



**Public Utilities
Commission**

Asim Z. Haque, Chairman

Commissioners

M. Beth Trombold
Thomas W. Johnson
Lawrence K. Friedeman
Daniel R. Conway

FILE

April 19, 2018

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RECEIVED-DOCKETING DIV
2018 APR 19 PM 2:36
PUCO

RE: *In the Matter of the Application of Aqua Ohio, Inc. for Approval of a Water Purchase Agreement*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regards to the Application filed by Aqua Ohio, Inc., Case No. 18-0223-WW-AEC.

Tamara S. Turkenton
Director, Rates and Analysis Department
Public Utilities Commission of Ohio

David Liphtratt
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

This is to certify that the Agency provided a true, accurate and complete representation of the document delivered in the regular course of business.
Technician AS Date Processed 4/20/18

180 East Broad Street
Columbus, Ohio 43215-3793

(614) 466-3016
www.PUCO.ohio.gov

An equal opportunity employer and service provider

Aqua Ohio, Inc.
Case No. 18-0223-WW-AEC

SUMMARY:

On February 2, 2018, Aqua Ohio, Inc. (Aqua or Company) filed an application requesting approval of an updated Water Purchase Agreement (Agreement) between Aqua and Marion Ethanol, LLC dba POET Biorefining-Marion (POET), located at 1660 Hillman Ford Road, Marion Ohio. A copy of the Agreement is attached to the application.

On March 22, 2017, the Public Utilities Commission of Ohio adopted the stipulation in Case No. 16-907-WW-AIR. The Opinion and Order required Aqua to either file an application with the Commission or notify Staff and Ohio Consumers' Counsel that Aqua and POET attempted but were unable to negotiate a special contract. On January 12, 2018 Aqua and POET executed a revised contract. The Company asserts that the negotiated rates, terms and conditions are fair and reasonable, that the rates are an increase over rates from the prior contract and, will not result in the provision of any subsidy to POET, and that the revenues provided by the contract will more than cover the incremental cost of providing service to POET. As agreed upon in prior Case No. 07-990-WW-AEC, POET funded the \$2.3 million in improvements to Aqua's Marion system. Further, the Company states that POET is one of the largest customers within all of Aqua Ohio's systems. The Company asserts that the loss of POET as a customer would result in a substantial loss of revenue to Aqua and would increase the share of the cost of service borne by other customers.

The Company filed a motion for protective order in this case.

Under the terms of the Agreement, the effective date of the contract shall be the later of January 1, 2019, or first day of the month following its approval by the Commission.

STAFF REVIEW:

Staff has reviewed the application filed in this case, as well as the accompanying Agreement. Staff finds that the application does not appear to be unjust or unreasonable. Staff notes that the Agreement will not impair or reduce the quality of service to other Aqua customers and it will not result in other customer classes subsidizing POET.

STAFF RECOMMENDATION:

Staff recommends to the Commission that the Application filed by Aqua in this proceeding be approved.