

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
AQUA OHIO, INC. FOR AUTHORITY TO  
INCREASE ITS RATES AND CHARGES FOR  
ITS WATERWORKS SERVICE.

CASE NO. 16-907-WW-AIR

## ENTRY

*Entered in the Journal on May 25, 2016*

### I. SUMMARY

{¶ 1} R.C. 4909.18 requires any public utility seeking to establish or modify any rate or regulation to file an application with the Commission.

### II. DISCUSSION

{¶ 2} Aqua Ohio, Inc. (Aqua or Applicant) is a waterworks company as defined by R.C. 4905.03(G) and a public utility as defined by R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission pursuant to R.C. 4905.04, 4905.05, and 4905.06.

{¶ 3} On April 28, 2016, Aqua filed a notice of intent to file an application for an increase in rates for its Lake Erie service division, its entire Masury service division, all areas formerly served by Tomahawk Utilities, Inc., all areas formerly served by Mohawk Utilities, Inc., and all areas formerly served by Ohio American Water Company, pursuant to R.C. 4909.43(B), and in compliance with Ohio Adm.Code 4901-7-01, Appendix A, Chapter I of the Commission's Standard Filing Requirements (SFRs). In its notice of intent to file an application for an increase in rates, Aqua has requested waivers from filing various financial and informational data required by this Commission's SFRs. In support of its waiver requests, Aqua states it will provide financial and informational data for the Lake Erie service division, Masury service division, all areas formerly served by Tomahawk Utilities, Inc., all areas formerly served by Mohawk Utilities, Inc., and all areas formerly served by Ohio American Water Company, as opposed to providing the information on a total company basis, which is required by the SFRs. Aqua contends it is seeking Commission authority for an increase in base rates and charges in its aforementioned areas only and, as such, providing

data on a total company basis is not relevant in this rate case. Additionally, Aqua states that the information provided in the application will be sufficient so that the Commission Staff (Staff) can effectively and efficiently review the application.

{¶ 4} The application of Aqua for an increase in rates is governed by and must meet the requirements of R.C. 4909.17 to 4909.19.

{¶ 5} Aqua moves that its test period begin January 1, 2016, and end December 31, 2016, and that the date certain be December 31, 2016. The Commission finds that the Applicant's proposed test period and date certain should be approved as requested.

{¶ 6} The Applicant has requested waivers from filing the following schedules:

(a) Schedule B-2.3

Gross Additions, Retirements and Transfers - Total Company  
(Aqua will provide information for each plant account, the balances, gross additions, retirements, and transfers for only the Lake Erie service division, Masury service division, all areas formerly served by Tomahawk Utilities, Inc., Mohawk Utilities, Inc., and Ohio American Water Company as these are the divisions that are the subject of the application).

(b) Schedule B-3.2

Depreciation Accrual Rates and Jurisdictional Reserve Balances  
- Aqua proposes to consolidate four existing systems of depreciation accrual rates associated with the affected service areas. This schedule requires information for both proposed and current accrual rates. Rather than preparing four additional schedules, Aqua proposes to provide information regarding current accrual rates in its workpapers.

(c) Schedule B-5.1

Miscellaneous Working Capital Items - As the test-year average and the date-certain balances data is not relevant to a water utility and has not been required in previous filings, Aqua requests a waiver of this requirement.

(d) Schedules C-9, C-9.1

Operations and Maintenance Costs and Payroll Analysis - Total Company - (Aqua proposes to prepare these schedules for only the Lake Erie service division, Masury service division, and all areas formerly served by Tomahawk Utilities, Inc., Mohawk Utilities, Inc., and Ohio American Water Company as these are the only divisions subject to this rate case).

(e) Schedule C-10.1

Total Company Comparative Balance Sheets - (Aqua proposes to prepare this schedule only for its Lake Erie and Masury service divisions and all areas formerly served by Tomahawk Utilities, Inc., Mohawk Utilities, Inc., and Ohio American Water Company because these are the only divisions that are the subject of the application. Data on a total company basis will be provided to Staff through responses to data requests, as needed).

(f) Schedule C- 10.2

Total Company Comparative Income Statement - (Aqua proposes to prepare this schedule only for its Lake Erie and Masury service divisions and all areas formerly served by Tomahawk Utilities, Inc., Mohawk Utilities, Inc., and Ohio American Water Company because these are the only divisions that are the subject of the application. Data on a total company

basis will be provided to Staff through responses to data requests, as needed).

(g) Schedules C-11.1 & C-11.3

Total Company Revenue and Sales Statistics - (Aqua proposes to prepare these schedules only for its Lake Erie and Masury service divisions and all areas formerly served by Tomahawk Utilities, Inc., Mohawk Utilities, Inc., and Ohio American Water Company because these are the only divisions that are the subject of the application. Data on a total company basis will be provided to Staff through responses to data requests, as needed).

(h) Schedule C-12

Total Company Analysis of Reserve for Uncollectible Accounts - (Aqua proposes to prepare this schedule only for its Lake Erie and Masury service divisions and all areas formerly served by Tomahawk Utilities, Inc., Mohawk Utilities, Inc., and Ohio American Water Company because these are the only divisions that are the subject of the application. Data on a total company basis will be provided to Staff through responses to data requests, as needed).

(i) Schedules D-1, D-1.1, D-2, D-3, D-4, D-5

Rate of Return Summary, Parent Consolidated Common Equity, Embedded Cost of Short-Term Debt, Embedded Cost of Long-Term Debt, Embedded Cost of Preferred Stock, and Comparative Financial Data - (Applicant will provide information for only its Lake Erie and Masury service divisions and all areas formerly served by Tomahawk Utilities, Inc., Mohawk Utilities, Inc., and

Ohio American Water Company because these are the only divisions that are the subject of the application).

{¶ 7} The Commission is of the opinion that the waiver requests discussed in Paragraph (6)(a)-(i) are well-supported with a showing of good cause and, therefore, should be granted as requested.

The Commission's granting of these waivers does not relieve the Applicant of its responsibility to provide additional schedules, work papers, and/or calculations, used in the production of such informational material if, in the determination of the Staff, they become necessary to process the application.

### III. ORDER

{¶ 8} It is, therefore,

{¶ 9} ORDERED, That the test period of the Applicant, Aqua Ohio, Inc., shall begin January 1, 2016, and end December 31, 2016, and that the date certain shall be December 31, 2016. It is, further,

{¶ 10} ORDERED, That the appropriate method for making any changes to the date certain or test period shall be the filing of a new notice of intent to file an application for an increase in rates and withdrawal of the pending application. It is, further,

{¶ 11} ORDERED, That the request for waivers made by the Applicant be granted as set forth in Paragraph (7). It is, further,

{¶ 12} ORDERED, That a copy of this Entry be served upon all parties of record.

**Commissioners Voting:** Asim Z. Haque, Chairman; Lynn Slaby; M. Beth Trombold; Thomas W. Johnson.

HW/sc