

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Aqua)
Ohio, Inc. To Increase Its Rates and) Case No. 16-0907-WW-AIR
Charges for Its Waterworks Service.)

**DIRECT TESTIMONY
OF
JAMES D. WILLIAMS**

**On Behalf of
The Office of the Ohio Consumers' Counsel**
*10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485*

December 19, 2016

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ATTACHMENTS

JDW-1	List of Previous Testimony Filed at the PUCO by James Williams
JDW-2	Aqua Ohio response to OCC INT-90
JDW-3	Aqua Ohio response to OCC INT-85
JDW-4	Aqua Ohio response to OCC INT-86
JDW-5	Aqua Ohio response to OCC INT-87
JDW-6	Aqua Ohio response to OCC INT-92
JDW-7	Aqua Ohio response to OCC INT-94
JDW-8	Aqua Ohio response to OCC INT-89
JDW-9	Map the Meal Gap 2016
JDW-10	Aqua Ohio response to OCC INT-91

1 **I. INTRODUCTION**

2

3 ***Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.***

4 ***A1.*** My name is James D. Williams. My business address is 10 West Broad Street,
5 18th Floor, Columbus, Ohio 43215-3485. I am employed by the Office of the
6 Ohio Consumers' Counsel ("OCC") as a Senior Utility Consumer Policy Analyst.

7

8 ***Q2. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATION AND***
9 ***PROFESSIONAL EXPERIENCE.***

10 ***A2.*** I am a 1994 graduate of Webster University, in St. Louis, Missouri, with a
11 Master's in Business Administration, and a 1978 graduate of Franklin University,
12 in Columbus, Ohio, with a Bachelor of Science, Engineering Technology. My
13 professional experience includes a career in the United States Air Force and over
14 20 years of utility regulatory experience with the OCC.

15

16 Initially, I served as a compliance specialist with the OCC and my duties included
17 the development of compliance programs for electric, natural gas, and water
18 industries. Later, I was designated to manage all of the agency's specialists who
19 were developing compliance programs in each of the utility industries. My role
20 evolved into the management of OCC's consumer hotline, the direct service
21 provided to consumers to resolve complaints and inquiries that involved Ohio
22 utilities. More recently, following a stint as a Consumer Protection Research
23 Analyst, I was promoted to a Senior Utility Consumer Policy Analyst. In this

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1 role, I am responsible for developing and recommending policy positions on
2 utility issues that affect residential consumers.

3
4 I have been directly involved in the development of comments in various
5 rulemaking proceedings at the Public Utilities Commission of Ohio (“PUCO”)
6 and the Ohio Development Services Agency. Those comments included
7 advocacy for consumer protections, affordability of utility rates, service quality
8 and the provision of reasonable access to essential utility services for residential
9 consumers. I have assisted in the development of OCC policies and positions in a
10 number of proceedings involving the service standards for Waterworks
11 Companies and Sewage Disposal System Companies,¹ and the provision of utility
12 services and consumer protections for residential consumers, including low-
13 income Ohioans.

14

15 ***Q3. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY OR TESTIFIED***
16 ***BEFORE THE PUCO?***

17 ***A3.*** Yes. The cases that I have submitted testimony and/or have testified before the
18 PUCO can be found in Attachment JDW-1.

¹ *In the Matter of the Commission's Review of Chapter 4901:1-15, Ohio Administrative Code, Standards for Waterworks Companies and Sewage Disposal Companies, Case No. 11-5605-WS-ORD.*

1 **II. PURPOSE OF MY TESTIMONY**

2

3 ***Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***
4 ***PROCEEDING?***

5 **A4.** The purpose of my testimony is to address and support preliminary
6 objections 20, 21, 22, and 23 that were filed by the OCC concerning the
7 PUCO Staff Report.² More specifically, the purpose of my testimony is to
8 address the PUCO Staff recommendations concerning the level of
9 unaccounted for water (“UFW”) in several communities served by Aqua
10 Ohio, Inc. (“Aqua” or “Utility”) and the need for an external auditor to
11 examine program management processes used by Aqua in implementing
12 Information Technology (“IT”) programs. Furthermore, my testimony
13 addresses poverty levels in many of the communities served by Aqua and
14 the relatively high number of families who are being disconnected for
15 non-payment.

16

17 ***Q5. PLEASE SUMMARIZE YOUR CONCLUSIONS.***

18 **A5.** I recommend that the PUCO require the PUCO Staff to evaluate possible
19 adjustments that should be made in chemical and energy expenses
20 incurred by Aqua Ohio in serving communities where the UFW level
21 continues to exceed fifteen percent. This evaluation should be conducted

² *In the Matter of the Application of Aqua, Ohio, Inc., for Authority to Increase its Rates and Charges for its Waterworks Service, Case No. 16-0907-WW-AIR, A Report by the Staff of the Public Utilities Commission of Ohio, November 17, 2016 (“Staff Report”).*

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1 as part of the PUCO Staff review and investigation that will be undertaken
2 in Aqua's next base rate case. In addition, I recommend that the PUCO
3 accept the PUCO Staff recommendation to require Aqua to retain, at its
4 own expense, an external auditor to examine control processes used by
5 Aqua in managing IT programs. However, because this is an on-going
6 issue that Aqua should have already addressed, I recommend that the
7 PUCO protect consumers from potential further harm by requiring the
8 external auditor's findings and recommendations to be publicly filed
9 within six months of the date the PUCO issues an Opinion and Order in
10 this case. Finally, the PUCO should direct Aqua to initiate programs to
11 help customers avoid disconnection of water service. These programs
12 include more consumer friendly payment plans and a shareholder funded
13 bill payment assistance program within sixty days of issuance of the
14 Opinion and Order in this case. The bill payment assistance program
15 would help payment troubled low-income customers avoid disconnection
16 for non-payment.

III. OBJECTIONS TO STAFF REPORT

A. UNACCOUNTED FOR WATER

***Q6. PLEASE SUMMARIZE THE STAFF RECOMMENDATIONS
CONCERNING UNACCOUNTED FOR WATER.***

A6. The PUCO Staff recommended that Aqua Ohio continue filing Infrastructure Leak Index (“ILI”) reports annually for the five Aqua Ohio systems where more than 3,000 customers are served.³ These five systems include Ashtabula, Lawrence County, Marion, Mentor (Lake Shore West), and Tiffin. Staff recommended no chemical and power costs adjustments in the case because the actual ILI for these five systems was under the target ILI prescribed by PUCO rules.⁴

***Q7. CAN YOU BRIEFLY EXPLAIN THE PUCO RULES CONCERNING
UNACCOUNTED FOR WATER?***

A7. Yes. Ohio Adm. Code 4901:1-15-20(C)(5) requires each waterworks company to determine the percentage of unaccounted for water on a rolling twelve-month average. The percentage is based on total metered usage and the total amount of water production. Utilities must provide reports to the PUCO Staff if the UFW level exceeds fifteen percent. These reports must also assess the costs and benefits of a leak survey. In

³ Staff Report at 30.

⁴ Id.

1 addition, if the utility's system has more than 3,000 service connections or
2 more than sixteen connections per mile of distribution main, the remedial
3 report must provide a calculation for the infrastructure leak index.
4

5 ***Q8. DID THE PUCO STAFF PROVIDE ANY SPECIFIC***
6 ***RECOMMENDATION CONCERNING THE UNACCOUNTED FOR***
7 ***WATER LEVEL IN OTHER AQUA OHIO SYSTEMS?***

8 ***A8.*** No. The PUCO Staff mentioned that five of Aqua Ohio's systems have
9 fewer than 3,000 customers and calculated UFW levels exceeding 15
10 percent.⁵ These include Blacklick Estates, Huber Ridge, Imperial
11 Bryonaire, Sites Lake, and Mohawk. The PUCO Staff mentions that
12 remedial action plans were submitted for these systems.⁶
13

14 ***Q9. SHOULD THE PUCO STAFF HAVE CONSIDERED OTHER***
15 ***RECOMMENDATIONS CONCERNING THE UNACCOUNTED FOR***
16 ***WATER LEVEL AT THE BLACKLICK ESTATES AND HUBER***
17 ***RIDGE SYSTEMS?***

18 ***A9.*** Yes. Table 1 provides the rolling 12-month average UFW for Blacklick
19 Estates and Huber Ridge over each of the past five years. The Huber
20 Ridge UFW has exceeded 15 percent for each of the past five years. The
21 Blacklick Estates has exceeded the 15 percent UFW for each of the past
22 four years. Staff should have performed an analysis about the UFW in the

⁵ Staff Report at 29.

⁶ Id.

1 the Blacklick and Huber Ridge systems to determine if adjustments for
2 power and chemical expenses were appropriate. The PUCO should
3 require this analysis to be performed by the PUCO Staff as part of the next
4 rate case if the UFW for the Huber Ridge and/or Blacklick systems
5 continue to trend above 15 percent.

6 **Table 1: 12-month Average Unaccounted for Water Blacklick and**
7 **Huber Ridge (2011 – 2015)**
8

System	# Customers	2015	2014	2013	2012	2011
Blacklick	2,875	18.02	17.65	27.2	21.8	14.3
Huber Ridge	2,233	17.68	21.19	19.0	20.1	19.9

9

10

11 **B. EXTERNAL AUDITOR**

12

13 ***Q10. CAN YOU BRIEFLY DESCRIBE THE PUCO STAFF***

14 ***RECOMMENDATION REGARDING AQUA BEING DIRECTED TO***

15 ***RETAIN AN EXTERNAL AUDITOR TO EXAMINE MANAGEMENT***

16 ***OF INFORMATION TECHNOLOGY PROGRAMS.***

17 ***A10.*** Yes. The PUCO Staff reviewed documentation provided by Aqua for

18 several different IT initiatives to examine if the Utility is providing

19 adequate controls in the management of the programs.⁷ The PUCO Staff

20 concluded that the documentation was lacking for several projects and

21 there was not a uniform process in place for tracking programs from

⁷ Staff Report at 43.

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1 initiation to completion.⁸ In addition, the PUCO Staff noted that there was
2 no substantive post-completion analysis conducted for any of the
3 programs.⁹ The PUCO Staff also noted that several high budget initiatives
4 experienced cost overruns and there was a lack of documentation
5 explaining and/or authorizing the cost increases.¹⁰

6
7 For the sake of background in understanding the importance of this issue,
8 the PUCO Staff identified similar issues associated with the management
9 of IT programs in the last Aqua rate case.¹¹ According to the Stipulation
10 in that case,¹² Aqua agreed to include, as part of the instant case,
11 information demonstrating that the Utility “engages in rigorous, regular,
12 Project Management Institute (PMI) driven budget development and
13 oversight of IT projects.”¹³ However, Aqua did not satisfy this previous
14 commitment. Therefore, the PUCO Staff is now recommending that Aqua
15 be directed to engage an external auditor, paid for by Aqua America from
16 non-regulated funds, to examine the control processes used by Aqua in
17 managing IT programs and to make appropriate recommendations. The

⁸ Id at 44.

⁹ Id.

¹⁰ Id.

¹¹ *In the Matter of the Application of Aqua Ohio, Inc. to Increase Its Rates and Charges for Its Waterworks Service.*, Case No. 13-2124-WW-AIR, A Report by the Staff of the Public Utilities Commission of Ohio, May 20, 2014 at 48-49.

¹² Stipulating parties included Aqua Ohio, the PUCO Staff, City of Tiffin, and City of Marion.

¹³ Case No. 13-2124-WW-AIR, Stipulation and Recommendation, July 21, 2014 at 3.

PUCO Staff further recommends that the audit be conducted within one year of the PUCO Opinion and Order in this case.¹⁴

Q11. IS THE PUCO STAFF RECOMMENDATION REASONABLE?

A11. No. My recommendation is that the PUCO require Aqua to engage an external auditor, using shareholder funds, and to publicly file the results of the audit with all findings and recommendations within six months of the Opinion and Order in this case. The PUCO should act more expediently towards ensuring that Aqua has systems and processes in place to prevent any potential further harm to consumers. Inadequately managed IT programs can ultimately result in imprudently incurred expenses that drive up the cost of service paid by consumers. And inadequately managed IT programs can negatively impact the utility service provided to consumers. Aqua has had sufficient time since the last base rate case to implement the additional controls that it promised to demonstrate adequacy of the program management, and it has failed to do so.

In fact, concerns about the way in which Aqua manages IT programs pre-date the last base rate case. Aqua Ohio customers experienced serious billing issues in 2008 and 2009 because of inadequately managed IT

¹⁴ Staff Report at 44.

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1 programs.¹⁵ The billing issues resulted in Aqua Ohio customers either not
2 receiving a bill for service or receiving a bill for an unusually long period
3 of service.¹⁶

4
5 The examination of Aqua's implementation of IT programs by an external
6 auditor is a reasonable next step towards bringing final resolution to a long
7 standing issue that can significantly impact customers. But the external
8 auditor's findings and recommendations need to be publicly filed within
9 six months of the Opinion and Order in this case. A more aggressive
10 schedule for conducting the external audit is appropriate because Aqua is
11 not prioritizing fixing this long-standing issue. Aqua spends millions of
12 dollars annually on IT systems and programs that are ultimately paid for
13 by customers in the form of higher rates. The review of the adequacy and
14 sufficiency of program documentation is crucial for the PUCO to
15 determine the just and reasonableness of proposed base rates. Aqua Ohio
16 should face significant financial consequences if it is unable to
17 demonstrate that all of the external auditor recommendations are
18 implemented prior to the next base rate case.

¹⁵ *In the Matter of a Settlement Agreement Between the Staff of the Public Utilities Commission of Ohio, the Office of the Ohio Consumers' Counsel, and Aqua Ohio, Inc. Relating to Compliance with Customer Service Terms and Conditions Outlined in the Stipulation and Recommendation in Case No. 07-564-WW-AIR and the Standards for Waterworks Companies and Sewage Disposal System Companies*, Case No, 08-1125-WW-UNC.

¹⁶ Case No 08-1125-WW-UNC, Staff Report (December 29, 2008).

1 **C. BILL PAYMENT ASSISTANCE PROGRAM**

2

3 ***Q12. DID THE STAFF REPORT PROVIDE RECOMMENDATIONS***
4 ***CONCERNING AQUA PAYMENT ASSISTANCE?***

5 ***A12.*** No.

6

7 ***Q13. DOES AQUA OFFER RESIDENTIAL CUSTOMERS WHO ARE***
8 ***HAVING TROUBLE PAYING THEIR WATER BILL ANY TYPE OF***
9 ***BILL PAYMENT ASSISTANCE?***

10 ***A13.*** No. In the Aqua response to OCC INT-90 (attached herein as JDW-2), the
11 Utility confirmed that it does not offer any company-sponsored bill
12 payment assistance program. Aqua offers customers who are experiencing
13 financial difficulty with a single very limited payment plan that I will
14 discuss later in my testimony.

15

16 ***Q14. CAN YOU DESCRIBE HOW RESIDENTIAL CUSTOMERS ARE***
17 ***IMPACTED WHEN THEY ARE UNABLE TO PAY THEIR AQUA***
18 ***WATER BILL?***

19 ***A14.*** Yes. One of the ways in which residential customers are impacted is
20 through disconnection of their water service. Table 2 provides a summary
21 of the total number of residential customers who have been disconnected
22 for non-payment in each Aqua Ohio district between 2013 and now.

Table 2: Aqua Ohio Disconnections (2013 – October 2016)

Operating Division ¹⁷	Customers ¹⁸	2013 ¹⁹	2014 ²⁰	2015 ²¹	2016 ²²
Lake/Ashtabula	40,743	1,669	1,453	1,562	1,470
Franklin/ Lawrence	11,406	865	663	705	605
Mansfield/ Portage/ Masury	3,585	130	136	125	145
Marion/ Tiffin	22,817	1,690	1,432	1,335	1,292
Mohawk/ Tomahawk	1,253	0	0	12	1
Total	79,904	4,354	3,685	3,739	3,513

Between 2013 and October 2016, Aqua has disconnected 15,291 residential customers for non-payment. This represents a disconnection rate of 19.1 percent.²³ This means that almost one in five Aqua customers have been disconnected for non-payment at some period of time between 2013 and October 2016. This is compelling information demonstrating the struggle residential customers are having paying their water bill.

Q15. ARE THERE ADDITIONAL FINANCIAL IMPACTS ON RESIDENTIAL CUSTOMERS WHEN THEY ARE UNABLE TO PAY THEIR AQUA WATER BILL?

A15. Yes. Customers pay hefty late payment charges when they are unable to timely pay their Aqua Ohio water bill. In fact as shown in Table 3, residential customers

¹⁷ Aqua Ohio response to OCC INT-85 (attached herein as JDW-3).

¹⁸ Id.

¹⁹ Aqua Ohio response to OCC INT-86 (attached herein as JDW-4).

²⁰ Id.

²¹ Id.

²² Aqua Ohio response to OCC INT-87 (attached herein as JDW-5).

²³ Disconnection rate is the Total number of disconnections (15,291)/ Number of customers (79,904) = 19.13 percent.

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1 have paid Aqua Ohio over \$1.9 million in late payment charges between 2013 and
2 October 2016. The Aqua Ohio tariff's generally support a five percent late
3 payment charge on unpaid current monthly charges.²⁴

4 **Table 3: Aqua Ohio Customer Late Payment Charges (2013 – October 2016)**²⁵

Operating Division	2013	2014	2015	2016
Lake/ Ashtabula	\$194,591	\$190,409	\$200,726	\$167,945
Franklin/ Lawrence	90,131	88,389	90,518	77,701
Mansfield/ Portage/Masury	27,473	26,042	25,787	22,187
Marion/ Tiffin	197,650	178,173	182,489	159,540
Mohawk/ Tomahawk	0	0	3,610	3,741
Total	\$509,845	\$483,013	\$503,130	\$431,114

5

6 ***Q16. ARE THERE ANY OTHER FINANCIAL IMPACTS THAT RESIDENTIAL***
7 ***CUSTOMERS INCUR WHEN THEY ARE UNABLE TO PAY THEIR***
8 ***WATER BILL?***

9 ***A16.*** Yes. Customers who are disconnected for non-payment are required to pay hefty
10 reconnection charges in order to get the water service restored. Reconnection
11 charges during normal business hours cost \$55.95.²⁶ Reconnection charges
12 during other than normal business hours cost \$155.86. As shown in Table 4,
13 Aqua Ohio customers paid over \$600,000 between 2013 and October 2016 in
14 reconnection charges.

²⁴ Aqua Ohio Tariff, Section 4, Original Sheet No. 4.

²⁵ Aqua Ohio response to OCC INT-92 (attached herein as JDW-6).

²⁶ Aqua Ohio Tariff, P.U.C.O Tariff No. 2, Section 4.

Table 4: Aqua Ohio Customer Reconnection Charges (2013 – October 2016)²⁷

Operating Division	2013	2014	2015	2016
Lake/ Ashtabula	\$77,434	\$60,672	\$67,882	\$61,043
Franklin/ Lawrence	40,134	22,988	22,892	20,648
Mansfield/ Portage/Masury	3,092	3,087	3,247	3,566
Marion/ Tiffin	65,530	56,378	45,396	44,933
Mohawk/ Tomahawk	0	0	191	58
Total	\$189,190	\$143,125	\$139,608	\$130,248

***Q17. WILL THE INCREASE IN AQUA RATES RESULT IN EVEN MORE
IMPACT ON CUSTOMER'S ABILITY TO PAY THEIR WATER BILL?***

A17. There can be no doubt. Aqua has proposed an overall rate increase of 9.2 percent over rates that were established in 2014.²⁸ Aqua Ohio claims that slightly higher operating and maintenance expenses and other costs since 2014 have contributed to the proposed increase.²⁹ But the proposed Aqua Ohio 9.2 percent increase can far exceed the increases many Aqua customers have seen in their household incomes since 2014. The Consumer Price Index (CPI) helps measure changes in consumer buying power as adjusted for inflation over time. The CPI has increased about 2.2 percent since 2014; yet Aqua Ohio is proposing a 9.2 percent increase in rates. Therefore, customers who already struggle paying their water bill and who received only inflationary increases in household income since 2014 will be negatively impacted by the Aqua rate increase.

²⁷ Aqua Ohio response to OCC INT-94 (attached herein as JDW-7).

²⁸ Application, Important Notice to Public Officials, April 28, 2016.

²⁹ Id.

Q18. DOES POVERTY IN MANY OF THE COUNTIES SERVED BY AQUA EXCEED THE NATIONAL AND OHIO POVERTY LEVELS?

A18. Yes. Table 5 provides a summary of the poverty level in each of the counties served by Aqua. Ohio has a statewide poverty level of 15.9³⁰ percent that exceeds the national poverty level rate of 15.5 percent. As can be seen in Table 5, the poverty levels in ten of the fourteen counties served by Aqua Ohio exceed the statewide poverty level. High poverty levels also result in many Ohioans having inadequate access to food. Food insecurity means that people do not have sufficient access to a safe and reliable supply of food on a daily basis to maintain health and well-being. Ohio currently rates forty-fourth and well above the national average for persons who have insecure access to food.³¹ Table 5 includes the approximate percentage of persons in each of the counties served by Aqua that have insecure access to food.³²

Table 5

County	Poverty Level (%)	Food Insecurity (%)
Ashtabula	19.0	15.7
Franklin	18.0	17.9
Lake	9.2	12.4
Lawrence	17.4	15.1
Mahoning	17.9	16.9
Marion	19.1	15.9
Pike	24.2	17.9
Portage	16.0	14.8

³⁰ Ohio Poverty Report 2016. <https://www.development.ohio.gov/files/research/p7005.pdf>.

³¹ <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/key-statistics-graphics.aspx>.

³² Map the Meal Gap 2016 (attached herein as JDW-9).

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Preble	12.8	13.1
Richland	16.3	16.2
Seneca	17.1	14.2
Stark	15.0	15.2
Trumbull	17.3	16.3
Williams	14.5	13.3

1

2 ***Q19. DO YOU HAVE SPECIFIC RECOMMENDATIONS FOR THE TYPE OF***
3 ***BILL PAYMENT ASSISTANCE PROGRAMS THAT AQUA SHOULD***
4 ***OFFER CUSTOMERS?***

5 ***A19.*** Yes. I have two specific recommendations. The first recommendation involves
6 Aqua offering additional payment plans. In the Aqua response to OCC INT-89
7 (attached herein as JDW-8), Aqua stated that it provides customers who are
8 delinquent in payments with a payment plan that requires an upfront payment of
9 25 to 50 percent of the amount owed and the remaining balance is paid in equal
10 installments over three months. Requiring large upfront payments with
11 installments payments over a few months can be difficult for customers and can
12 result in payment plan default. Aqua does not maintain data showing how many
13 customers who were disconnected for non-payment were in default on a payment
14 plan when service was disconnected.³³ To help consumers avoid disconnection of
15 service, I recommend that the PUCO require Aqua to offer customers a one-sixth
16 payment plan similar to the plan that the PUCO requires gas and electric utilities

³³ Aqua Ohio response to OCC INT-91 (attached herein as JDW-10).

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1 to offer customers.³⁴ A one-sixth plan requires payment of one-sixth of the
2 delinquent account balance in six equal installments along with current charges.

3

4 My second recommendation is that the PUCO require Aqua to offer a shareholder
5 funded bill payment assistance program for low-income customers throughout its
6 service territory. The funding level should be at least \$30,000 annually. Bill
7 payment assistance should be made available for customers who have household
8 levels at or below 200 percent of the poverty level and who have established an
9 inability to pay their water bill. The PUCO should require Aqua, the PUCO Staff,
10 and the OCC to work together to formulate an implementation plan for
11 distributing the bill payment assistance funds in a cost-effective manner. Similar
12 programs have been provided in the past to Aqua Ohio customers including
13 customers formerly served by Ohio American Water Company. This plan should
14 be filed within 90 days of the issuance of the Opinion and Order in this case.

15

16 **IV. CONCLUSION**

17

18 ***Q20. DOES THIS CONCLUDE YOUR TESTIMONY?***

19 ***A20.*** Yes. However, I reserve the right to incorporate new information that may
20 subsequently become available through outstanding discovery or otherwise.

³⁴ Ohio Adm. Code 4901:1-18-05(B)(1).

CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing *Direct Testimony of James D. Williams on Behalf of the Office of the Ohio Consumers' Counsel* has been served via electronic transmission this 19th day of December 2016.

/s/ Kevin Moore
Kevin Moore
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Testimony of James D. Williams
Filed at the Public Utilities Commission of Ohio

1. In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 95-0656-GA-AIR (August 12, 1996).
2. In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 01-1228-GA-AIR (February 15, 2002).
3. In the Matter of the Commission's Investigation into the Policies and Procedures of Ohio Power Company, Columbus Southern Power Company, The Cleveland Electric Illuminating Company, Ohio Edison Company, The Toledo Edison Company and Monongahela Power Company regarding installation of new line extensions, Case No. 01-2708-EL-COI (May 30, 2002).
4. In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 07-0829-GA-AIR (June 23, 2008).
5. In the Matter of the Application of the Columbia Gas of Ohio, Inc. for Authority to Amend Filed Tariffs to Increase the Rates and Charges for Gas Distribution, Case No. 08-072-GA-AIR (September 25, 2008).
6. In the Matter of a Settlement Agreement Between the Staff of the Public Utilities Commission of Ohio, The Office of the Consumers' Counsel and Aqua Ohio, Inc. Relating to Compliance with Customer Service Terms and Conditions Outlined in the Stipulation and Recommendation in Case No. 07-564-WW-AIR and the Standards for Waterworks Companies and Disposal System Companies, Case No. 08-1125-WW-UNC (February 17, 2009).
7. In the Matter of the Application of the Ohio American Water Company to Increase its Rates for water and Sewer Services Provided to its Entire Service Area, Case No. 09-391-WS-AIR (January 4, 2010).
8. In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in its Masury Division, Case No. 09-560-WW-AIR (February 22, 2010).

9. In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in Its Lake Erie Division, Case No. 09-1044-WW-AIR (June 21, 2010).
10. In the Matter of the Application of The Ohio American Water Company to Increase its Rates for Water Service and Sewer Service, Case No. 11-4161-WS-AIR (March 1, 2012).
11. In the Matter of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan, Case No. 11-346-EL-SSO, et al (May 4, 2012).
12. In the Matter of the Application of The Dayton Power and Light Company for Approval of its Market Rate Offer, Case No. 12-426-EL-SSO (June 13, 2012).
13. In the Matter of the Application of Ohio Power Company to Establish Initial Storm Damage Recovery Rider Rates, Case No. 12-3255-EL-RDR (December 27, 2013).
14. In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan, Case No. 13-2385-EL-SSO (May 6, 2014).
15. In the Matter of the Application of Duke Energy Ohio for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service, Case 14-841-EL-SSO (May 29, 2014).
16. In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan, Case No. 14-1297-EL-SSO (December 22, 2014).
17. In the Matter of the Application of Duke Energy Ohio, Inc., to Adjust Rider DR-IM and Rider AU for 2013 Grid Modernization Costs, Case No. 14-1051-EL-RDR (December 31, 2014) and (February 6, 2015).

18. In the Matter of the Application Not for an Increase in Rates Pursuant to Section 4901:18, Revised Code, of Ohio Power Company to Establish Meter Opt Out Tariff, Case No. 14-1158-EL-ATA (April 24, 2015).
19. In the Matter of the Application of Duke Energy of Ohio, Inc., for Approval of a Grid Modernization Opt-out Tariff and for a Change in Accounting Procedures Including a Cost Recovery Mechanism., Case 14-1160-EL-UNC and 14-1161-EL-AAM (September 18, 2015).
20. In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Alternative Rate Plan Pursuant to Section 4929.05, Revised Code, for an Accelerated Service Line Replacement Programs, Case No. 14-1622-GA-ALT (November 6, 2015).
21. In the Matter of the Complaint of Jeffrey Pitzer, Complainant, v. Duke Energy Ohio, Inc. Respondent., Case No. 15-298-GE-CSS (December 30, 2015).
22. In the Matter of the Application of Ohio Power Company to Initiate Phase 2 of Its gridSMART Project and to Establish the gridSMART Phase 2 Rider., Case No. 13-1939-EL-RDR (July 22, 2016).
23. In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of Demand Side Management Program for its Residential and Commercial Customers., Case No. 16-1309-GA-UNC (September 13, 2016).
24. In the Matter of the Application of the Dayton Power and Light Company for Approval of Its Electric Security Plan, Case No. 16-0395-EL-SSO (November 21, 2016).
25. In the Matter of the Application of Aqua Ohio, Inc. to Increase Its Rates and Charges for Its Waterworks Service., Case No. 16-0907-WW-AIR (December 19, 2016).

INT-90. Please describe any bill payment assistance programs (and the amount) that Aqua Ohio makes available to residential customers to help avoid disconnection for non-payment.

RESPONSE: Aqua objects that this interrogatory is vague, overbroad, and unduly burdensome to answer and seeks information that is neither relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Aqua answers as follows:

Aqua does not offer any company-sponsored bill-payment assistance programs.

INT-85. Referring to the Direct Testimony of Mr. Kolodziej at page 2, what is the total number of residential customers in each of the principal operating divisions including the Lake/Ashtabula Division, the Franklin County/Lawrence Division, the Struthers Division, the Stark/Mansfield/ Portage Division and the Marion/ Tiffin Division?

RESPONSE: Aqua objects that this interrogatory seeks information that is neither relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, Aqua answers as follows:

As of the date of the testimony, the jurisdictional total of residential customers are listed below:

- Lake/Ashtabula 40,743
- Franklin/Lawrence 11,406
- Mansfield/Portage/Masury 3,585
- Marion/Tiffin 22,817
- Mohawk/Tomahawk 1,253

INT-86. For each of the principal operating divisions identified in the Aqua Ohio response to INT-85, how many residential customers were disconnected for non-payment in each year 2013 through 2015?

RESPONSE: See objection and response to INT-85. Aqua further objects that this interrogatory seeks information that is neither relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, Aqua answers as follows:

The jurisdictional residential disconnections by year are listed below.

2013

- Lake/Ashtabula 1,669
- Franklin/Lawrence 865
- Mansfield/Portage/Masury 130
- Marion/Tiffin 1,690
- Mohawk/Tomahawk 0

2014

- Lake/Ashtabula 1,453
- Franklin/Lawrence 663
- Mansfield/Portage/Masury 136
- Marion/Tiffin 1,432
- Mohawk/Tomahawk 0

2015

- Lake/Ashtabula 1,562
- Franklin/Lawrence 705
- Mansfield/Portage/Masury 125
- Marion/Tiffin 1,335
- Mohawk/Tomahawk 12

INT-87. For 2016 year to date, how many residential customers were disconnected for non-payment in each of the Aqua Ohio principal operating divisions?

RESPONSE: See objection and response to INT-85. Aqua further objects that this interrogatory seeks information that is neither relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, Aqua answers as follows:

Jurisdictional residential disconnections through October 2016 are listed below.

- Lake/Ashtabula 1,470
- Franklin/Lawrence 605
- Mansfield/Portage/Masury 145
- Marion/Tiffin 1,292
- Mohawk/Tomahawk 1

INT-92. For each principal operating division and year 2013 through year to date 2016, what is the total amount of late payment charges that were billed to residential customers?

RESPONSE: Aqua objects that this interrogatory seeks information that is neither relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Aqua answers as follows:

The total jurisdictional late payment charges by year are listed below.

2013

- Lake/Ashtabula \$194,591
- Franklin/Lawrence \$90,131
- Mansfield/Portage/Masury \$27,473
- Marion/Tiffin \$197,650
- Mohawk/Tomahawk \$0

2014

- Lake/Ashtabula \$190,409
- Franklin/Lawrence \$88,389
- Mansfield/Portage/Masury \$26,042
- Marion/Tiffin \$178,173
- Mohawk/Tomahawk \$ 0

2015

- Lake/Ashtabula \$200,726
- Franklin/Lawrence \$90,518
- Mansfield/Portage/Masury \$25,787
- Marion/Tiffin \$182,489
- Mohawk/Tomahawk \$ 3,610

Through October 2016

- Lake/Ashtabula \$167,945
- Franklin/Lawrence \$77,701
- Mansfield/Portage/Masury \$22,187
- Marion/Tiffin \$159,540
- Mohawk/Tomahawk \$ 3,741

INT-94. Referring to the Aqua Ohio response to INT-93, for each year 2013 through year to date 2016, what is the total amount of reconnection charges that were paid by residential customers?

RESPONSE: See objection and response to INT-93. Subject to and without waiving this objection, Aqua answers as follows:

The total jurisdictional reconnection charges by year are listed below.

2013

- Lake/Ashtabula \$77,434
- Franklin/Lawrence \$40,134
- Mansfield/Portage/Masury \$3,092
- Marion/Tiffin \$68,530
- Mohawk/Tomahawk \$ 0

2014

- Lake/Ashtabula \$60,672
- Franklin/Lawrence \$22,988
- Mansfield/Portage/Masury \$3,087
- Marion/Tiffin \$56,378
- Mohawk/Tomahawk \$ 0

2015

- Lake/Ashtabula \$67,882
- Franklin/Lawrence \$22,892
- Mansfield/Portage/Masury \$3,247
- Marion/Tiffin \$45,396
- Mohawk/Tomahawk \$ 191

Through October 2016

- Lake/Ashtabula \$61,043
- Franklin/Lawrence \$20,648

- Mansfield/Portage/Masury \$3,566
- Marion/Tiffin \$44,933
- Mohawk/Tomahawk \$ 58

INT-89. Please describe each payment plan that Aqua Ohio makes available to residential customers to avoid credit and collection activities including disconnection for non-payment.

RESPONSE: Aqua objects that this interrogatory is overbroad and unduly burdensome to answer and seeks information that is neither relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Aqua answers as follows:

Aqua offers residential customers who are in delinquent status a payment arrangement. The payment arrangement generally requires an initial minimum installment payment from 25% to 50% percent of the account balance, with the remaining balance divided into three equal monthly installments. The monthly installments are in addition to future billed charges which become due after the creation date of the arrangement.

INT-91. Referring to the Aqua Ohio response to INT-86 and INT-87, for each principal operating division and year 2013 through year to date 2016, how many of the customers who were disconnected for non-payment were delinquent on a payment plan at the time service was disconnected?

RESPONSE: See objections and responses to INT-86, INT-87, and INT-88. Subject to and without waiving this objection, Aqua answers as follows:

This information is not maintained in the ordinary course of business and is not readily available.



Map the Meal Gap 2016:
Overall Food Insecurity in Ohio by County in 2014¹



County	Population	Food insecurity rate	Estimated number food insecure individuals (rounded)	Likely Income Eligibility for Federal Nutrition Assistance ²		
				% below 130% poverty <small>SNAP, WIC, free school meals, CSFP, TEFAP</small>	% between 130% and 185% poverty <small>WIC, reduced price school meals</small>	% above 185% poverty <small>Charitable Response</small>
Adams	28,342	18.1%	5,140	80%	6%	14%
Allen	105,562	16.5%	17,470	59%	13%	29%
Ashtabula	100,346	15.7%	15,750	65%	12%	23%
Athens	64,840	19.8%	12,810	69%	4%	27%
Auglaize	45,867	11.8%	5,410	46%	19%	35%
Belmont	69,793	14.8%	10,300	51%	15%	34%
Brown	44,464	14.3%	6,370	62%	14%	24%
Butler	371,154	14.0%	52,060	50%	10%	41%
Carroll	28,539	13.7%	3,920	60%	14%	26%
Champaign	39,628	13.2%	5,220	52%	12%	36%
Clark	137,303	16.3%	22,410	61%	14%	25%
Clermont	199,450	12.3%	24,590	48%	9%	44%
Clinton	41,871	16.3%	6,840	56%	12%	32%
Columbiana	106,622	15.0%	15,960	59%	13%	28%
Coshocton	36,768	15.5%	5,700	66%	12%	22%
Crawford	43,036	15.1%	6,510	61%	13%	26%
Cuyahoga	1,267,513	19.4%	245,660	53%	14%	33%
Darke	52,537	13.7%	7,190	57%	17%	27%
Defiance	38,795	12.3%	4,750	58%	15%	27%
Delaware	181,821	9.0%	16,440	29%	11%	60%
Erie	76,416	15.0%	11,450	49%	15%	36%
Fairfield	148,067	13.2%	19,510	47%	12%	41%
Fayette	28,875	16.1%	4,660	64%	11%	25%
Franklin	1,197,592	17.9%	214,500	54%	13%	34%
Fulton	42,541	11.6%	4,920	51%	12%	37%
Gallia	30,763	16.1%	4,950	69%	12%	20%
Geauga	93,819	10.3%	9,680	43%	12%	45%
Greene	163,313	14.5%	23,650	48%	8%	44%
Guernsey	39,794	15.4%	6,140	65%	11%	24%
Hamilton	803,272	18.6%	149,740	53%	12%	36%
Hancock	75,290	12.9%	9,730	57%	10%	33%
Hardin	31,826	15.1%	4,800	61%	10%	29%
Harrison	15,698	14.5%	2,280	62%	15%	23%
Henry	28,074	12.1%	3,390	51%	9%	40%
Highland	43,266	16.5%	7,130	73%	12%	15%
Hocking	29,111	14.6%	4,250	62%	10%	28%
Holmes	43,176	12.4%	5,360	64%	24%	11%
Huron	59,186	14.2%	8,410	55%	14%	31%
Jackson	32,952	17.7%	5,840	73%	8%	19%
Jefferson	68,510	16.7%	11,410	57%	13%	29%
Knox	61,063	14.0%	8,520	56%	12%	32%
Lake	229,602	12.4%	28,410	41%	14%	46%
Lawrence	62,100	15.1%	9,350	61%	16%	23%
Licking	167,911	13.3%	22,330	49%	12%	39%
Logan	45,564	13.9%	6,330	65%	6%	30%
Lorain	302,465	14.3%	43,130	51%	10%	39%
Lucas	438,167	18.3%	80,260	60%	12%	28%
Madison	43,326	13.5%	5,850	44%	11%	45%
Mahoning	235,809	16.9%	39,790	56%	15%	29%
Marion	66,171	15.9%	10,520	61%	8%	31%
Medina	174,091	11.1%	19,280	38%	11%	51%
Meigs	23,564	16.9%	3,970	70%	12%	18%
Mercer	40,789	11.1%	4,530	42%	19%	39%
Miami	103,145	13.7%	14,090	52%	12%	35%
Monroe	14,590	17.1%	2,490	58%	14%	28%
Montgomery	534,801	18.4%	98,470	55%	14%	31%

County	Population	Food insecurity rate	Estimated number food insecure individuals (rounded)	Likely Income Eligibility for Federal Nutrition Assistance ²		
				% below 130% poverty	% between 130% and 185% poverty	% above 185% poverty
				SNAP, WIC, free school meals, CSFP, TEFAP	WIC, reduced price school meals	Charitable Response
Morgan	14,977	16.2%	2,420	65%	13%	22%
Morrow	34,991	12.6%	4,410	53%	12%	35%
Muskingum	85,947	16.7%	14,360	63%	15%	22%
Noble	14,561	14.8%	2,160	47%	21%	33%
Ottawa	41,304	12.6%	5,210	43%	16%	41%
Paulding	19,293	12.8%	2,470	56%	16%	28%
Perry	36,000	15.5%	5,590	65%	13%	22%
Pickaway	56,279	13.5%	7,620	47%	12%	41%
Pike	28,504	17.9%	5,100	74%	11%	15%
Portage	161,553	14.8%	23,930	54%	7%	39%
Preble	41,887	13.1%	5,510	56%	16%	29%
Putnam	34,256	9.6%	3,300	40%	14%	46%
Richland	122,813	16.2%	19,920	55%	14%	31%
Ross	77,552	16.1%	12,480	62%	10%	28%
Sandusky	60,498	12.9%	7,820	62%	12%	26%
Scioto	78,520	18.2%	14,280	70%	8%	23%
Seneca	56,100	14.2%	7,950	56%	11%	33%
Shelby	49,165	13.0%	6,380	51%	12%	38%
Stark	375,090	15.2%	57,080	53%	13%	34%
Summit	541,464	16.2%	87,480	50%	12%	38%
Trumbull	207,596	16.3%	33,820	56%	12%	33%
Tuscarawas	92,616	13.7%	12,690	58%	13%	29%
Union	53,090	11.2%	5,920	40%	13%	47%
Van Wert	28,612	12.7%	3,620	55%	19%	26%
Vinton	13,319	16.6%	2,220	72%	17%	11%
Warren	217,623	10.7%	23,290	30%	11%	59%
Washington	61,473	14.5%	8,880	61%	9%	30%
Wayne	114,978	13.0%	14,990	56%	16%	28%
Williams	37,493	13.3%	4,990	63%	18%	19%
Wood	128,139	13.7%	17,610	53%	7%	40%
Wyandot	22,535	12.5%	2,810	48%	17%	35%
State Total⁶	11,594,163	16.8%	1,943,340	52.3%	12.9%	34.7%

For additional data and maps by county, state, and congressional district, please visit www.feedingamerica.org/mapthegap.

Gundersen, C., A. Dewey, A. Crumbaugh, M. Kato & E. Engelhard. *Map the Meal Gap 2016: Food Insecurity and Child Food Insecurity Estimates at the County Level*. Feeding America, 2016. This research is generously supported by the Howard G. Buffett Foundation and The Nielsen Company.

¹Map the Meal Gap's food insecurity rates are determined using data from the 2001-2014 Current Population Survey on individuals in food insecure households; data from the 2014 American Community Survey on median household incomes, poverty rates, homeownership, and race and ethnic demographics; and 2014 data from the Bureau of Labor Statistics on unemployment rates.

²Numbers reflect percentage of food insecure individuals living in households with incomes within the income bands indicated. Eligibility for federal nutrition programs is determined in part by these income thresholds which can vary by state.

⁶Population and food insecurity data in the state totals row do not reflect the sum of all counties in that state. The state totals are aggregated from the congressional districts data in that state. All data in the state totals row pertaining to the cost of food or the "Meal Gap" reflect state-level data and are not aggregations of either counties or congressional districts.



Map the Meal Gap 2016: Overall Food Insecurity in Ohio by Congressional District in 2014¹



Congressional District	Population	Food insecurity rate	Estimated number food insecure individuals (rounded)	Likely Income Eligibility for Federal Nutrition Assistance ²		
				% below 130% poverty <small>SNAP, WIC, free school meals, CSFP, TEFAP</small>	% between 130% and 185% poverty <small>WIC, reduced price school meals</small>	% above 185% poverty <small>Charitable Response</small>
1	729,726	19.3%	141,100	46%	12%	42%
2	724,587	15.9%	115,490	54%	10%	36%
3	755,499	23.0%	173,550	58%	18%	24%
4	709,882	15.4%	109,310	54%	11%	36%
5	730,503	13.0%	94,820	49%	13%	38%
6	713,457	15.9%	113,270	59%	10%	31%
7	725,548	14.4%	104,790	54%	11%	35%
8	722,889	15.0%	108,730	50%	12%	38%
9	709,813	19.4%	137,500	62%	14%	24%
10	720,794	19.0%	137,130	53%	11%	36%
11	699,736	29.8%	208,290	59%	17%	24%
12	755,978	12.4%	93,470	43%	9%	49%
13	707,940	18.0%	127,520	56%	14%	30%
14	722,474	12.2%	88,270	41%	12%	46%
15	740,854	14.3%	105,730	45%	12%	43%
16	724,483	11.6%	84,370	37%	13%	50%

For additional data and maps by county, state, and congressional district, please visit www.feedingamerica.org/mapthegap.

Gundersen, C., A. Dewey, A. Crumbaugh, M. Kato & E. Engelhard. *Map the Meal Gap 2016: Food Insecurity and Child Food Insecurity Estimates at the County Level*. Feeding America, 2016. This research is generously supported by the Howard G. Buffett Foundation and The Nielsen Company.

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²Numbers reflect percentage of food insecure individuals living in households with incomes within the income bands indicated. Eligibility for federal nutrition programs is determined in part by these income thresholds which can vary by state.

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Case No(s). 16-0907-WW-AIR

Summary: Testimony Direct Testimony of James D. Williams on Behalf of the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Moore, Kevin F. Mr.