

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :  
Application of Aqua Ohio, :  
Incorporated to Increase : Case No. 16-907-WW-AIR  
Its Rates and Charges for :  
Its Waterworks Service. :

- - -

PROCEEDINGS

before Megan Janelle Addison, Attorney Examiner,  
Thomas W. Johnson, Commissioner, at Harding High  
School Community Room, 1500 Harding Highway East,  
Marion, Ohio, called at 6:02 p.m. on Wednesday,  
January 11, 2017.

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APPEARANCES:

Whitt Sturtevant, LLP  
By Rebekah J. Glover, Esq.  
The Key Bank Building, Suite 1590  
88 East Broad Street  
Columbus, Ohio 43215

On behalf of the Applicant.

Office of the Ohio Consumers' Counsel,  
Bruce J. Weston, Esq.  
By Kevin F. Moore, Esq.  
Assistant Consumers' Counsel  
10 West Broad Street, Suite 1800  
Columbus, Ohio 43215-3485

On behalf of the Residential Utility  
Consumers of Aqua Ohio.

City of Marion  
By Mark Russell, Esq.  
Law Director  
233 West Center Street  
Marion, Ohio 43302

On behalf of the City of Marion.

ALSO PRESENT:

Edmund Kolodziej, Aqua Ohio  
Jeff LaRue, Aqua Ohio  
Scott Ballenger, Aqua Ohio  
Peter Kusky, Aqua Ohio  
Don Scott, Aqua Ohio  
John Ryan, PUCO  
Jill Kocher, PUCO  
Kelly Mabra, PUCO

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1 Wednesday Evening Session,  
2 January 11, 2017.

3 - - -

4 ATTORNEY EXAMINER ADDISON: Let's go  
5 ahead and go on the record. The Public Utilities  
6 Commission of Ohio has assigned for public hearing at  
7 this time and place Case No. 16-907-WW-AIR, being In  
8 the Matter of the Application of Aqua Ohio,  
9 Incorporated to Increase Its Rates and Charges for  
10 Its Waterworks Service.

11 My name is Megan Addison, and I'm an  
12 Attorney Examiner assigned by the Commission to hear  
13 this case. Presiding with me tonight is Commissioner  
14 Tom Johnson.

15 Commissioner Johnson, would you like to  
16 say anything at this time?

17 COMMISSIONER JOHNSON: Well, I just  
18 wanted to say that my name is Tom Johnson, and I'm a  
19 Commissioner with the Public Utilities Commission,  
20 and there are a few of these hearings across the  
21 State, and I'm -- I'm honored to be here tonight and  
22 to hear from the people that are going to testify.  
23 We are -- we have a staff and we -- you know, there's  
24 five Commissioners. We have a staff. We are  
25 independent of the staff as far as we listen to what

1 they have prepared for us. We -- we have our own  
 2 system of looking at -- looking at the cases, but,  
 3 you know, we're -- I might also just say real brief  
 4 about myself, I mean, I come to the Commission having  
 5 lived most of my life in southeastern Ohio, where --  
 6 where there's lots of areas where we have rural water  
 7 supply, and I can just say firsthand, and I speak  
 8 with the -- as far as on behalf of the other  
 9 Commissioners, I mean, we know this is -- we know  
 10 water is important, and -- and that -- and we know  
 11 that this hearing is important, and we appreciate all  
 12 of you coming here this evening.

13 ATTORNEY EXAMINER ADDISON: Thank you,  
 14 Commissioner Johnson.

15 Also with us today is Mr. John Ryan,  
 16 Commissioner Johnson's aide; Jill Kocher, who is from  
 17 our Public Affairs Department, she's right there in  
 18 the back; and Kelly Mabra, who is from our Service  
 19 Monitoring and Enforcement Division. She is right  
 20 over here at the table.

21 I'd also like to mention that we will be  
 22 available after tonight's hearing if anyone has any  
 23 questions they would like to ask regarding Aqua's  
 24 application or any other utility matter. We are  
 25 happy to assist you with any questions you may have.

Tonight's hearing is one of a series of public hearings directed at receiving public testimony regarding the requested rate increase. A formal evidentiary hearing is scheduled to take place at the offices of the Commission in Columbus on Thursday, January 19th, 2017.

At this time we will take appearances of the parties in this proceeding.

On behalf of the Applicant.

MS. GLOVER: Thank you, your Honor. Thank you, Commissioner Johnson. On behalf of Aqua Ohio, my name is Rebekah Glover, of the law firm Whitt Sturtevant.

Also here on behalf of the Company is Ed Kolodziej, Jeff LaRue, Scott Ballenger, Pete Kusky, and Don Scott.

ATTORNEY EXAMINER ADDISON: Thank you.

On behalf of the Ohio Consumers' Counsel.

MR. MOORE: Thank you, your Honor, Mr. Johnson. On behalf of the residential utility consumers of Aqua Ohio, the Office of the Ohio Consumers' Counsel, Bruce J. Weston, Ohio Consumers' Counsel, by Kevin Moore.

ATTORNEY EXAMINER ADDISON: Thank you.

1                   On behalf of the City of Marion.

2                   MR. RUSSELL: On behalf of the City of  
3 Marion, Law Director Mark Russell.

4                   ATTORNEY EXAMINER ADDISON: Thank you,  
5 Mr. Russell.

6                   MR. RUSSELL: Thank you.

7                   ATTORNEY EXAMINER ADDISON: And I'd just  
8 like to let the record reflect that there's no  
9 counsel here this evening on behalf of the Commission  
10 Staff.

11                   Aqua Ohio filed its application on May  
12 31st, 2016, seeking to increase its rate for water  
13 service in the Lake Erie and Masury service  
14 divisions, as well as the service divisions  
15 consisting of all areas formally served by Mohawk  
16 Utilities, Tomahawk Utilities, and the Ohio-American  
17 Water Company.

18                   By its application, Aqua seeks a rate  
19 increase which would generate a 9.21 percent revenue  
20 increase for its water service. The Commission Staff  
21 report was issued on November 17th, 2016. The Staff  
22 of the Commission recommends an approximate 4.91 to  
23 7.32 percent increase over current revenues. The  
24 Staff report is a recommendation only. The five  
25 Commissioners, including Commissioner Johnson, may

1 implement some of those suggestions and choose to  
2 reject others.

3 The purpose of this evening's hearing is  
4 to receive comments from the public regarding Aqua  
5 Ohio's application in this case. This is not  
6 intended to be a question-and-answer session, but  
7 instead is your opportunity to let the Commission  
8 know what you think about the Applicant's request.

9 The local public hearings scheduled in  
10 this case are just one aspect of the process. We  
11 have another public hearing scheduled in Ashtabula,  
12 Ohio tomorrow evening, and as I noted earlier, an  
13 evidentiary hearing is also scheduled to commence on  
14 Thursday, January 19th at the Commission's offices in  
15 Columbus.

16 When you arrived, you were offered an  
17 opportunity to testify. After I finish with my  
18 introductory remarks, we will begin calling witnesses  
19 forward in the order that you were signed up. I  
20 would ask that you come up to the table and face the  
21 court reporter and provide your testimony clearly and  
22 as loudly as you can just to be sure that she gets  
23 all of your remarks.

24 The testimony that you will be providing  
25 this evening will be transcribed. I will ask you to



1 take an oath that the testimony you are about to give  
2 is the truth. I will then ask you to state your name  
3 and full address. Your testimony will be considered  
4 part of the official record of this case and will be  
5 reviewed by the Commission before they make their  
6 final decision on this application.

7 Additionally, the parties to this case  
8 and I will be permitted to ask questions regarding  
9 your testimony. Should you decide that you do not  
10 want to testify when your name is called, you may  
11 simply pass. Also, once you're finished testifying  
12 or if you're just here to observe, you are certainly  
13 free to leave whenever you choose to do so.

14 As I previously mentioned, tonight's  
15 testimony is being transcribed by a court reporter.  
16 Please be sure to speak clearly and that you provide  
17 a verbal response to all questions that may be asked  
18 of you. If you brought a written copy of your  
19 testimony, please be sure that you provide one for  
20 the court reporter so that it can be included as part  
21 of the record.

22 The Commission appreciates your  
23 participation in tonight's proceeding, and we hope to  
24 hear from everyone who would like to provide their  
25 input; so, therefore, please try to keep your

1 comments to a reasonable length and try to be  
2 respectful of others that are testifying.

3 At this time, if there are no questions,  
4 we will begin with the witnesses who have signed up,  
5 and just to clarify, do we have any questions  
6 regarding the process for tonight's hearing?

7 (No response.)

8 ATTORNEY EXAMINER ADDISON: Okay. If  
9 anything does come up during, feel free to just raise  
10 your hand. Thank you.

11 When I call your name, if you could  
12 please come forward, and I will swear you in. The  
13 first name I have is Heather Thompson.

14 Thank you, Miss Thompson. Please raise  
15 your right hand.

16 (Ms. Thompson was sworn.)

17 ATTORNEY EXAMINER ADDISON: Thank you.  
18 You may make your statement.

19 - - -

20 HEATHER THOMPSON,  
21 being first duly sworn, as prescribed by law,  
22 testified as follows:

23 DIRECT TESTIMONY

24 MS. THOMPSON: I apologize. I have a  
25 cold. This is about as loud as I'm going to get.

1                   Good evening. My name is Heather  
2 Thompson, and I'm representing Ohio Heartland  
3 Community Action Commission. We serve Marion,  
4 Morrow, and Crawford Counties, and all of our clients  
5 are at or below 175 percent of the Federal Poverty  
6 Level.

7                   I understand your service area only  
8 covers two of our counties, Marion and Morrow County,  
9 but the clients we serve have a difficult time paying  
10 their water bills already without the possibility of  
11 a rate hike. The 2017 cost of living increase of .3  
12 percent in Social Security did little to nothing to  
13 help our clients obtain additional funds to support  
14 their households. Most of our clients saw their  
15 raise get absorbed by an increase of their Medicare  
16 premiums and a loss from their food assistance  
17 amount.

18                   We, as an agency, get multiple phone  
19 calls a day from community members asking for  
20 assistance with their water bills, whether it is  
21 helping them to pay on a disconnect notice, enrolling  
22 a client on PIPP, or helping them restore service  
23 after you have shut them off.

24                   In Marion County we used to receive  
25 funds from Ohio-American Water Company through an

1 employee match contribution on a monthly or a  
2 bimonthly basis to help our clients with their bills.  
3 As an example, from January 2010 to April 2013 we had  
4 received \$32,553.08 and helped 199 households with an  
5 average bill of \$163.58. This was before you bought  
6 them out. Since our -- since your existence, we have  
7 not received any funds at all and received poor  
8 treatment from your customer service department when  
9 we call on behalf of our clients.

10 In June 2016, Del-Co Water, which also  
11 services our Morrow County area, increased their  
12 rates, with the average bill only -- excuse me, only  
13 increasing 54 cents, to \$37.98, per their website.  
14 Their minimum bill starts at \$11.85, with the first  
15 1,500 gallons included. Your minimum bill is \$13.50  
16 plus the water rate of one -- I'm sorry, .0101625 per  
17 gallon. If you multiply that rate by the 1,500  
18 gallons that is included in Del-Co's minimum rate,  
19 that brings your minimum bill to \$28.74; so as you  
20 can see, you are already charging customers over  
21 twice as much on their bills, and that is even before  
22 the rate hike, according to your website.

23 As a social service provider, we do  
24 business with PUCO regulated utilities every day,  
25 from Ohio Edison, Columbia Gas, and AEP. They offer

our clients opportunities throughout the year to get assistance with their bills in the form of payment plans such as PIPP, the One-Ninth Plan, the One-Sixth Plan, and the One-Third Plan, or through grants such as the First Energy Fuel Fund, Ohio Fuel Fund, Columbia Gas Fuel Fund, and Neighbor to Neighbor. They also offer the Winter Reconnect Order from October 19th, 2016, to April 14th, 2017, which allows a client to start service, reconnect service, or stop a disconnect for a maximum amount of \$175 and allows the client to make payment arrangements on any remaining balance.

After reviewing your website, I was unable to find any similar programs that your company offers to help our community. However, your financial statement showed that you had an increase each quarter of last year, excluding the fourth quarter, which you are not releasing conveniently until after all of the public hearings, as compared to same quarters of 2015. If your company would absorb your increases for the year, all three million of your customers in all of your service territories would benefit by the need to not increase the monthly rates. Also, following in line with other PUCO-regulated utilities by offering payment plans or

1 financial grants would allow customers to have a  
2 chance to get caught up on their bills and would be  
3 truly beneficial for all.

4           The three necessities of life are food,  
5 water, and shelter, and as a company, you make it  
6 very difficult for your customers to receive or  
7 maintain one of these basic necessities. An increase  
8 of \$3 to \$6 per month in our bill would cause people  
9 to have to possibly choose between their prescription  
10 medication, food on their table, health care, fuel in  
11 their tank, or having to postpone paying another one  
12 of their utility bills to ensure that they can  
13 maintain their water service. As a company, you have  
14 a responsibility to ensure that every one of your  
15 customers has access to this basic necessity, and  
16 they shouldn't have to sacrifice other essentials in  
17 order to have it. I think that you need to look into  
18 your own practices to figure out why you charge twice  
19 as much as surrounding water companies in your  
20 existing rates and work on mimicking their  
21 infrastructure to reduce your rates to more  
22 comparable rates.

23           Ohio Heartland Community Action is a  
24 not-for-profit business that has to function on a  
25 very tight budget with strict regulations on what we

1 can spend our money on, just like our clients who  
 2 have to function on a tight budget or within the  
 3 limits of their income. There is no reason why your  
 4 company should be any different. We can't pass along  
 5 any short company -- we cannot pass along any  
 6 shortcomings in our budget to our clients, and our  
 7 clients can't pass along any shortcomings in their  
 8 budgets to anyone else. Why should you be able to?

9 In conclusion, a monthly rate hike of  
 10 the magnitude that you're proposing would significant  
 11 hurt residents in Marion and Morrow County, and  
 12 without any options from your company to help offset  
 13 this increase, the damage will continue to grow  
 14 larger than it currently is, and agencies like us  
 15 will continue to have our hands tied in helping our  
 16 clients. Thank you.

17 ATTORNEY EXAMINER ADDISON: Thank you,  
 18 Miss Thompson. Just one moment. I'm going to see if  
 19 they want to ask questions.

20 MS. THOMPSON: Sorry.

21 ATTORNEY EXAMINER ADDISON: No. You're  
 22 fine.

23 Commissioner Johnson, do you have any  
 24 questions?

25 COMMISSIONER JOHNSON: No.

1 ATTORNEY EXAMINER ADDISON: Aqua?

2 MS. GLOVER: No questions.

3 ATTORNEY EXAMINER ADDISON: OCC?

4 MR. MOORE: No.

5 ATTORNEY EXAMINER ADDISON: City of

6 Marion?

7 MR. RUSSELL: No.

8 ATTORNEY EXAMINER ADDISON: There are no  
9 questions. You are excused.

10 MS. THOMPSON: Thank you.

11 ATTORNEY EXAMINER ADDISON: Thank you so  
12 much.

13 (Witness excused.)

14 ATTORNEY EXAMINER ADDISON: The next  
15 name on the list is Joelle DeFranks.

16 Hi, Miss DeFranks. Please raise your  
17 right hand.

18 (Ms. DeFranks was sworn.)

19 ATTORNEY EXAMINER ADDISON: Thank you.

20 - - -

21 JOELLE DeFRANKS,

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

24 DIRECT TESTIMONY

25 MS. DeFRANKS: Okay. My name is Joelle



DeFranks. I'm just a person that lives in town. Excuse me. I looked up some information on the Internet about Aqua America, and Aqua Ohio is one of the subsidiaries of Aqua America. Aqua America is in numerous states such as Pennsylvania, Ohio, New Jersey, Illinois, Texas, Indiana, Virginia, and Florida. I looked up Aqua's 2012 yearly report, just when they were getting ready to purchase Ohio-American Water, and I was going to read a few excerpts from what I found.

First, this was February 25th, 2013. It says for the, "Full Year 2012 Earnings: Net Income Gross 37 percent," and then it says, "Aqua America has paid a consecutive quarterly dividend for more than 65 years." Also, it says, "The ongoing tax accounting change, which was approved in the 2012 Pennsylvania rate order, allows Aqua Pennsylvania to continue its infrastructure improvement program without increasing customer rates in 2013 and still maintain the company's strong financial performance."

"The company projects a similar amount to be invested in 2013 on numerous projects: Pipe replacement to improve our distribution network; plant upgrades to enhance water quality; and service reliability improvements for our customers, much of

1 which will be eligible for a tax deduction under the  
2 recently implemented repair tax accounting change."

3 It also says, "We believe that the use  
4 of this cash providing tax policy is a 'win-win' for  
5 customers and shareholders as the rate order should  
6 allow Aqua Pennsylvania to continue its  
7 infrastructure improvement program without increasing  
8 customer rates in 2013, while still providing the  
9 company with the opportunity to continue its  
10 profitable performance," said DeBenedictis.

11 Okay. Then I was wondering if this same  
12 ongoing tax accounting change as stated in  
13 Pennsylvania, could it not be made to work in Ohio?  
14 Why would they have to have an increase here where  
15 they had some kind of an ongoing tax accounting  
16 change? I don't know if the law is different here,  
17 but it would certainly be well worth looking into.

18 And also, they had very good profits for  
19 the first three quarters of 2016, which is when they  
20 applied to increase. It says the -- let's see. For  
21 the first quarter it said they had 2.3 million in  
22 revenue and only .3 million in expenses. The second  
23 quarter, which is interesting, they had an increase  
24 5.1 million in revenue, and their expenses decreased  
25 5.7 million. It should have been a good quarter.

1 And the third quarter they had 5.5 million revenue  
2 and -- of increased revenue and increased expenses of  
3 1.3 million.

4 So how much profit in expansion does one  
5 water company need? Is it that they don't want -- is  
6 it that they don't want competition? When does it  
7 cross the line from profit to greed? And there is  
8 what I looked up. It's all on the Internet. I don't  
9 know if you want to keep this or not (indicating).

10 ATTORNEY EXAMINER ADDISON: If you want  
11 to leave it up here for the court reporter, that's --

12 MS. DeFRANKS: Thank you.

13 ATTORNEY EXAMINER ADDISON: Miss  
14 DeFranks, just one moment.

15 Did you have any questions?

16 COMMISSIONER JOHNSON: No.

17 ATTORNEY EXAMINER ADDISON: Any  
18 questions?

19 MS. GLOVER: No.

20 ATTORNEY EXAMINER ADDISON: OCC, any  
21 questions?

22 MR. MOORE: No, your Honor.

23 ATTORNEY EXAMINER ADDISON: City of  
24 Marion?

25 MR. RUSSELL: No.

1                   ATTORNEY EXAMINER ADDISON: Thank you,  
2 Miss DeFranks.

3                   (Witness excused.)

4                   ATTORNEY EXAMINER ADDISON: The next  
5 name I have is Josh Daniels.

6                   MR. DANIELS: Good evening.

7                   ATTORNEY EXAMINER ADDISON: Good  
8 evening. Please raise your right hand.

9                   (Mr. Daniels was sworn.)

10                  ATTORNEY EXAMINER ADDISON: Thank you.  
11 Please state your name.

12                                   - - -

13                                   JOSH DANIELS,  
14 being first duly sworn, as prescribed by law,  
15 testified as follows:

16                                   DIRECT TESTIMONY

17                   MR. DANIELS: My name is Josh Daniels.  
18 I'm a Marion City Councilman. I'm also an apartment  
19 owner, so I represent the residents of Marion and 175  
20 souls that live in our apartments.

21                   I'm not here tonight to impugn the water  
22 company. I'd like to open by saying --

23                   (Discussion off the record.)

24                   MR. DANIELS: I won't open tonight by  
25 impugning the water company and the people that I

1 work with every day in the street. They're  
2 excellent. They didn't receive a 13-percent raise  
3 this year as eight key executives of Aqua did, and I  
4 don't envy those eight individuals that make up more  
5 than \$10 million in salary. That doesn't include  
6 deferred gains on stocks or stock options. I simply  
7 bring that to light because these eight key  
8 individuals have one purpose in mind, and this is  
9 why they're compensated, and I respect them for  
10 that. They're compensated well because they bring  
11 earnings to the table, to their shareholders. That  
12 is their job. That is who they are beholdng to,  
13 and ethically, that is who they should be beholdng  
14 to.

15 I, as a councilman, am not beholdng to  
16 the shareholders of Aqua Ohio. It is imperative that  
17 I ethically be beholdng to the citizens of Marion  
18 and, as a business owner, beholdng to my clients.  
19 That said, the level of compensation that they've  
20 received directly reflects the profitability that  
21 they've brought to Aqua Ohio.

22 I can too go to the Internet and give  
23 you a number of statistics that will probably get  
24 lost in translation, but let me put out a few. This  
25 is from March 25th, 2015. It was their Definitive

1 Proxy Statement. This was issued to the Security and  
 2 Exchange Commission by Nick DeBenedictis, who is the  
 3 CEO and now chairman of Aqua. The market cap of  
 4 Aqua, and I believe he refers to the time frame of  
 5 1992 through '15, 2015, has increased from \$150  
 6 million to 4.5 billion. These are the messages that  
 7 he is directly giving his shareholders in defense of  
 8 his position, looking out for their interest. He  
 9 furthermore tells them, we have increased quarterly  
 10 dividends 24 times, not only given a dividend, but  
 11 we've increased each dividend in the last 23 years 24  
 12 times. "We have had record earnings," quote, "record  
 13 earnings for the last 15 consecutive years." From  
 14 1992 to 2015 he states their return on shareholder  
 15 investment rose 1,700 percent. That is to say, and  
 16 again in his words, \$1,000 invested in 1992 would be  
 17 worth 16,000 today.

18 In the last five years, from 2012 until  
 19 now, their share price has gone from \$17 up to a high  
 20 in 2016 of 35. It's come back a little off of that.  
 21 I think today's close might have been 29. When you  
 22 look at a share's price, you look at trends. This  
 23 is -- you either plot each high over the course of  
 24 time, each low, or the average. That is to say that  
 25 in the last five years the annual return to

1 shareholders has exceeded 12 percent. I don't know  
2 exactly what the fraction is, but it's exceeded 12  
3 percent, according to those numbers.

4 When people invest in a public utility,  
5 they do it with this in mind, they're looking for  
6 surety. They are not looking for a 30 or a 40 or a  
7 50 percent Internet bubble-type return that's  
8 short-lived, and they're willing to take the risk  
9 because of the profitability there, because there is  
10 a correlation between risk and return. They do so  
11 because in the states that utilities operate on, the  
12 majority of which are monopolies, they use public  
13 right-of-ways, they use public easements. Most of  
14 the land that they operate on is publicly owned, and  
15 they have never given compensation for that, but they  
16 are monopolies just due to the structure. You  
17 wouldn't have two water systems in a city running  
18 side by side and then one tying into the other. So  
19 investors involve themselves in this because they are  
20 guaranteed a minimal return based upon the decisions  
21 of the PUCOs in the states that these utilities  
22 operate on. They don't expect 35 percent, but they  
23 don't expect to lose any money.

24 So when you look at a 12-percent return,  
25 considering -- if you took a senior citizen who has

1 worked their whole life, who might have a CD out  
2 there or some money put into the bank, which right  
3 now is a horrible place to keep your money, I would  
4 recommend to them that they keep it in Aqua stock, to  
5 be honest. If I were giving good financial advice to  
6 one of my clients and I were a financial advisor, I  
7 would say put it in Aqua stock. You're almost  
8 guaranteed never to lose, and you're going to make  
9 more than you do in the bank. You might even make 12  
10 percent.

11 With that said, this is probably --  
12 aside from what I may or may not know about the  
13 company, this is probably the most -- in my mind the  
14 most definitive piece of evidence that the PUCO  
15 should consider. It is -- it is difficult and  
16 arduous to just really figure out what it costs to  
17 treat water. How much should a glass or a gallon of  
18 water really cost? Well, we can look at the bottom  
19 line of Aqua and we can say they're making huge  
20 amounts of money, so obviously the cost of producing  
21 water is a lot less than what they're selling it for.  
22 That was the argument I opened with.

23 The second argument would be a  
24 comparison. Either they're making a whole lot of  
25 money or they're the most inefficient water company



1 on the planet, and if it's the second, they should  
2 not be rewarded. It's your own rate sheet. Former  
3 Ohio-American Water customers, which we are, just a  
4 real quick view, we're paying 40 percent more than  
5 the lowest and 20 percent more than the second  
6 highest. On their sheet, your sheet, we're -- we  
7 pay more for water than anybody, and tonight, when I  
8 had heard the first speaker state that Del-Co's water  
9 was a minimal fee of a \$11 and -- I believe it was 70  
10 cents.

11 MS. THOMPSON: Fifty cents.

12 MR. DANIELS: Fifty cents. And that  
13 included the first 2,500 gallons?

14 MS. THOMPSON: 1,500.

15 MR. DANIELS: 1,500. Thank you. Step  
16 in anytime. I need your help. And then Aqua's was  
17 13 but included no water. That's just so that you  
18 might have that meter attached to your house. If you  
19 go to Florida three months, you're still paying 13  
20 bucks because you have a meter.

21 So that being said, if you took their  
22 costs for the first 1,500 and added it, again she  
23 says 28 -- that's a huge disparity between the  
24 average water bill of what someone in Del-Co, just in  
25 Morrow County pays and what we have here, and it's

1 not only the resident that gets stung with that.  
 2 They get stung in a number of ways. The economic  
 3 investment that is not made in Marion County due to  
 4 high utility rates, that person loses then, too. Not  
 5 only do they have a higher water bill than everyone  
 6 else, but they have a job opportunity that  
 7 potentially is lost because a factory decides to go  
 8 to Delaware County, which they have -- AHP is one.  
 9 That's not, I wouldn't say, Aqua's fault. All right.  
 10 Water rates are just one factor that companies make  
 11 in their big decision plan, but when utilities are  
 12 significantly more expensive in a high-water  
 13 consumption business such as an ethanol plant or a  
 14 car factory or anything like that, it tends to lean  
 15 them away from Marion; so we're not only paying the  
 16 highest water, but we're losing all the economic  
 17 opportunities that may or may not be lost due to high  
 18 utilities.

19 That's all I have. Thank you very much.  
 20 I appreciate it.

21 ATTORNEY EXAMINER ADDISON: Thank you,  
 22 Mr. Daniels. One moment, Mr. Daniels.

23 MR. DANIELS: I'm sorry.

24 ATTORNEY EXAMINER ADDISON: You're fine.

25 Any questions, Commissioner?

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COMMISSIONER JOHNSON: No.

ATTORNEY EXAMINER ADDISON: Any  
questions?

MS. GLOVER: No.

MR. MOORE: No. Thank you, your Honor.

ATTORNEY EXAMINER ADDISON: Thank you.  
Any questions?

MR. RUSSELL: No.

ATTORNEY EXAMINER ADDISON: Thank you,  
Mr. Russell.

Thank you, Mr. Daniels.

(Witness excused.)

ATTORNEY EXAMINER ADDISON: That  
concludes the list of those that signed up prior to  
the beginning of the hearing. At this time I'd like  
to open up the floor for anyone who didn't have the  
opportunity to sign up who would like to say  
something.

Yes, sir. Yes, absolutely. I'll ask  
you to raise your right hand.

(Mr. Gerritsen was sworn.)

ATTORNEY EXAMINER ADDISON: Thank you.  
Please state your name and address if you could.

- - -

1                               JEFF GERRITSEN,  
2     being first duly sworn, as prescribed by law,  
3     testified as follows:

4                               DIRECT TESTIMONY

5                       MR. GERRITSEN:   My name is Jeff  
6     Gerritsen.   My address is 1330 Montego Drive here in  
7     the wonderful City of Marion.

8                       I'd like to first thank Miss Thompson  
9     and Mr. Daniels for the -- the information they  
10    provided.   I'm unprepared.   This is the first time  
11    I've ever been to a setting like this.

12                      As a resident, you know, a 9.6 percent  
13    increase in our water bill hurts.   U.S. GDP was two  
14    percent this year.   I just got a measly three-percent  
15    raise last week, and according to the testimony Mr.  
16    Daniels' provided, some people are paid quite  
17    handsomely.   I don't have a problem with all that  
18    stuff.   What I do have a problem is this, a few years  
19    ago -- I have three young children, and my wife and I  
20    made the decision not to let them drink our water out  
21    of our tap here in Marion, Ohio.   Here's why -- we  
22    use bottled water for just about everything now.   One  
23    night I left a crystal glass sitting on the counter  
24    in my house, which we usually never do, when I woke  
25    up the next morning and when I walked out to the

1 counter, there was an oily sheen on top of my water  
 2 that came out of my tap at my house. That alarmed  
 3 me. I'm usually pretty unmovable by things like  
 4 that, but when you have small children in the house  
 5 that are defenseless to what's coming out of our  
 6 taps, then you add that to I'm buying bottled water  
 7 to feed my children so they don't drink the water out  
 8 of the taps, then you add in the Dearborn or the  
 9 Flint, Michigan water problem and you start thinking  
 10 things through, then when you take the previous  
 11 testimony of how much money is being raked in by this  
 12 company, it's a little disconcerting to say the  
 13 least.

14 In an economy of supply and demand, I'll  
 15 pay the price if you're going to supply me with  
 16 something I can use for my children. If you're not  
 17 going to, let us invest in some company that will  
 18 give me some kind of quality product that I can take  
 19 out of the tap that I pay for at my house and give to  
 20 my family.

21 I'd like to end with, the OCC, I know  
 22 nothing about them, but you're asking for a 9.6  
 23 percent increase from the residents of this town to  
 24 give us water that if you leave it sit out for 24  
 25 hours it has an oily sheen on top of it. The OCC

1 says you should be getting a decrease of \$1 to \$2. I  
 2 know it's not a question-and-answer period, but I  
 3 would like to know why. Why is the OCC suggesting  
 4 a \$1 to \$2 decrease? Mr. Daniels' facts and figures  
 5 say that we're paying 20 percent more than a nearby  
 6 community for our water, and we can't even give it  
 7 to our kids healthy and consciously. That's all I  
 8 have.

9 ATTORNEY EXAMINER ADDISON: Thank you  
 10 very much.

11 Did you have any questions,  
 12 Commissioner?

13 COMMISSIONER JOHNSON: I did not.

14 ATTORNEY EXAMINER ADDISON: Any  
 15 questions from the Applicant?

16 MS. GLOVER: No questions.

17 ATTORNEY EXAMINER ADDISON: OCC?

18 MR. MOORE: No questions, your Honor.

19 ATTORNEY EXAMINER ADDISON: City of  
 20 Marion?

21 MR. RUSSELL: No questions.

22 ATTORNEY EXAMINER ADDISON: Thank you  
 23 all.

24 Thank you, sir.

25 (Witness excused.)

1           ATTORNEY EXAMINER ADDISON: Do we have  
2 anyone else that would like to make a brief statement  
3 that hasn't already had the opportunity to?

4           (No response.)

5           ATTORNEY EXAMINER ADDISON: Okay. At  
6 this time it's still relatively early in the evening.  
7 I want to make sure, if there were some people that  
8 maybe got off late at work and wanted to attend  
9 tonight's meeting, that they had the opportunity to  
10 make it. Let's go ahead and take a brief 15-minute  
11 break, and we'll just see if anyone else new wants to  
12 come in or if anyone sitting in the audience would  
13 like to make a statement after that brief recess.  
14 Thank you.

15           We're off the record.

16           (Recess taken.)

17           ATTORNEY EXAMINER ADDISON: We're going  
18 to go ahead and go back on the record at this time.  
19 I don't see anyone new that has come into the room  
20 since we took our brief recess, very much the  
21 opposite actually, but -- and I take that as no one  
22 else would like to provide any additional testimony  
23 this evening, so I will go ahead and provide some  
24 concluding remarks.

25           All the testimony provided this evening

1 will be submitted on the record for the Commission's  
2 consideration in this case. Staff and I will be here  
3 for a while in case you have any questions about the  
4 Commission's process or how to file additional  
5 comments in this case.

6 As I mentioned before, if you have any  
7 questions for the Commission's Staff, we will stay as  
8 long as we need to in order to answer those  
9 questions. Thank you again and have a nice evening.  
10 Let's go off the record.

11 (Thereupon, the hearing was concluded at  
12 6:52 p.m.)



CERTIFICATE

I do hereby certify that the foregoing  
is a true and correct transcript of the proceedings  
taken by me in this matter on Wednesday, January 11,  
2017, and carefully compared with my original  
stenographic notes.

\_\_\_\_\_  
Valerie J. Sloas, Registered  
Professional Reporter and  
Notary Public in and for  
the State of Ohio.

My commission expires June 10, 2021.  
(VJS-82812)

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Summary: Transcript In the Matter of the Application of Aqua Ohio, Incorporated to Increase Its Rates and Charges for Its Waterworks Service, hearing held on January 11, 2017. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Sloas, Valerie J. Mrs.