney General Mike DeWine by  
2 Thomas Lindgren and Devin Parram, Assistant Attorneys  
3 General, 180 East Broad Street, 6th floor,  
4 Columbus, Ohio, 43215.

5 EXAMINER STENMAN: Do we have any of our  
6 intervenors present? Any of our other intervenors?

7 (No response.)

8 MR. KUTA: Are you asking for somebody  
9 from the public?

10 EXAMINER STENMAN: No. I was looking to  
11 see if there were any more attorneys who needed to  
12 make an appearance. However, since there are no more  
13 attorneys, we will start taking testimony from  
14 members of the public. Is there anyone here?

15 Do you want to come on up to the witness  
16 stand. Can you raise your right hand.

17 (Witness sworn.)

18 EXAMINER STENMAN: Thank you. You can go  
19 ahead and have a seat and please give your name and  
20 address for the record.

21 THE WITNESS: My name is David Kuta,  
22 that's K-u-t-a, address is 3701 Mexico Avenue,  
23 Westerville, 43081.

24 EXAMINER STENMAN: You can go ahead.

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DAVE KUTA

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

DIRECT TESTIMONY

MR. KUTA: To members of the PUCO,  
Chairman Snitchler, I thank you all for your time in  
allowing me to testify.

Where are the representatives from Ohio  
American Water? I would just like to ask you a  
question and that would be how can you sleep at  
night? Seriously, how can you sleep? Doesn't it  
bother you at all that you've gouged customers that  
have no choice but to pay for your product? Don't  
you care that you're lining your pockets at the  
expense of decent, hardworking people?

No, of course you don't care. And I  
suppose you sleep just fine since people that don't  
care about other people's feelings sleep very well  
usually.

And how dare you ask for 20 percent more  
than your already outrageous rates and then have the  
audacity to say that you need the extra money because  
you have less customers and the customers that you  
have are using less of your product. Don't you know  
that you are the reason that you have less customers?

1 Realtors are telling people to avoid Huber Ridge and  
2 places served by OAW because of the water hikes.

3 And don't you understand that of course  
4 people are going to conserve water when that's the  
5 only thing -- the only choice they have? If gas went  
6 up to \$10 a gallon tomorrow, what do you think would  
7 happen? Would people conserve water [verbatim]?  
8 Hell yes they would. They'd conserve as much gas as  
9 they possibly could.

10 And that's exactly what your customers  
11 are doing. We are conserving as much water as  
12 humanly possible because you are gouging us and we  
13 have no choice but to pay your prices, but at least  
14 we can conserve a little bit of water.

15 You want a better business plan, try this  
16 one out: Cut your rates in half, you'd actually have  
17 more customers who would actually flush their toilets  
18 and water their lawns. We'd be happy. You'd make  
19 more money and, heck, you'd save tons just being able  
20 to downsize your complaint department alone.

21 To the members of the PUCO, I won't waste  
22 your time telling you about the ways our family  
23 conserves water, I'm sure you've heard all that  
24 already. And I won't waste your time telling you  
25 about the low quality of water because I'm sure

1 you've heard that too. But I'm going to give you one  
2 number; 14. That's how many gallons of water our  
3 family used per person per day last year, just  
4 14 gallons. Most of you used more water than that  
5 ten minutes after you got up this morning. Flush the  
6 toilet, take a shower, brush your teeth.

7 Now try not using any more water for the  
8 rest of the day, no washing dishes, no laundry, no  
9 washing your hands, no watering your lawns, and your  
10 kids certainly can't have a wading pool that they  
11 would love to have. You'd have trouble doing it for  
12 a day let alone a whole year. Please don't take my  
13 word for it. I invite any of you to come to my house  
14 and see how we live every day just to be able to pay  
15 our water bill.

16 In 2010 the PUCO denied OAW's request for  
17 a 60 percent rate increase over four years. Instead  
18 you gave them only 7 percent and ordered them to  
19 reconsider their business practices.

20 After a year off now they're asking for a  
21 20 percent rate hike and a \$2 raise in their service  
22 charge. Does that sound to you like they've changed  
23 their business plans, or does it sound like the same  
24 old gouging-customers-with-no-choice-but-to-pay  
25 policy.

1                   Here's a fun fact: American Water stock  
2 is selling at 63 percent higher than it was before  
3 the recession. At the height of the stock market in  
4 the summer of 2008 OAW's stock prices were around  
5 \$21 a share. At close on Friday it was 33.64.  
6 That's a 63 percent increase. And they need more  
7 money from me to be profitable? Really?

8                   Remember, we don't have a choice. Enough  
9 is enough with this. Remember, we don't have a  
10 choice but to pay their price. They have no  
11 competition. Whatever they charge we have to pay if  
12 we want water in our homes. If we did have a choice,  
13 I can guarantee you that not one single person in  
14 Huber Ridge would be with OAW still, such is our  
15 disgust with the way they have treated us.

16                   Yet I would be remiss if I didn't point  
17 this out, you, the PUCO, are some of the blame. You  
18 let them do this to us. They can't hike our rates  
19 without your approval, and you granted your approval  
20 again and again.

21                   The PUCO's mission statement that I found  
22 on your website and that I saw on these nice plaques  
23 outside in the hallway is this: "To assure all  
24 residential and business customers access to  
25 adequate, safe and reliable utility services at a



1 fair price, while facilitating an environment that  
2 provides competitive choices."

3 Does that sound like a fair price, when  
4 I'm paying two-and-a-half times the price of water as  
5 someone four blocks away from me? Does it sound like  
6 competitive choices when I have no choice?

7 Let's face it, the PUCO has an image  
8 problem. You approved for AEP to increase the rates  
9 of small businesses, schools, and churches by over 40  
10 to 50 percent while granting a discount to big  
11 businesses. Only after a massive public backlash  
12 have you decided to revisit your decision. Governor  
13 Kasich is stepping in with his Common Sense  
14 Initiative and I've even heard some people calling  
15 for your jobs.

16 Now, how do you fight an image problem  
17 when a group is accused of backing big businesses  
18 while crushing the little guy? I'll tell you how,  
19 you stand up for the little guy. You stand up for  
20 people that have no other voice and you tell OAW no.  
21 No more exorbitant hikes. No more bullying  
22 communities that have no defense. Do not give them  
23 one more dime.

24 I honestly don't know if you have the  
25 power to do this, but, if you did, you could make

1     them roll back their prices. Wow, what a strong  
2     message that would be. It would say the PUCO fights  
3     for the underdog. The PUCO is the voice for those  
4     that have none. People would stand up and cheer for  
5     you; I sure as heck would.

6             What is that kind of publicity and public  
7     approval worth? Think about that. I know it's worth  
8     an awful lot to anyone seeking or that's in a public  
9     office.

10            I deeply want to believe that our  
11     government is a government of the people, by the  
12     people, and for the people. I deeply want to believe  
13     that our government will not stand around while Ohio  
14     communities are crushed by a water company. I'd like  
15     to believe that most, if not all members of the PUCO,  
16     have accepted this position that you can fight for a  
17     fair and just utility system and that you wanted this  
18     job to make Ohio a better place for us and especially  
19     for our children.

20            My sincerest hope is that you will help  
21     me, help all of us in our community believe in you.  
22     Please say no to OAW. Thank you for your time.

23            EXAMINER STENMAN: Thank you.

24            Is that a written copy of your statement?

25            THE WITNESS: It is.

1 EXAMINER STENMAN: Could you leave that  
2 with the court reporter?

3 MR. KUTA: There's also a stock sheet on  
4 the back of that to verify the claims made about  
5 their stock prices.

6 EXAMINER STENMAN: Thank you, Mr. Kuta.

7 THE WITNESS: Thank you.

8 EXAMINER STENMAN: Do we have anyone else  
9 here from the public who wishes to give a statement?

10 (No response.)

11 EXAMINER STENMAN: All right. Seeing no  
12 one else, it's my understanding that the parties wish  
13 to recess today's hearing and continue it at a later  
14 date. Is that correct, Mr. Whitt?

15 MR. WHITT: It is, your Honor.

16 EXAMINER STENMAN: And in terms of  
17 reconvening the hearing you proposed May 1st?

18 MR. WHITT: That's correct, your Honor.  
19 And the company would also indicate that, at least  
20 under present management, that it would not seek to  
21 put rates into effect in the event an order is not  
22 issued prior to the expiration of the statutory  
23 deadline.

24 EXAMINER STENMAN: Because it absolutely  
25 won't be if we're looking at a May 1st hearing.

1 MR. WHITT: Correct.

2 EXAMINER STENMAN: Okay. Does anyone  
3 have any objections to reconvening on May 1st?

4 MR. LINDGREN: No objection.

5 EXAMINER STENMAN: Okay. Is there  
6 anything else we need to talk about today?

7 (No response.)

8 EXAMINER STENMAN: All right. Hearing  
9 nothing else, we will reconvene on May 1st, and we  
10 are adjourned for today. Thank you.

11 (The hearing concluded at 10:14 a.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 26, 2012, and carefully compared with my original stenographic notes.

Maria DiPaolo Jones, Registered  
Diplomate Reporter and CRR and  
Notary Public in and for the  
State of Ohio.

My commission expires June 19, 2016.

(MDJ-3988)

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**This foregoing document was electronically filed with the Public Utilities**

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

Summary: Transcript Transcript of Ohio American Water Company hearing held on 03/26/12 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Jones, Maria DiPaolo Mrs.