

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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

- - -

PROCEEDINGS

before Mr. Jeffrey Jones and Ms. Megan Addison,
Attorney Examiners, at the Ohio History Center, 800
East 17th Avenue, Cardinal Classroom, Columbus, Ohio,
called at 6:00 p.m. on Tuesday, January 10, 2017.

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Present:

Commissioner M. Beth Trombold

- - -

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- - -

1 APPEARANCES:

2 Whitt Sturtevant, LLP
3 By Ms. Rebekah J. Glover
4 PNC Plaza, 20th Floor
5 155 East Broad Street
6 Columbus, Ohio 43215

7 On behalf of the Company.

8 Bruce J. Weston, Ohio Consumers' Counsel
9 By Mr. Ajay Kumar
10 10 West Broad Street, Suite 1800
11 Columbus, Ohio 43215

12 On behalf of the Residential
13 Consumers of Aqua Ohio.

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1 Tuesday Evening Session,
2 January 10, 2017.

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4 EXAMINER JONES: The Public Utilities
5 Commission of Ohio has assigned for hearing at this
6 time and place Case No. 16-907-WW-AIR being In the
7 Matter of the Application of Aqua Ohio, Inc. to
8 Increase Its Rates and Charges for Its Waterworks
9 Service.

10 My name is Jeff Jones, and I am an
11 Attorney Examiner assigned by the Commission to hear
12 this case. Presiding with me tonight is Megan
13 Addison, another Attorney Examiner who is assigned to
14 this case, and to my left is Commissioner Beth
15 Trombold.

16 Commissioner Trombold, would you like to
17 say anything at this time?

18 COMMISSIONER TROMBOLD: Just briefly, I
19 want to thank everyone for coming out tonight. This
20 is one piece of the process that we go through in
21 determining rates for Aqua, and we, as Commissioners,
22 there's five of us on the Commission, I'm one of the
23 five, and we are all very interested in this case.
24 We all are participating in the public hearings to
25 hear what the communities affected have to say, so

1 thanks for coming out.

2 EXAMINER JONES: Thank you, Commissioner
3 Trombold.

4 Also with us today we have some other
5 people from the Commission, Kristin Clingan is
6 Commissioner Trombold's assistant, and we have Holly
7 Karg sitting at the back table, and she's from our
8 Public Affairs Department, and Tara Jones from our
9 Service Monitoring and Enforcement Division.

10 I would also like to mention we will be
11 available after the hearing or at a break if you have
12 the questions about the rate case process, this
13 particular application, to the extent we can answer
14 those, or if you have any other utility questions or
15 concerns you would just like to talk to somebody at
16 the Commission about. We will be happy to assist you
17 with those or any questions you may have. If we
18 don't have the answer for you tonight, we will take
19 your information and get back to you.

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

1 At this time we will ask for appearances
2 on behalf of the parties.

3 On behalf of the applicant, Aqua Ohio.

4 MS. GLOVER: Thank you, your Honor.
5 Thank you, Commissioner Trombold. On behalf of Aqua
6 Ohio, my name is Rebekah Glover from the law firm
7 Whitt Sturtevant. Also here on behalf of the company
8 is Ed Kolodziej, Pete Kusky, Jeff La Rue, and Greg
9 O'Dell.

10 EXAMINER JONES: Thank you.

11 On behalf of the Ohio Consumers' Counsel.

12 MR. KUMAR: Thank you, your Honor. On
13 behalf of the residential consumers of Aqua Ohio,
14 Office of the Consumers' Counsel, Bruce Weston, Kevin
15 Moore and Ajay Kumar. And also with me today I have
16 two members of our Public Affairs staff, Andrew
17 Tinkham and Molly McGuire.

18 EXAMINER JONES: Thank you.

19 Is there anybody here on behalf of
20 intervenor, the City of Marion?

21 Seeing no one, and I do not believe there
22 is anyone here representing the Commission staff; is
23 that correct?

24 Aqua Ohio filed its application on
25 May 31, 2016, seeking to increase its rates for water

1 service in its Lake Erie and Masury service
2 divisions, as well as the service divisions
3 consisting of all areas formerly served by Mohawk
4 Utilities, Tomahawk Utilities, and Ohio American
5 Water Company.

6 By its application Aqua seeks a rate
7 increase which would generate a 9.21 percent increase
8 for its water service. The Commission's Staff
9 Report, which was issued on November 17, 2016, has
10 recommended an approximate 4.91 to 7.32 percent
11 increase over current revenues. The Staff Report is
12 a recommendation only, and the Commissioners of the
13 Public Utilities Commission, including Commissioner
14 Trombold, may implement some of the recommendations
15 or choose to reject some of those and implement some
16 of those.

17 The purpose of this evening's hearing is
18 to receive comments from the public regarding Aqua
19 Ohio's application in this case. This is not a
20 question-and-answer session but instead it is your
21 opportunity to let the Commission know what you think
22 about the Aqua Ohio request.

23 The local public hearing schedule in this
24 case is just one aspect of the process. As I noted
25 earlier, an evidentiary hearing is scheduled to

1 commence on January 19 at the Commission's offices in
2 downtown Columbus.

3 When you arrived, you were offered an
4 opportunity to testify. After I finish my
5 introductory remarks, we will begin calling witnesses
6 forward in the order that you signed up. I would ask
7 you come up -- well, actually, this is a small enough
8 room you can probably just stand at your chair.

9 I will ask you to take an oath that the
10 testimony you are about to give is the truth. I will
11 ask you to state your name and address for the
12 record. Your testimony will then be considered part
13 of the official record in this case and will be
14 reviewed by the Commission before the final decision
15 is made.

16 Additionally, the parties to this case or
17 the attorney examiners could ask you questions
18 regarding your testimony. When I call your name,
19 should you decide you do not want to testify, you may
20 simply pass. Also, once you finish testifying or if
21 you are just here to observe the proceedings, you are
22 certainly free to go whenever you choose to.

23 As I previously mentioned, the testimony
24 is being transcribed by a court reporter. Please be
25 sure to speak clearly and to give a verbal response

1 to all questions that may be asked of you, and if you
2 brought a written copy of your testimony, please
3 provide a copy to the court reporter before you
4 leave, which would be helpful.

5 The Commission appreciates your
6 participation in tonight's proceeding, and we hope to
7 hear from everyone who would like to provide their
8 input, so please try to keep your comments to a
9 reasonable length and be respectful of others who may
10 be testifying.

11 At this time if there are no questions
12 regarding the hearing proceeding, we will begin with
13 the witnesses who have signed up.

14 When I call your name, if you could
15 please stand, I will give you the oath.

16 Debbie Miller.

17 MS. MILLER: I would like to know if I
18 can go after our trustee.

19 EXAMINER JONES: Sure. Is your trustee
20 John Kershner?

21 MS. MILLER: Yes.

22 Okay, Mr. Kershner.

23 (Witness sworn.)

24 EXAMINER JONES: Please state your name
25 and your address for the record.

1 MR. KERSHNER: John Kershner,
2 4887 Winchester Pike, Columbus, 43232.

3 EXAMINER JONES: Thank you. If you have
4 a statement at this time, go ahead and make it.

5 - - -

6 JOHN KERSHNER
7 being first duly sworn, as prescribed by law, was
8 examined and testified as follows:

9 DIRECT TESTIMONY

10 MR. KERSHNER: I did bring a copy. As I
11 stated, my name is John Kershner. I'm a township
12 trustee. I grew up in Blacklick Estates. I own
13 property there. I'm very familiar with the water
14 company's activities over the past 40 years in the
15 area and the high level of dissatisfaction with the
16 water service and the associated rates. I know
17 firsthand that high water rates drive down property
18 values and cause our neighbors to leave our
19 community.

20 With me today is Debbie Miller. She is
21 with one of our block watch groups, and we have a
22 fairly substantial Facebook page, and it's sad to see
23 on there from time to time when we have residents
24 that leave because of their water bill.

25 And I know from trying to sell real

1 estate in that area that oftentimes flood insurance
2 and the water bill is a deciding factor that drives
3 people to other areas.

4 I want to start here with a quote from
5 previous CFO Ellen Wolf of American Water. "We've
6 never had a regulatory commission disallow a capital
7 expenditure we've made, meaning we've never had to
8 argue over whether the money we put in the ground
9 (for pipes and other equipment) was prudent," says
10 Wolf of American Water, which operates in 29 states.

11 And I'm here to say if your job is
12 oversight, you should be ashamed of that legacy, that
13 a company can operate a water company and say that in
14 their history they're not familiar with ever being
15 challenged on how they spend their infrastructure
16 money, but I'm here to challenge you to really take a
17 close look.

18 Blacklick Estates is reportedly home to
19 one of the largest Section 8 populations in Central
20 Ohio. Our residents do not have the luxury of
21 absorbing the continual doubling of water rates. You
22 know, people get really excited about 20 percent
23 increases and 30 percent increases, but it doesn't
24 take too many 9 percent increases to get to
25 100 percent, and so these small increases hurt you

1 very greatly.

2 Jeff La Rue, one of Aqua America's public
3 relations professionals, made statements to us
4 personally, as well as in print in the Columbus
5 Dispatch, stating that basically if they could get a
6 fair shake, like the electric and gas companies do on
7 their property taxes, that our rates could go down.

8 That prompted me to do a search of the
9 properties in Blacklick Estates and see what the
10 taxes were. Through that process I came to realize
11 that there had been a quarter million dollar
12 reduction on the largest property for Aqua America in
13 Blacklick Estates. So in 2016 they had a quarter
14 million dollar deduction in operating costs. That's
15 \$85 per prescriber.

16 We didn't see a rate decrease, and here
17 they are asking for an increase. They already had an
18 increase. And it seems like if the PUCO's job is to
19 make sure these people operate on a fixed margin that
20 we missed the mark.

21 That's an important thing. We did meet
22 and we asked, I personally asked, for the listing of
23 the remaining property in Ohio so I could see if this
24 was duplicated. I asked if this was duplicated. I
25 couldn't get a full answer to that question. That

1 makes me wonder about the process because if the
2 information is already out there for the PUCO, why
3 wouldn't they want to share it with me? Maybe it's
4 not.

5 Did you know that there was such a
6 substantial reduction in the taxation or how they
7 arrived at achieving that? I really would like to
8 know because I'm not sure that people are aware.

9 And I also found out through this process
10 that, at least as far as I can see, there's no great
11 disparity between how the water utilities are taxed
12 and how the other utilities are taxed. AEP and
13 Columbia Gas also see significant property tax bills,
14 so I'm not sure exactly how valid that argument is.

15 But the biggest thing is they have
16 managed through good management to find ways of
17 cutting their tax bill quite substantially, so with
18 that, I'm really confused as to why we would need to
19 absorb such a large rate hike.

20 Finally, many people that I know,
21 including many of my fellow trustees, my two fellow
22 trustees who aren't here today, have given up on this
23 process. I'm the new guy so I'm here to give it a
24 shot. But to be honest, I think that quote kind of
25 sums it up. It kind of feels like there's a blank

1 check here, that things just get passed through.

2 I do want to take my hat off, if I had
3 one, to Ohio Consumers' Counsel because they're a ray
4 of light in the process. When I looked through their
5 responses, I was quite impressed, and, frankly, I
6 felt like I wish the PUCO would do that. That was
7 the stuff that I saw in the initial findings. Things
8 that they're requesting are just very valid and very
9 common sense.

10 Ohio American has -- or Aqua America,
11 excuse me, has several employees making over a
12 million dollars, probably making more than all of us
13 combined here at this table. They have a lot of
14 resources to make it look like they need a rate
15 increase, and it takes a lot of resources to try to
16 figure out if it's true or not. I have very limited
17 resources, and I found a core of knowledge that I
18 don't think anybody knew about.

19 So please take a careful look and
20 consider not allowing a 9 percent increase in our
21 rates.

22 And, finally, that \$85 per subscriber, if
23 you have a look at that based on the 50-something
24 dollars that they show for 4,000-gallon usage, that
25 would be 12-1/2 percent. If you go more into the

1 hundred dollar range, you still see a very
2 substantial percentage per subscriber in what they
3 saved. A quarter million dollars with 3,000
4 subscribers is a substantial percentage.

5 That's all I have. Thank you very much
6 for your time.

7 EXAMINER JONES: Thank you.

8 Any questions for this witness?

9 MS. GLOVER: No questions.

10 MR. KUMAR: No, your Honor.

11 EXAMINER JONES: Thank you, Mr. Kershner,
12 for your testimony.

13 Ms. Miller, do you wish to testify,
14 ma'am?

15 MS. MILLER: I do.

16 (Witness sworn.)

17 EXAMINER JONES: Please state your name
18 and address for the record.

19 MS. MILLER: My name is Debbie Miller,
20 and I live at 5102 Zimmer Drive, Columbus, Madison
21 Township.

22 EXAMINER JONES: You may proceed with
23 your testimony at this time.

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DEBBIE MILLER

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

DIRECT TESTIMONY

MS. MILLER: I have been here 42 years.
I raised my children here, and it's my community.
I'm very proud of my community; however, I am paying
higher water bills today than I was paying when my
children were all at home and living with me, and I
have four and my husband, so that was six of us.

Now I have my grandson and myself, and my
bill is higher than what I was paying back then. And
I understand that every time it gets increases along
the way, they're doing this and doing that. However,
I am a senior citizen. I worked all my life. Now
I'm retired so I'm on social security, which is a
fixed income, as are many, many people in our
community.

I've known these people for years and
years and years, and there's a lot of us that were in
the Youth Association together, watched our kids grow
up, and they all have their own homes. They don't
want to sell and move. This is our community, but
when we're not getting an increase, we can't take

1 more increases.

2 So I helped get signatures for the
3 petition that we turned in, and with those signatures
4 came a lot of stories. I'm also an admin for our
5 Block Watch page, and I did put out on the page for
6 those who are unable to attend this meeting some
7 concerns, like I mentioned. And our page filled up
8 really quickly with some concerns, the number one
9 thing being the price.

10 We are paying -- I know Jeff La Rue once
11 said that they were paying 50 percent more than
12 Columbus, but we're paying that monthly. Columbus is
13 paying that every three months. And that is true, we
14 are paying 50 percent more than Columbus but monthly,
15 so that makes it way higher.

16 So the high bill is the number one
17 concern. The quality of the water is another very
18 high concern. People are saying that there is an
19 odor to it. There's a chemical taste. In fact, most
20 of us buy bagged ice to keep in our freezer so we
21 can't make ice cubes ourselves.

22 Hardly anyone drinks the water. Almost
23 everybody goes out and buys bottled water. Almost
24 everybody, we have 400 members on our page. All buy
25 bottled water. We won't drink the water. Most of

1 them stopped giving it to their pets because it
2 leaves a residue in the pet dishes, and one lady's
3 dog was throwing up every time. So we're not giving
4 it to our pets. We are not drinking it. We are not
5 making ice cubes with it.

6 There was a case where one little boy had
7 to be put on steroid medication because the water
8 affected his eczema, and I'm sure that happened. It
9 was a severe attack, and he no longer is bathing in
10 the water.

11 Some of the other stories that I've heard
12 to conserve water, I personally know one family.
13 They have four children. They run one bathtub full
14 of water every night and they do one kid at a time.
15 One goes in and the other comes out. Can you imagine
16 that fourth child that is getting in that bathtub?
17 She's probably coming out dirtier than she was before
18 she went in because they don't want to raise their
19 water bill because they can't afford to raise it.

20 And they both work. They just can't
21 afford it because the rents in our communities have
22 gone up if you don't own and you're renting. They're
23 paying \$900 in rent a month and they're paying a \$300
24 water bill. A water bill should never be one-third
25 of your rent.

I talked to a lady last night in the grocery store in our neighborhood. She has six children, and her water bill is over \$300 a month.

Along with these large water bills, there is no budget plan. There is no help. I know if you're behind, they will, say, break your bill down to three monthly payments, but it goes along with your next -- you have to pay your next bill on time, that payment, so if you are getting a \$350 bill and you had a \$300 bill and they break it down, so you got to pay \$100 each month. So now you got to pay \$450 for three months. If you can't pay 350, how are you going to pay 450?

What they would like to see is a payment plan over a period or a budget plan or something like PIPP or HEAP that helps them with their other bills. They have nothing like that.

One lady in our neighborhood did get a call back, and she -- they split hers up into six-month payments, but she still has to make her monthly payment along with that six months.

They did give her some help, but there are tons of senior citizens that cannot do this. My bill should not be as high for two people as it was -- higher than when I had six people living in my

1 house.

2 The other thing, we have to replace our
3 hot water tanks like every four years because of the
4 crud. Mine got so bad that these men, they carried
5 out my hot water tank, and one guy was pretty hefty
6 and the other guy was small. But he's carrying that,
7 and the hefty guy was grunting and groaning, and they
8 had to sit down every three steps.

9 When they finally get to the top of the
10 steps, he said, I didn't realize these tanks were
11 that heavy. They said, They're not normally. It's
12 all the crud inside of it.

13 That's four years old. Every four years
14 we have to replace our hot water tanks. We have to
15 replace our faucets. We have to replace our toilets.
16 We have to replace our shower heads. That all costs
17 more cost to us because of the water.

18 And I know they did some things to make
19 it softer but it was extremely hard. It is still
20 hard. It is not as hard. It is still hard because
21 we still get the white scum. If you boil a pot of
22 water on the stove to make dinner, you get a white
23 filmy bubbling substance on the top of it, so most of
24 us use bottled water to cook with also.

25 My water bill was extremely high. I

brought my bill to show you. Back in January it went way up here, and I talked to Jeff La Rue. He told me to check the -- this is the standard answer when you call customer service. Customer service is not very serviceable. The person you get goes, You must have a leak. That's not very helpful.

Then you can't find it. Then you have to pay for somebody to come in and find it for you.

Jeff was nice enough to send someone to my house for a home visit, but he gave some advice to pour stuff in my tank and see if it went down into the bowl to see if my toilet was leaking. And I did find a leak, so I fixed that.

So I fixed it, and it dropped from January down to here in February. Well, then you see it went right back up in March, which I don't know why, and he doesn't know why either. So then I replaced -- I had a brand-new toilet put in and a hot water tank. You see how low it was? And now it's gradually going up again, and I don't have any more leaks. There are no more leaks. My nephew is a plumber and he came and checked everything out, and I have no more leaks.

So in November I was particularly concerned because it was way high. I left on

1 November 16 and went on vacation. I didn't return
2 until December 12. Now there's one guy, and I did
3 question him quite thoroughly to see if he was just
4 running water for the heck of it, but he wasn't.

5 But my bill went way up in November when
6 only one person was living in the house for half a
7 month. And for the month of December, it is still
8 not that low as the other months when only one person
9 was there for half a month.

10 So I'm not quire sure, and it says
11 "actual reading," so I'm not really sure that -- it
12 says "actual reading" every time, so I'm not really
13 sure it's being read or calculated because I've never
14 seen them read it.

15 Another thing I heard from a customer
16 was -- from a resident in the neighborhood is that
17 this elderly lady -- and I'm senior citizen also, but
18 she was a little more elderly. She doesn't flush her
19 toilet unless she goes No. 2. Throughout the day she
20 just won't flush her toilet because she can't afford
21 her water bill because we haven't gotten a social
22 security increase for the last two years. We're not
23 getting one this year, yet everything else keeps
24 going up on us.

25 All the utilities go up, and I don't how

1 they expect senior citizens, who've actually worked
2 all their lives and paid for this stuff, to keep
3 going if you're going to raise the rates constantly.

4 Every time they do something -- they
5 painted the water tower inside and out and put their
6 name on it. We have to pay for that? And there is
7 some cost to do this. I know they're entitled to
8 retrieve money. I mean, there is some cost of doing
9 business, and I'm sure they all got raises. I'm sure
10 they all get yearly raises. We don't.

11 Half of our neighborhood doesn't. Half
12 of them are Section 8 and the other half are senior
13 citizens, so we can't keep up. We just can't keep up
14 with it. Between the no flushing, no bathing, and
15 people are taking their laundry to Columbus family
16 members, doing their laundry there because of the
17 odor of the water. They say they can still smell it
18 when it comes out of the dryer and because of the
19 water rates.

20 We're not using our dishwashers. I
21 hand-wash my dishes because I can turn the water off
22 and on instead of running the dishwasher.

23 Another gentleman was going to send me a
24 filter, a water filter that he had to show you how
25 disgusting it was. He sent me a picture. I couldn't

1 get it before I left. He actually wanted you to see,
2 to take it and find out what's in it. It was really,
3 really bad.

4 And another one was wondering why do we
5 not get reports of, like, quality checks? Why do we
6 never get any notification if the water quality has
7 been checked and what was the results?

8 I mean, sure, they can send someone to
9 your house and check it and, Oh, it's okay. Do I
10 really know that? I don't know. I don't know if it
11 is or not. I know that my faucet in the basement
12 next to my water heater broke, so I called them
13 instantly to let them know that it broke and I had a
14 bunch of water because I only go to my basement once
15 a week to do laundry. I'm not down there, and I
16 noticed it was leaking.

17 So I was really panicky about my bill,
18 and I called them, and they said that's my
19 responsibility because it's before the meter. So
20 does that mean I can use all the water I want from
21 that faucet and never be billed for it? I mean, it's
22 on their meter. It's on the pipes that go to their
23 meter. I had to have someone come in and fix that
24 myself.

25 It just seems we can't wash our cars.

1 The kids can't fill up the little baby pools. We
2 can't do the extra things that everybody else can do
3 in other communities. I don't have flowers anymore.
4 I always had beautiful flowers in my garden. For the
5 last two years I have not planted because I cannot
6 afford to water them. I'm not going to plant them
7 and let them die because it didn't rain and I can't
8 water.

9 You can gather rain. You know, you can
10 set buckets out to get it, but what you get is
11 mosquitoes and not enough water to water your
12 flowers. So it's a bad situation in our
13 neighborhood, and there are a bunch of good people,
14 great people, that just can't afford another
15 increase.

16 I just really hope you take the
17 information and consider it when you're looking at
18 all of this. I don't want to lose my neighbors. I
19 don't want people to stop moving in. I don't want it
20 to become a ghost town because we cannot afford the
21 water bill.

22 Thank you.

23 EXAMINER JONES: Thank you.

24 Any questions?

25 MS. GLOVER: No questions.

1 MR. KUMAR: No, your Honor.

2 EXAMINER JONES: That's all I have on the
3 list at this time.

4 Let's go off the record.

5 (Discussion off the record.)

6 EXAMINER JONES: At this time that is
7 everybody that we have on the sign-up sheet. Is
8 there anyone in the audience who did not sign up who
9 would like to testify.

10 MR. HAWLEY: I will.

11 EXAMINER JONES: Okay.

12 (Witness sworn.)

13 EXAMINER JONES: Please give your name
14 and address for the record.

15 MR. HAWLEY: I'm Andrew Hawley. I live
16 at 8665 Renaa Avenue. That's in Galloway. That's
17 part of the Prairie Township service area.
18 H-A-W-L-E-Y.

19 I had not planned on giving any testimony
20 today so, sorry, I don't have anything prepared for
21 you, but listening to the two people that I heard
22 before me, I just kind of wanted to add a little bit
23 to what they said.

24 The last lady to go mentioned being on a
25 fixed income and being on social security, and I kind

1 of wanted to back up and give you a little bit of my
2 story. We just moved to Prairie Township about a
3 year ago. I moved from Hilliard. I moved from an
4 apartment where we had Columbus water billed through
5 a third party, and there we lived in a three-bedroom
6 town home. Me and two roommates.

7 Me and my wife now live in Prairie
8 Township and we pay almost \$30 a month more than I
9 paid for the water that we had for three people's
10 usage in Hilliard.

11 And what concerns me is the fact that
12 there are people on social security that are on a
13 fixed income, but I feel like that is often
14 overlooked when we don't think about the income that
15 the rest of us see. I'm on a fixed income, too. My
16 paycheck is the same every single month. And, when
17 someone like -- a business like Aqua America expects
18 to push through a rate increase to two people like
19 myself, two people that live in this house, that's
20 all, and we pay nearly \$100 a month, and that's a
21 very significant portion of our bills.

22 So I did read the report, the office
23 report that went to the Commission, and I noticed
24 that the part that really kind of stuck with me was
25 they recommended a fixed rate increase, and what

1 really bothered me right above that recommendation
2 for that fixed rate increase was a chart that showed
3 total water usage for Aqua America over the course of
4 the last few years.

5 If you look at the chart, it has
6 absolutely plummeted, and the excuses behind that
7 flat rate increase was, Well, we're not making as
8 much money because we're not selling as much water.

9 And we just listened to ten or so minutes
10 of testimony about how users are trying to cut back
11 their water usage, and by doing a fixed rate, I think
12 what we are doing is taking that out of my hands. I
13 no longer, as the consumer, have the ability to
14 control the course of my water, and that really
15 concerns me.

16 My wife and I can try our hardest to
17 conserve water. We can put in low-flow toilets. We
18 can put in faucet aerators. We can do things that we
19 think are not only good for our pocketbook but good
20 for the environment, and yet we have no control over
21 our water bill, and that was really what hit me
22 today. That's what I wanted to do.

23 So thank you for your time.

24 EXAMINER JONES: Thank you.

25 Any questions?

1 MS. GLOVER: No questions.

2 MR. KUMAR: No questions.

3 EXAMINER JONES: Thank you.

4 Let's go off the record.

5 (Discussion off the record.)

6 EXAMINER JONES: Let's go back on the
7 record.

8 (Witness sworn.)

9 EXAMINER JONES: Please give your name
10 and address for the record, please.

11 MS. BROBST: My name is Susan Brobst,
12 B-R-O-B-S-T, 4575 Madison Lane, Groveport, 43125.

13 - - -

14 SUSAN BROBST

15 being first duly sworn, as prescribed by law, was
16 examined and testified as follows:

17 DIRECT TESTIMONY

18 MS. BROBST: I'm the administrator for
19 Madison Township. I wanted to make sure that the
20 Commission understands the Township has worked, tried
21 to work, very closely over the years with Aqua, and
22 we do believe they have been trying. They have made
23 improvements, obviously, with reverse osmosis.

24 We have been working closely with their
25 public relations director, and we do acknowledge that

1 the water has gotten better over the last few years
2 as they have done improvements. However, we also
3 recognize from hearing from our residents and things
4 like that there may be other things that yet need to
5 be done to continue that yet further.

6 And we do recognize that the monthly rate
7 does appear to be rather high, and, unfortunately, we
8 do hear on a continuous basis that our residents are
9 struggling as to what they pay and how they really
10 use their water, and, again, as has been said
11 tonight, multiple children making sure that they're
12 using a minimal amount for baths or showers, the fact
13 that the rates have continued to increase over a long
14 period of time, yet household sizes have changed and
15 they continue to pay more and things such as that.

16 So I do want to recognize that we have --
17 we continue to work with Aqua. We do recognize there
18 has been some positive things that they have done,
19 especially with the reverse osmosis, and we have had
20 ongoing discussions with other things that we can do
21 to help promote finding leaks with our residents and
22 things like that.

23 However, any increase that comes out of
24 this is definitely going to affect our residents, no
25 matter what it is, so we really do hope that the

Commission will dig a little deeper and really consider what all of the requests are and try to make that as minimal as possible. We recognize it's not going to be a zero increase. We are realistic, but if you would take this into consideration, that would be appreciated.

Thank you.

EXAMINER JONES: Thank you.

Any questions?

MS. GLOVER: No questions.

MR. KUMAR: No, your Honor.

EXAMINER JONES: Thank you.

Anyone else in the audience who has not had an opportunity to testify who would like to testify at this time?

At this time we are going to go off the record for about 10 or 15 minutes to see if any residents show up that want to testify. During the break if you have questions about the utility service or rate application, Commission staff is available to speak with you or OCC staff as well.

Let's take about a ten-minute break.

(Recess taken.)

EXAMINER JONES: Victor Paini, you would like to testify?

1 MR. PAINI: Yes.

2 (Witness sworn.)

3 - - -

4 EXAMINER JONES: Please state your name
5 and address for the record.

6 MR. PAINI: Victor Paini. My address is
7 7296 Porter Drive, Canal Winchester, Ohio. I serve
8 as a Madison Township trustee.

9 I want to thank you all for waiting.
10 What I have to say probably isn't as important as
11 worth the wait, but I appreciate being here.

12 EXAMINER JONES: Can you spell your last
13 name for the record?

14 MR. PAINI: Sure. It's P-A-I-N-I.

15 EXAMINER JONES: Thank you.

16 MR. PAINI: I've been a township trustee
17 entering my eighth year, so two terms and so two
18 water companies that we have been dealing with. I
19 wasn't a trustee when Citizens was the water company
20 but I did deal with Ohio American and now Aqua.

21 I want to talk a little bit about some of
22 the differences that I've seen with Ohio American
23 versus Aqua, some of the improvements, but still some
24 areas that need to be addressed.

25 I think there are three pretty big issues

1 that we wanted to tackle in partnership with the
2 water company eight years ago and those are service
3 quality, service cost, and customer service in
4 general, so just partnering with residents.

5 It was pretty poor. I think there was a
6 lot of distrust between the residents and the water
7 company. Some of the staff at the water company
8 were -- could be a little combative at times. They
9 just weren't great partners. There was no great
10 outreach. There was no outreach at all, really, to
11 our community.

12 Fast-forward a little bit -- so we had
13 several meetings. I think if you look back at the
14 "Fight the Hike" work back then, you could probably
15 see, if any of you were at that hearing five or six
16 years ago, the difference between what you're seeing
17 tonight versus what you saw then. There were a lot
18 more residents involved, people bringing water
19 samples. They were animated, and I think that's a
20 testimony to the relationship between the residents
21 and the water company. It was just pretty combative.

22 Fast-forward a few years, we are now
23 dealing with Aqua, and I will tip my hat to them.
24 They have done great work in improving the
25 relationship and opening communication between the

1 residents and the water company.

2 They hired a consultant who's been very
3 helpful and instrumental in engaging in social media,
4 answering questions, and reaching out to residents,
5 which has been a good move. So I think there has
6 been some marked improvement in the customer service
7 aspect, one of the three areas, customer service.

8 It's not perfect. I still think there
9 are areas where they can improve, some of them being
10 in dealing -- helping people and seniors, people with
11 fixed incomes and those things. That still seems to
12 be a little -- it's not perfectly clear, I don't
13 think, how seniors can get assistance when they need
14 it, and while we hear that programs are available, we
15 also hear they're very cumbersome and there's a lot
16 of hoops to jump through and not everybody is always
17 approved and those sorts of things, so I think
18 there's some work there. But all in all, I think the
19 relationships between residents and the Aqua Ohio
20 water company is improving.

21 Secondly, water quality. If you were at
22 the hearing several years ago, you would have seen
23 people with jars of water saying, you know, This is
24 out of my tap and it's brown. It looked like water
25 you pulled out of a creek. You heard a lot of people

1 had the their own water softener system, losing
2 utilities in their house, the washer and dryer, the
3 clothes washer, dishwasher, hot water heater, those
4 sorts of things because of the hardness of the water.

5 To Aqua's credit, they stood up. They
6 have read the report. Frustratingly enough -- I
7 think we have someone here from the OCC. There was a
8 report done 30 years ago that said the water was too
9 hard. A recommendation came out of a body just like
10 this to go fix it.

11 They did a survey. The survey is a joke,
12 in my opinion. They didn't get enough people to
13 reply, so they just walked away from it. It didn't
14 fix the water at all. It didn't necessarily address
15 whether it was hard or not. It just didn't get done.

16 A little bit of a tangent here, you had
17 folks in the township that thought the water
18 softening had happened, and it hadn't, so there was
19 some confusion. Hey, we paid all this money for a
20 softener but our water still stinks. Well, the
21 softener really didn't ever get implemented.

22 Aqua did some research and put in a
23 solution to try to soften the water, and I think in
24 many cases it's working. People are pretty
25 satisfied. I was talking to a resident that actually

1 happens to be one of our employees that said that
2 they were actually removing their water softener out
3 of their house now because they don't need the salt.
4 They don't need the softener. The quality has
5 improved dramatically.

6 A little asterisk there, I don't know
7 that it's necessarily systemwide. I think if you
8 talk to some of the residents here, they may have
9 already testified it's not perfect, so there's still
10 some pockets that need to be addressed, and I think
11 when we try to escalate those, sometimes they're met
12 with a little resistance and sometimes they're met
13 with open arms. Let's go take a look at it.

14 We're getting better. We had a nice
15 conversation with them at their facility a few months
16 ago, trying to improve, you know, getting water
17 packets, testing, things like that done. But I just
18 think a little more maturity there would be helpful
19 in the relationship space.

20 So the quality is improving, so that's a
21 mark in the right direction. Again, I think we are
22 making strides in service. We are making strides in
23 the quality. The one area that is always a problem
24 is the price.

25 And, you know, I think Susan mentioned --

1 she probably mentioned to you folks that we know
2 there's going to be some type of an increase, and we
3 recognize that Aqua is wanting to recoup their
4 investments, and it makes sense.

5 If you're not familiar with our township,
6 it's fairly unique. It's the largest township in
7 Franklin County. It's more like a city than a
8 township, but there's this pocket there that we call
9 Blacklick Estates. It's a census-designated place
10 that's much like a city. It has several thousand
11 residents, but they don't have any representation
12 other than us. They don't have a city government
13 they don't have a city council. They don't have a
14 legal division or all those sorts of things that most
15 cities would have.

16 But it's a tightly knit community, and
17 that community is serviced by Aqua and by us from a
18 safety service perspective. It's very close to the
19 city of Columbus so they hear lots of feedback on the
20 City of Columbus water cost this or the City of
21 Columbus water costs that. Ours cost this. Yours
22 cost that. Why is that?

23 We did some analysis a few years ago to
24 figure out why that was happening. The end of the
25 day, I think that as much as -- frustrated is

1 probably too strong of a word, but as frustrated as
2 we get with Aqua, I'm equally as frustrated with the
3 OCC and the PUCO, to be honest.

4 This is an area in Franklin County that
5 needs a little bit of attention and needs a little
6 bit of help, and we have folks that come to our
7 township trustee meetings that hold us accountable,
8 but we have very little control. And as a trustee, I
9 can help you with police and fire service and we can
10 plow your roads, but I can't do much when it comes to
11 water, and some other areas as well.

12 I really would call on the Commission
13 either as a part of this process or after this
14 process to spend some time with us in the township to
15 understand the partnership with Aqua and this unique
16 situation. You know, a lot of the homes are vacant.
17 They struggle to fill them because of things like the
18 cost of water, and then that has an impact on the
19 general property values in the area. And it's just
20 sort of this cycle that we are trying to get out of
21 that we can't, and water is an essential part of that
22 equation.

23 So I guess I wanted you to hear some of
24 the good that's happened. I do commend them for the
25 steps that they're taking to improve relationships

1 with their own customers and also to improve the
2 quality. I wouldn't say either of those are perfect,
3 but I can tell you this. They are light years ahead
4 of where we were with Ohio American, and so that's to
5 be commended.

6 This cost thing, I think you are going to
7 have people like us here every time there's an
8 increase because it's just something that's tough for
9 that part of the township to sustain.

10 That's all I have.

11 EXAMINER JONES: Thank you.

12 Any questions?

13 COMMISSIONER TROMBOLD: No.

14 MR. KERSHNER: No, your Honor.

15 EXAMINER JONES: Thank you.

16 Is there anyone else who has not had an
17 opportunity to testify that would like to?

18 Seeing none, that concludes everyone.
19 I'd like to thank you for attending tonight's
20 proceeding and offering your testimony.

21 Commissioner Trombold, do you have any
22 final remarks you would like to make?

23 COMMISSIONER TROMBOLD: No. Just drive
24 safely home.

25 EXAMINER JONES: As I mentioned earlier,

1 there are two more local hearings scheduled in this
2 case, different parts of Aqua's service territory,
3 and the evidentiary hearing begins on January 19 in
4 the Commission's offices.

5 And, again, I'd like to thank everybody
6 for showing up and your testimony tonight.

7 With that, we are adjourned. Thank you
8 and have a nice evening.

9 (The hearing adjourned at 7:00 p.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Tuesday, January 10, 2017, and carefully compared with my original stenographic notes.

Rosemary Foster Anderson,
Professional Reporter and Notary
Public in and for the State of
Ohio.

My commission expires April 5, 2019.
(rfa-82811)

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

Summary: Transcript In the Matter of the Application of Aqua Ohio, Inc. to Increase Its Rates and Charges for Its Waterworks Services, hearing held on January 10, 2017. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.