

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Aqua)	
Ohio, Inc. for Approval of Revised Tariff)	Case No. 13-1344-WW-ATA
Pages and Related Matters)	

**JOINT APPLICATION FOR APPROVAL OF REVISED TARIFF PAGES
AND RELATED MATTERS AND REQUEST FOR EXPEDITED RULING**

In accordance with R.C. 4905.30 and 4905.32, Aqua Ohio, Inc. (“Aqua”) and its wholly owned subsidiary Aqua Ohio Water Company, Inc. (“AOWC”) (collectively, “the Aqua Companies”) respectfully request issuance of an Order authorizing (1) the revision of certain tariff pages, (2) the reissuance of AOWC’s Certificates of Public Convenience and Necessity under Aqua’s name, and (3) the removal of AOWC from the Commission’s rolls of public utilities. In support of this Application, the Aqua Companies state as follows:

1. Aqua is a “public utility” and “waterworks company” as defined in R.C. 4905.02(A) and 4905.03(G). As such, Aqua is subject to the Commission’s jurisdiction in accordance with R.C. 4905.04, 4905.05, and 4905.06.
2. AOWC is the wholly owned subsidiary of Aqua and is a “public utility” and “waterworks company” as defined in R.C. 4905.02(A) and 4905.03(G). As such, AOWC is subject to the Commission’s jurisdiction in accordance with R.C. 4905.04, 4905.05, and 4905.06.
3. The Aqua Companies’ principal place of business is 6650 South Avenue, Boardman, Ohio 44512. The Aqua Companies provide water service to approximately 147,300 customers in accordance with certificates of public convenience and necessity issued by the Commission and furnish water service to the public pursuant to tariffs applicable to their service divisions, including Franklin/Lawrence, Lake Erie, Ashtabula, Portage County, Marion/Tiffin, Stark, and Struthers/Masury Divisions.

4. On February 14, 2012, in Case No. 11-5102-WS-ATR, the Commission issued a Finding and Order approving Aqua's acquisition of 100 percent of the common stock of Ohio American Water Company ("Ohio American"). In the Order, the Commission noted that, "[t]o the extent that Aqua eventually seeks to consolidate the operations of Ohio American and Aqua, [the utilities] must file a separate application(s) related to any tariff revisions proposing changes to rates, rules, terms of service to customers, changes to bill formats, changes to company name under which service is provided, or any other operational change requiring Commission approval." 11-5102 Order at 9.

5. On February 22, 2012, Aqua filed the separate application contemplated by the Commission in Case No. 12-720-WS-ACN. Among other things, that application proposed (a) changing the name of Ohio American to Aqua Ohio Water Company; (b) consolidating certain of Ohio American's certificates of public convenience and necessity and transferring them to AOWC; (c) the adoption of Ohio American's tariff by AOWC; (d) changing Ohio American's bill format to correspond to Aqua's format; and (e) removing Ohio American from the rolls of public utilities. On March 28, 2012, the Commission issued a Finding and Order approving Aqua's application.

6. As a result of these approvals, AOWC is Aqua's wholly owned subsidiary. Although Aqua and AOWC are separate legal entities, they are fully integrated with respect to operations and management. Moreover, while Aqua and AOWC customers are served under different tariffs and rate schedules, Aqua's Commission-approved bill format lists Aqua as the entity providing service. Thus, insofar as customers are concerned, any distinction between Aqua and AOWC exists only on paper, is formal in nature, and is entirely transparent.

7. On April 10 and April 24, 2013, in Case No. 13-441-WW-AIS, the Commission approved, respectively, Aqua's application and supplemental application for approval of a financial arrangement. The arrangement pertained to the issuance and sale of \$85 million in First Mortgage Bonds. The sale closed on May 28, 2013. Aqua's obligations under the Bond Purchase Agreement are secured by a Sixteenth Supplemental Indenture, which was attached to Aqua's financing application. Page three of the indenture provides a security interest in "all [of Aqua's] franchises, property and assets of every kind, character, and description and wheresoever situated." In the course of finalizing the sale of the bonds, a party to the sale expressed concerns regarding whether the property of AOWC, Aqua's wholly owned subsidiary, was included within the terms of the indenture. Although Aqua believed and continues to believe that the referenced indenture included AOWC and its property, Aqua agreed to formally merge AOWC into Aqua to eliminate the party's concerns. This issue did not have any impact on the amount, rate, or maturity date of the bonds. If, however, the merger is not concluded by November 28, 2013, Aqua will be required to pay maintenance fees until such time that it is concluded.

8. Exhibit A to this application is the Plan and Agreement of Merger between Aqua and AOWC. The agreement provides, among other things, that the surviving company shall be Aqua, and that the merged company, AOWC, shall cease to separately exist following execution of the merger. The agreement provides that the merger shall be effective the date that the certificate of merger is filed with the Ohio Secretary of State.

9. Given the approvals that Aqua has already received in Case Nos. 11-5102-WS-ATR and 12-720-WS-ACN, Aqua does not believe that any additional Commission approval is required for the merger *per se*. R.C. 4905.402 and 4905.403 provide for certain Commission

review or authority over merger transactions, but only transactions involving domestic telephone companies or holding companies, electric utility companies or holding companies, and natural gas companies. Because Aqua already owns 100 percent of AOWC, no sale or purchase will be involved with the merger, and thus approval is not required under R.C. 4905.48. Because Aqua is and will remain ultimately responsible for providing service to all of its customers, no abandonment or substitution of service will occur. Finally, the merger will not cause any change in any rate or term of service applicable to any of Aqua's customers.

10. Two actions that will be required upon merging, however, may require Commission approval. These changes are minor, formal in nature, and will not cause any change in any rate or term of service applicable to any of Aqua's customers. For this reason, the requested changes will be entirely transparent to customers.

11. First, it will be necessary to update the title page of Aqua's tariff P.U.C.O. No. 15, and to replace "Aqua Ohio Water Company" with "Aqua Ohio, Inc." Exhibit B to this application are proposed and scored copies of the affected tariff sheet.

12. Second, any Certificates of Public Convenience and Necessity held under AOWC's name should be reissued under Aqua's name. Aqua already owns these certificates through AOWC and will continue to own them following the merger, and it is not proposing to extend its waterworks or sewage-disposal systems beyond the boundaries of any areas for which any certificate has previously been granted. Accordingly, the provisions of Ohio Administrative Code 4901:1-15-05, 4901:1-15-07, and 4901-1-09 do not appear to apply.

13. To the extent that the Commission concludes that any provisions of the Ohio Administrative Code do apply to this application, Aqua respectfully requests a waiver of such provisions. Good cause exists to grant this request because the changes proposed by Aqua are

purely matters of form and will have no substantive impact on customers. Accordingly, waiving any applicable rules will minimize the cost and expense to Aqua and its customers of preparing and processing this Application and will not hinder the Commission's review of the Application. Aqua will provide on request any documentation that the Commission or its staff requires to evaluate this Application.

14. When the merger is completed and these changes are approved, AOWC will no longer be an entity providing service as a public utility, and its name should be removed from the rolls of the Commission.

15. No change to Aqua's bill format will be required as a result of the Application.

16. As stated above, the merger and any required actions upon merging will have no impact on Aqua's customers and specifically will not cause any change in any rate or term of service applicable to any of Aqua's customers. Because the Application will not affect customers, Aqua respectfully requests that the Commission grant this Application without requiring the publication of legal notice and without holding a hearing.

17. The following Exhibits are attached to this Application:

- Exhibit A: Plan and Agreement of Merger
- Exhibit B: Proposed and Scored Tariff Sheet

18. In order to facilitate as soon as possible the purpose and benefits of the Application as described above, Aqua requests an expedited ruling on the Application. To the best of Aqua's knowledge, there are no parties to this Application who may object to the issuance of such a ruling, and the approval of this Application will not adversely affect a substantial right of any party.

19. Upon approval of the Application, Aqua will take any necessary actions to effect the merger and will file compliance tariffs with the Commission.

WHEREFORE, the Aqua Companies request that the Commission approve this Application, approve the proposed tariffs, reissue AOWC's Certificates of Public Convenience and Necessity under Aqua's name, remove AOWC from its rolls of public utilities, and grant such other and further relief as Aqua may be entitled.

Dated: June 7, 2013

Respectfully submitted,

/s/ Andrew Campbell
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ATTORNEYS FOR THE AQUA
COMPANIES

PLAN AND AGREEMENT OF MERGER

Between

AQUA OHIO, INC.

And

AQUA OHIO WATER COMPANY, INC.

THIS Agreement, dated as of the ____ day of June, 2013, is by and among, **Aqua Ohio Water Company, Inc.**, an Ohio corporation ("Merged Company"), and **Aqua Ohio, Inc.**, an Ohio corporation, ("Surviving Corporation"). (The Merged Company and the Surviving Corporation are sometimes collectively referred to as the "Merged Parties.")

RECITALS

A. The Surviving Corporation, Aqua Ohio, Inc. is an Ohio Corporation providing water and/or sewer service in the state of Ohio. Aqua Ohio, Inc. is a wholly owned subsidiary of Aqua America, Inc., a Pennsylvania corporation. Aqua America, Inc. is not a Merged Party under this Agreement.

B. The Merged Company, Aqua Ohio Water Company, Inc., is an Ohio Corporation providing water and/or sewer service in the state of Ohio and is a wholly owned subsidiary of the Surviving Corporation.

C. The Merged Company and the Surviving Corporation are the constituent corporations to the merger contemplated by this Agreement (the "Merger"), which has been approved by duly adopted resolutions of the respective Boards of Directors of each company, pursuant to which the Merged Company will be merged into the Surviving Corporation upon the terms and conditions set forth herein.

D. The Merged Company and the Surviving Corporation intend, by approving resolutions authorizing this Agreement, to adopt the Agreement as a "plan of reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder and to cause the merger to qualify as a reorganization under Section 368(a)(1)(A) of the Code.

NOW THEREFORE, in consideration of the recitals, covenants and agreements herein contained, and intending to be legally bound hereby, the Merged Parties hereto agree as follows:

1. The Merger

1.01 On the Effective Date, as defined in paragraph 1.03, below, the Merged Company shall be merged with and into the Surviving Corporation which shall survive the merger, pursuant to Chapter 1701 of the Ohio General Corporation Law. *ORC § 1701.01, et. seq.* The separate existence and corporate organization of the Merged Company shall thereupon cease and the Merged Company and the Surviving Corporation will be a single corporation. The terms and conditions of the Merger, the terms of carrying the same into effect, and all other provisions deemed desirable in connection therewith are set forth in this Agreement.

1.02 The Surviving Corporation shall without further act or deed succeed to and possess all of the rights, property, privileges, powers and franchises, whether public or private in nature, and be subject to all the restrictions, disabilities, debts, obligations, duties and liabilities of the Merged Company. All property of every kind, whether real, personal, or mixed, belonging to the Merged Company shall be vested in the Surviving Corporation without further act or deed and all debts, obligations, duties or other liabilities of the Merged Company shall thereby attach to and be assumed by the Surviving Corporation and may be enforced against it to the same extent as if the Surviving Corporation had itself incurred them.

1.03 The “Effective Date” of this Plan and Agreement, and the merger described herein, shall be the date the Certificate of Merger is filed with the Ohio Secretary of State.

2. Name and Corporate Structure

2.01 The Name of the Surviving Corporation is Aqua Ohio, Inc. The corporate existence and registered office in Ohio of the Surviving Corporation shall be unaffected by the Merger.

2.02 The Articles of Incorporation and Bylaws of the Surviving Corporation shall be unaffected by the Merger and shall remain unchanged and in full force and effect as a result of the Merger.

2.03 Upon the Effective Date, the directors and officers of the Surviving Corporation shall continue to serve as directors and officers of the Surviving Corporation until successors are elected and shall qualify. If, by reason of death or otherwise, any such person on the Effective Date cannot or will not act as a director or officer, the vacancy thereby created will be filled after the Merger becomes effective in accordance with the Bylaws of the Surviving Corporation. Upon the Effective Date, the term of office of each director and officer of each Merged Company shall terminate.

2.04 The Merger shall not affect the issued or outstanding shares of capital stock of the Surviving Corporation and the number of authorized shares of the Surviving Corporation shall be unaffected by the Merger.

2.05 On the Effective Date, the stock transfer books of the Merged Company shall be deemed to be closed and no transfer or purported transfer of shares of the capital

stock of the Merged Company shall thereafter be made, effected, consummated or given effect.

3. Effect of the Transaction

3.01 At the Effective Date, the following actions shall occur:

- (a) the separate existence of Merged Company shall cease;
- (b) the Surviving Corporation shall possess all the rights, privileges, powers and franchises of the Merged Company ;
- (c) all the property, real, personal and mixed, and franchises of the Merged Company and all debts due on whatever account to them, including any choses in action belonging to them, shall be deemed to be transferred to and vested in the Surviving Corporation by operation of law and without further acts or deeds;
- (d) all rights, privileges, powers and franchises, and all and every other interest of the Merged Company shall be thereafter the property of the Surviving Corporation as they were of the Merged Company ;
- (e) the title to and interest in any real estate vested by deed, lease or otherwise in Merged Company shall not revert or be impaired by reason of the Merger;
- (f) the Surviving Corporation shall be responsible for all the liabilities and obligations of the Merged Company , but the liabilities of Merged Company or their Shareholders, directors or officers shall not be affected by the Merger;
- (g) the officers or directors of Merged Company shall execute and deliver all such instruments and take all such actions as the Surviving Corporation may determine to be necessary or desirable in order to vest in and confirm to the Surviving Corporation title to and possession of all such properties, assets, rights privileges and franchises and otherwise to carry out the purposes of this Agreement.

3.02 Effect on Shares of the Stock

- (a) Shares of all Common Stock and Preferred Stock of Aqua Ohio, Inc., whether authorized, issued or outstanding shall be unaffected by the Merger and shall remain unchanged and in full force and effect as a result of the Merger.
- (b) As of the Effective Date, all of the previously issued and outstanding shares of the Common Stock and Preferred Stock of the Merged Company whether authorized, issued or outstanding immediately prior to the Effective Date shall be automatically retired and canceled.

4. Conduct Pending the Merger

4.01 Neither the Merged Company, the Surviving Corporation, nor their Shareholders shall, prior to the Effective Date of the Merger, engage in any activity or transaction other than in the ordinary course of business, except as contemplated by this Plan and Agreement of Merger.

5. Representations and Warranties

5.01 The Merged Company are corporations duly organized, validly existing and in good standing under the laws of the State of Ohio and the Surviving Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio.

5.02 The Merged Company, the Surviving Corporation, and their Shareholders each has full power and lawful authority to execute and deliver this Agreement and upon the receipt of any and all governmental authorizations have the authority to consummate and perform the transactions contemplated hereby. Upon the receipt of any governmental authorizations, this Agreement will constitute the legal, valid and binding obligations of the signatories thereto, enforceable against them in accordance with its terms.

6. Execution and Counterparts

6.01 This Plan and Agreement of Merger may be executed in any number of counterparts, and all such counterparts and copies shall be and constitute one original instrument.

SURVIVING CORPORATION
Aqua Ohio, Inc.

By: _____
Edmund P Kolodziej, President

MERGED COMPANY
Aqua Ohio Water Company, Inc.

By: _____
Edmund P Kolodziej, President

AQUA OHIO, INC.

Consisting of
The Ashtabula District,
serving the City of Ashtabula and environs
in Ashtabula County, Ohio;

The Lawrence County District,
serving the Village of Chesapeake and territory adjacent thereto,
including Big Branch Road, in Lawrence County, Ohio;

The Mansfield District,
serving the areas in and around the City of Mansfield and
the Village of Ontario, in Richland County, Ohio;

The Marion District,
serving the City of Marion and environs in Marion County,
portions of Washington Township and Canaan Township
in Morrow County, a portion of Preble County, and a portion of Pee Pee Township in
Pike County, Ohio;

The Tiffin District,
serving the City of Tiffin and environs in
Seneca County, Ohio;

The Franklin County District
serving portions of Madison, Blendon, Sharon, Brown, Prairie, Perry and Norwich Townships
in Franklin County, Ohio;

And

The Portage County District
serving portions of Brimfield and Shalersville Townships
in Portage County, Ohio.

**SCHEDULE OF RATES
FOR THE DISTRIBUTION AND SALE OF WATER
AND SEWER SERVICE FOR FRANKLIN AND PORTAGE COUNTIES**

Tariff No. 89-7028-WW-TRF

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AQUA OHIO, INC.

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Consisting of
The Ashtabula District,
serving the City of Ashtabula and environs
in Ashtabula County, Ohio;

The Lawrence County District,
serving the Village of Chesapeake and territory adjacent thereto,
including Big Branch Road, in Lawrence County, Ohio;

The Mansfield District,
serving the areas in and around the City of Mansfield and
the Village of Ontario, in Richland County, Ohio;

The Marion District,
serving the City of Marion and environs in Marion County,
portions of Washington Township and Canaan Township
in Morrow County, a portion of Preble County, and a portion of Pee Pee Township in
Pike County, Ohio;

The Tiffin District,
serving the City of Tiffin and environs in
Seneca County, Ohio;

The Franklin County District
serving portions of Madison, Blendon, Sharon, Brown, Prairie, Perry and Norwich Townships
in Franklin County, Ohio;

And

The Portage County District
serving portions of Brimfield and Shalersville Townships
in Portage County, Ohio.

**SCHEDULE OF RATES
FOR THE DISTRIBUTION AND SALE OF WATER
AND SEWER SERVICE FOR FRANKLIN AND PORTAGE COUNTIES**

Tariff No. 89-7028-WW-TRF

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Case No(s). 13-1344-WW-ATA

Summary: Application Joint Application for Tariff Approval and Related Matters and Request for Expedited Ruling electronically filed by Mr. Andrew J Campbell on behalf of Aqua Ohio, Inc. and Aqua Ohio Water Company