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December 4, 2019

Ms. Barcy F. McNeal Director, Office of Administration Public Utilities Commission of Ohio 180 East Broad Street, 11th Floor Columbus, Ohio 43215

Re: In re Aqua Ohio, Inc., Case Nos. 18-1843-WW-UNC & 18-1844-WW-ATA

Dear Ms. McNeal:

On December 20, 2018, and subsequently revised on March 22, 2019, Aqua Ohio, Inc. (Aqua) filed its Application in accordance with the Commission's October 24, 2018 Finding and Order seeking approval to resolve matters related to the Tax Cuts and Jobs Act of 2017 (TCJA).

On June 24, 2019, Staff filed its Review and Recommendation in this case. On July 29, 2019, in accordance with that Report's recommendations and after discussions with Staff, Aqua submitted revised schedules and updated proposed tariff sheets. It was then and remains now Aqua's position that all outstanding issues with its Application have been resolved.

Subsequent to its July 29, 2019 submission, Aqua discovered an error in its calculation of the amortized Federal Income Tax (FIT) deferrals. The attached schedules correct and update the amount of the amortized FIT deferrals (see Attachment 2, page 4 of 5, line 18), as well as the amount of the TCJA negative surcharge (see Attachment 2, page 1 of 5, line 18). In addition, estimated deferrals in July, August, and September have been replaced with actual deferred amounts. The schedule on Page 4 of 5 also now includes October actuals and November estimates. In addition, the proposed tariff sheets (see Attachment 1) have been updated to include the updated TCJA negative surcharge.

Aqua hereby requests that the Commission issue a Finding and Order approving its Application as revised, consistent with its updated schedules and proposed tariff sheets. Please contact me if there are any questions.

Regards,

/s/ Christopher T. Kennedy
Counsel for Aqua Ohio, Inc.

Attachment 1

Section 4 Fifth Revised Sheet No. 3 Replaces Fourth Sheet No. 3

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P.U.C.O. Tariff No. 2

Rates for customers in the Lake Erie Division (cont.)

DIVISION B - PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per
	<u>Month</u>
1-1/4" Hose Connection	\$3.30
1-1/2" Hose Connection	\$4.80
2" Hose Connection	\$8.50
2-1/2" Hose Connection	\$13.30
Private Fire Hydrant	\$48.20
AUTOMATIC SPRINKLERS	
Size of	Per
Connection	Month
2"	
4"	
6"	\$76.40

SYSTEM IMPROVEMENT SURCHARGE (SIC)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.

In addition to the charges provided for in this tariff for all metered and private fire rates, a second, additional surcharge of 3.733% will apply to all services rendered on or after October 24, 2019.

TCJA NEGATIVE SURCHARGE

A surcharge of -11.82% of base water rate charges will be applied to reflect tax savings realized under the Tax Cuts and Jobs Act of 2017, effective on bills rendered on or after XXX, 2019.

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Section 4
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P.U.C.O. Tariff No. 2

Rates for customers in the former Norlick Place Water Company (cont.)

SYSTEM IMPROVEMENT SURCHARGE (SIC)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.

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Issued by Edmund Kolodziej, Jr., President and COO, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated ______for Case No. 18-1843-WW-UNC

Section 4
Second Revised Sheet No. 7
Replaces First Sheet No. 7

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P.U.C.O. Tariff No. 2

Rates for customers in the former Seneca Utilities, Inc. Water Company (cont.)

TCJA NEGATIVE SURCHARGE

A surcharge of -11.82% of base water rate charges will be applied to reflect tax savings realized under the Tax Cuts and Jobs Act of 2017, effective on bills rendered on or after XXX, 2019.

Method of Billing

A yard hydrant on one lot will be charged one yard hydrant fee.

For the purposes of this section of the tariff, Yard Hydrant shall mean any hydrant other than those which qualify as public fire hydrants within the definition of public fire protection.

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P.U.C.O. Tariff No. 2

Rates for customers in the former Aqua Ohio, Inc. Lake Erie East Division (cont.)

DIVISION B - PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per
	<u>Month</u>
1-1/4" Hose Connection	\$10.10
1-1/2" Hose Connection	\$13.20
2" Hose Connection	\$17.60
2-1/2" Hose Connection	\$22.60
Private Fire Hydrant	\$54.00
AUTOMATIC SPRINKLERS	
Size of	Per
Connection	<u>Month</u>
2"	\$29.60
4"	
6"	\$94.60

SYSTEM IMPROVEMENT SURCHARGE (SIC)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.

In addition to the charges provided for in this tariff for all metered and private fire rates, a second, additional surcharge of 3.733% will apply to all services rendered on or after October 24, 2019.

TCJA NEGATIVE SURCHARGE

A surcharge of -11.82% of base water rate charges will be applied to reflect tax savings realized under the Tax Cuts and Jobs Act of 2017, effective on bills rendered on or after XXX, 2019.

Issued:	Effective:
Issued by Edmund Kolodziej, Ji	., President and COO, Aqua Ohio, Inc.

Order Dated ______for Case No. <u>18-1843-WW-UNC</u>

In accordance with the Public Utilities Commission of Ohio

Section 4
Fifth Revised Sheet No. 12
Replaces Fourth Sheet No. 12

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P.U.C.O. Tariff No. 2

Rates for customers residing in The Woods of Auburn Lakes Condominium Development, the Auburn Lakes Condominium Development, and the Auburn Crossing Condominium Development (cont.)

CUSTOMER CHARGE

Order Dated ______for Case No. <u>18-1843-WW-UNC</u>

	Per	
Monthly flat rate unmetered service per unit	<u>Month</u> \$45.24	
LATE PAYMENT FEE The late payment fee of 5% is based on current char future delinquencies. The customer receives a six (6 late fees are applied. The six day grace period allow:	day grace period (after due date) before	
DISHONORED PAYMENTS When a payment for service is returned by the finance eighteen dollars and fifty-eight cents (\$18.58) will be this transaction, provided the payment is properly protected the dishonored payment may be reflected at the Conreturns the dishonored payment or may be included	assessed to cover the cost of processing ocessed by the Company. The charge for mpany's option, when the Company	
RECONNECTION FEE Reconnection fees as defined by this tariff, Section 3	3-2, Original Sheet No. 9, Item 16, are:	
Reconnection Fee during regular business hour Reconnection Fee other than during regular business.		
ACCOUNT ACTIVATION CHARGE An account activation charge of thirty dollars and set for a service connection during the Company's regula		
SYSTEM IMPROVEMENT SU	RCHARGE (SIC)	
In addition to the charges provided for in this tariff for a of 3.66% will apply to all services rendered		
In addition to the charges provided for in this tariff for additional surcharge of 3.733% will apply to all service		
TCJA NEGATIVE SUR	RCHARGE	
A surcharge of -11.82% of base water rate charges wil	Il be applied to reflect tax savings realized	Deleted: October 24, 2019
under the Tax Cuts and Jobs Act of 2017, effective of		Deleted: October 24, 2019
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Section 4
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Replaces Fourth Sheet No. 13

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P.U.C.O. Tariff No. 2

Rates for Masury Division

Schedule "A" - Metered Service

CUSTOMER CHARGE - ALL CUSTOMER CLASSES

Size of Meter 5/8"	
1"	·
1-1/2"	
2"	\$80.00
3"	
4"	\$250.00
6"	\$500.00
CONSUMPTION CHARGES - RESIDENTIAL, COMMERCIAL AND INDUSTRIA	AL CUSTOMERS
	Per 100 gallons
	Monthly
First 15,000 gallons monthly	
Next 85,000 gallons monthly	
All consumption over 100,000 gallons monthly	\$0.6255

SYSTEM IMPROVEMENT SURCHARGE (SIC)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.

In addition to the charges provided for in this tariff for all metered and private fire rates, a second, additional surcharge of 3.733% will apply to all services rendered on or after October 24, 2019.

TCJA NEGATIVE SURCHARGE

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P.U.C.O. Tariff No. 2

Rates for customers in the area formerly served by Tomahawk Utilities, Inc. (cont.)

TCJA NEGATIVE SURCHARGE

A surcharge of -11.82% of base water rate charges will be applied to reflect tax savings realized under the Tax Cuts and Jobs Act of 2017, effective on bills rendered on or after XXX, 2019.

Method of Billing

A yard hydrant on one lot will be charged one yard hydrant fee.

For the purposes of this section of the tariff, Yard Hydrant shall mean any hydrant other than those which qualify as public fire hydrants within the definition of public fire protection.

Issued by Edmund Kolodziej, Jr., President and COO, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated ______for Case No. <u>18-1843-WW-UNC</u>

Section 4
Fourth Revised Sheet No. 20
Replaces Third Sheet No. 20

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P.U.C.O. Tariff No. 2

Rates for customers in the area formerly served by Mohawk Utilities, Inc. (cont.)

SYSTEM IMPROVEMENT SURCHARGE (SIC)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.

In addition to the charges provided for in this tariff for all metered and private fire rates, a second, additional surcharge of 3.733% will apply to all services rendered on or after October 24, 2019.

TCJA NEGATIVE SURCHARGE

A surcharge of -11.82% of base water rate charges will be applied to reflect tax savings realized under the Tax Cuts and Jobs Act of 2017, effective on bills rendered on or after XXX, 2019.

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Order Dated ______for Case No. <u>18-1843-WW-UNC</u>

Section 4
Fifth Revised Sheet No. 22
Replaces Fourth Sheet No. 22

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P.U.C.O. Tariff No. 2

Rates for customers in the area formerly served by Ohio American Water Company (cont.)

System Improvement Surcharge

In addition to the charges provided for in this tariff for all metered and private fire and flat rate unmetered services, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.

In addition to the charges provided for in this tariff for all metered and private fire and flat rate unmetered services, a second, additional surcharge of 3.733% will apply to all services rendered on or after October 24, 2019.

TCJA NEGATIVE SURCHARGE

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Issued by Edmund Kolodziej, Jr., President and COO, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated ______ for Case 18-1843-WW-UNC

Replaces Fourth Sheet No. 3

P.U.C.O. Tariff No. 2

Rates for customers in the Lake Erie Division (cont.)

DIVISION B - PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

HOSE CONNECTION	IS AND HYDRANTS
	Per
	<u>Month</u>
1-1/4" Hose Connection	
1-1/2" Hose Connection	
2-1/2" Hose Connection	·
	·
Private Fire Hydrant	\$48.20
<u>AUTOMATIC S</u>	SPRINKLERS PRINKLERS
Size of	Per
Connection	<u>Month</u>
Connection 2"	\$8.50
4"	დაა.უს
0	
SYSTEM IMPROVEMEN	AT SURCHARGE (SIC)
OTOTEM IMIT KOVEME	VI COROTIANCE (CIC)
In addition to the charges provided for in this surcharge of 3.66% will apply to all service	
In addition to the charges provided for in this tarif additional surcharge of 3.733% will apply to all s	
TCJA NEGATIVE	<u>SURCHARGE</u>
A surcharge of -11.82% of base water rate charge under the Tax Cuts and Jobs Act of 2017, effe	
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In accordance with the Public Utilities Commission of Ohio Order Dated ______ for Case No. 18-1843-WW-UNC

Section 4 Fifth Revised Sheet No. 5 Replaces Fourth Sheet No. 5

P.U.C.O. Tariff No. 2

Rates for customers in the former Norlick Place Water Company (cont.)

SYSTEM IMPROVEMENT SURCHARGE (SIC)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.

In addition to the charges provided for in this tariff for all metered and private fire rates, a second, additional surcharge of 3.733% will apply to all services rendered on or after October 24, 2019.

TCJA NEGATIVE SURCHARGE

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Section 4 Second Revised Sheet No. 7 Replaces First Sheet No. 7

P.U.C.O. Tariff No. 2

Rates for customers in the former Seneca Utilities, Inc. Water Company (cont.)

TCJA NEGATIVE SURCHARGE

A surcharge of -11.82% of base water rate charges will be applied to reflect tax savings realized under the Tax Cuts and Jobs Act of 2017, effective on bills rendered on or after XXX, 2019.

Method of Billing

A yard hydrant on one lot will be charged one yard hydrant fee.

For the purposes of this section of the tariff, Yard Hydrant shall mean any hydrant other than those which qualify as public fire hydrants within the definition of public fire protection.

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Order Dated	for Case No. 18-1843-WW-UNC

P.U.C.O. Tariff No. 2

Rates for customers in the former Aqua Ohio, Inc. Lake Erie East Division (cont.)

DIVISION B - PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

HOSE CONNECTIONS AND HYDRANTS		
Per Month 1-1/4" Hose Connection \$10.10 1-1/2" Hose Connection \$13.20 2" Hose Connection \$17.60 2-1/2" Hose Connection \$22.60 Private Fire Hydrant \$54.00		
AUTOMATIC SPRINKLERS		
Size of Per Connection Month 2" \$29.60 4" \$56.20 6" \$94.60		
SYSTEM IMPROVEMENT SURCHARGE (SIC)		
In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019. In addition to the charges provided for in this tariff for all metered and private fire rates, a second,		
additional surcharge of 3.733% will apply to all services rendered on or after October 24, 2019.		
TCJA NEGATIVE SURCHARGE		
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Issued: Effective:		
Issued by Edmund Kolodziej, Jr., President and COO, Aqua Ohio, Inc.		

In accordance with the Public Utilities Commission of Ohio Order Dated _____ for Case No. 18-1843-WW-UNC

Section 4 Fifth Revised Sheet No. 12 Replaces Fourth Sheet No. 12

P.U.C.O. Tariff No. 2

Rates for customers residing in The Woods of Auburn Lakes Condominium Development, the Auburn Lakes Condominium Development, and the Auburn Crossing Condominium Development (cont.)

CUSTOMER CHARGE
Per Month
Monthly flat rate unmetered service per unit\$45.24
LATE PAYMENT FEE The late payment fee of 5% is based on current charges only and is not compounded on future delinquencies. The customer receives a six (6) day grace period (after due date) before late fees are applied. The six day grace period allows for any mail or processing delays.
DISHONORED PAYMENTS When a payment for service is returned by the financial institution unpaid, a charge of eighteen dollars and fifty-eight cents (\$18.58) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the Company. The charge for the dishonored payment may be reflected at the Company's option, when the Company returns the dishonored payment or may be included on the customer's next billing.
RECONNECTION FEE Reconnection fees as defined by this tariff, Section 3-2, Original Sheet No. 9, Item 16, are:
Reconnection Fee during regular business hours \$53.25 Reconnection Fee other than during regular business hours \$163.43
ACCOUNT ACTIVATION CHARGE An account activation charge of thirty dollars and seventy-six cents (\$30.76) will be charged for a service connection during the Company's regular business hours.
SYSTEM IMPROVEMENT SURCHARGE (SIC)
In addition to the charges provided for in this tariff for all flat rate unmetered service, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.
In addition to the charges provided for in this tariff for all flat rate unmetered service, a second, additional surcharge of 3.733% will apply to all services rendered on or after October 24, 2019.
TCJA NEGATIVE SURCHARGE
A surcharge of -11.82% of base water rate charges will be applied to reflect tax savings realized under the Tax Cuts and Jobs Act of 2017, effective on bills rendered on or after XXX, 2019.
Issued: Effective:
Issued by Edmund Kolodziej, Jr., President and COO, Aqua Ohio, Inc.

In accordance with the Public Utilities Commission of Ohio Order Dated _____ for Case No. 18-1843-WW-UNC

P.U.C.O. Tariff No. 2

Rates for Masury Division

Schedule "A" - Metered Service

Issued by Edmund Kolodziej, Jr., President and COO, Aqua Ohio, Inc. In accordance with the Public Utilities Commission of Ohio Order Dated _____ for Case No. 18-1843-WW-UNC

Section 4 Second Revised Sheet No. 18 Replaces First Sheet No. 18

P.U.C.O. Tariff No. 2

Rates for customers in the area formerly served by Tomahawk Utilities, Inc. (cont.)

TCJA NEGATIVE SURCHARGE

A surcharge of -11.82% of base water rate charges will be applied to reflect tax savings realized under the Tax Cuts and Jobs Act of 2017, effective on bills rendered on or after XXX, 2019.

Method of Billing

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Issued:	Effective:
Issued by Edmund Kolodziej, Jr., President a In accordance with the Public Utilities (Order Dated for Case No.	Commission of Ohio

Section 4 Fourth Revised Sheet No. 20 Replaces Third Sheet No. 20

P.U.C.O. Tariff No. 2

Rates for customers in the area formerly served by Mohawk Utilities, Inc. (cont.)

SYSTEM IMPROVEMENT SURCHARGE (SIC)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.

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In accordance with the Pub	President and COO, Aqua Ohio, Inc. lic Utilities Commission of Ohio r Case No. 18-1843-WW-UNC

Section 4 Fifth Revised Sheet No. 22 Replaces Fourth Sheet No. 22

P.U.C.O. Tariff No. 2

Rates for customers in the area formerly served by Ohio American Water Company (cont.)

System Improvement Surcharge

In addition to the charges provided for in this tariff for all metered and private fire and flat rate unmetered services, a surcharge of 3.66% will apply to all services rendered on or after February 6, 2019.

In addition to the charges provided for in this tariff for all metered and private fire and flat rate unmetered services, a second, additional surcharge of 3.733% will apply to all services rendered on or after October 24, 2019.

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Issued:	Effective:
In accordance with the Public	President and COO, Aqua Ohio, Inc. c Utilities Commission of Ohio or Case 18-1843-WW-UNC

Attachment 2

Aqua Ohio Inc.

Calculation of TCJA Negative Surcharge - Water
Case No. 18-1843-WW-UNC (Revised for Staff Recommendations)

Attachment 2

Page 1 of 5

TCJA % of

						Base
Line	Amortization of Excess ADIT's		Water	Admin	Total	Revenue
1	Protected Property, Plant and Equipment	ARAM	(314,688)	(182,844)	(497,532)	
2					-	
3	Unprotected Property, Plant and Equipmer	nt 10 yr Amortization	(422,800)	(29,379)	(452,179)	
4					=	
5	Unprotected not related to PP&E	10 yr Amortization	-	11,514	11,514	
6		_				
7	Total Amortization of Excess ADITs		(737,488)	(200,708)	(938,196)	
8						
9	Gross Up for Income Tax	1.342643	(990,183)	(269,480)	(1,259,662)	-2.04%
10				<u> </u>		
11	Amortize FIT Deferrals 1/1/18 to 9/30/19 (Stub period)	(3,555,990)	-	(3,555,990)	-5.75%
12	Annual FIT Savings (Revised Staff Attachmer	t B)	(2,492,759)	-	(2,492,759)	-4.03%
13		_				
14	Total Annualized Refund (Year 1)		(4,546,173)	(269,480)	(4,815,652)	
15						
16	Current Base Revenue	Case 16-0907 -WW-AIR			61,893,013	
17						
18	TCJA negative surcharge (% of Base Revenu	e)				-11.82%
19						

Aqua Ohio Inc. Calculation of Deferrals - Water Case No. 18-1843-WW-UNC (Revised for Staff Recommendations) Attachment 2
REVISED

Page 2 of 5

Calculation of ADIT Amortization for Negative Surcharge

		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
Line	Protected Excess ADIT- PP&E													
1	Beginning Balance	11,501,491	11,476,550	11,451,609	11,426,668	11,401,727	11,376,786	11,351,845	11,326,904	11,301,963	11,277,022	11,252,081	11,227,140	11,202,199
2	Amortization	(24,941)	(24,941)	(24,941)	(24,941)	(24,941)	(24,941)	(24,941)	(24,941)	(24,941)	(24,941)	(24,941)	(24,941)	
3	Ending Balance	11,476,550	11,451,609	11,426,668	11,401,727	11,376,786	11,351,845	11,326,904	11,301,963	11,277,022	11,252,081	11,227,140	11,202,199	11,202,199
4														
5														
6	Unprotected Excess ADIT- PP&E													
7	Beginning Balance	3,717,633	3,742,574	3,767,515	3,792,456	3,817,397	3,842,338	3,867,279	3,892,220	3,917,161	3,942,102	3,967,043	3,991,984	3,991,984
8	Amortization	24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	
9	Ending Balance	3,742,574	3,767,515	3,792,456	3,817,397	3,842,338	3,867,279	3,892,220	3,917,161	3,942,102	3,967,043	3,991,984	4,016,925	3,991,984
10														
11	Unprotected Excess ADIT- Non-PP&E													
12	Beginning Balance		-	-	-	-	-	-	-	-	-	-	-	-
13	Amortization													
14	Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
15	-													
16														
17	Total Excess ADIT's	15,219,124	15,219,124	15,219,124	15,219,124	15,219,124	15,219,124	15,219,124	15,219,124	15,219,124	15,219,124	15,219,124	15,219,124	15,194,183
18														
19														
20														
21														
22		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19		
23	Protected Excess ADIT- PP&E													
24	Beginning Balance	11,202,199	11,175,975	11,149,751	11,123,527	11,097,303	11,071,079	11,044,855	11,018,631	10,992,407	10,966,183	10,939,959		
25	Amortization	(26,224)	(26,224)	(26,224)	(26,224)	(26,224)	(26,224)	(26,224)	(26,224)	(26,224)	(26,224)	(26,224)		
26	Ending Balance	11,175,975	11,149,751	11,123,527	11,097,303	11,071,079	11,044,855	11,018,631	10,992,407	10,966,183	10,939,959	10,913,735		
27	-													
28														
29	Unprotected Excess ADIT- PP&E													
30	Beginning Balance	3,991,984	4,018,208	4,044,432	4,070,656	4,096,880	4,123,104	4,149,328	4,175,552	4,201,776	4,228,000	4,254,224		
31	Amortization	26,224	26,224	26,224	26,224	26,224	26,224	26,224	26,224	26,224	26,224	26,224		
32	Ending Balance	4,018,208	4,044,432	4,070,656	4,096,880	4,123,104	4,149,328	4,175,552	4,201,776	4,228,000	4,254,224	4,280,448		
33	-													
34	Unprotected Excess ADIT- Non-PP&E													
35	Beginning Balance		-	-	-	=	-	-	-	-	-	-		
36	Amortization													
37	Ending Balance		-	-	-	-	-	-	-	-	-			
38	V													
39	Total Excess ADIT's	15,194,183	15,194,183	15,194,183	15,194,183	15,194,183	15,194,183	15,194,183	15,194,183	15,194,183	15,194,183	15,194,183		

Manual adjustments to protected excess ADIT - PP&E discovered after the filing for a few items that were not in our Powertax system

Aqua Ohio Inc. Calculation of Deferrals - ADMIN Case No. 18-1843-WW-UNC (Revised for Staff Recommendations)

Calculation of ADIT Amortization for Negative Surcharge

Page 3 of 5

		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
Line	Protected Excess ADIT- PP&E	-			-	-								
1	Administrative Beginning Balance	1,255,481												
2	Divisional Allocation	74.85%												
3	Jurisdictional Beginning Balance	939,728	926,870	914,012	901,154	888,296	875,438	862,580	849,722	836,864	824,006	811,148	798,290	785,432
4	Amortization (Jurisdictional)	(12,858)	(12,858)	(12,858)	(12,858)	(12,858)	(12,858)	(12,858)	(12,858)	(12,858)	(12,858)	(12,858)	(12,858)	
5	Ending Balance	926,870	914,012	901,154	888,296	875,438	862,580	849,722	836,864	824,006	811,148	798,290	785,432	785,432
6														
7														
8	Unprotected Excess ADIT- PP&E													
9	Administrative Beginning Balance	3,148												
10	Divisional Allocation	74.85%												
11	Jurisdictional Beginning Balance	2,356	15,214	28,072	40,930	53,788	66,646	79,504	92,362	105,220	118,078	130,936	143,794	156,652
12	Amortization (Jurisdictional)	12,858	12,858	12,858	12,858	12,858	12,858	12,858	12,858	12,858	12,858	12,858	12,858	
13	Ending Balance	15,214	28,072	40,930	53,788	66,646	79,504	92,362	105,220	118,078	130,936	143,794	156,652	156,652
14														
15	Unprotected Excess ADIT- Non- PP&E													
16	Administrative Beginning Balance	(153,831)												
17	Divisional Allocation	74.85%												
18	Jurisdictional Beginning Balance	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)
19	Amortization (Jurisdictional)													
20	Ending Balance	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)
21														
22	C. L. L. L. F ADITL	026.044	026.044	026.044	026.044	026.044	026.044	025.044	025.044	026.044	026.044	025.044	026.044	026.044
23 24	Sub-total Excess ADIT's	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941
24 25														
25 26														
26 27														
28		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19		
29	Protected Excess ADIT- PP&E	Jan-13	160-13	IVIAI-13	Api-13	IVIAY-13	Juli-13	Jui-13	Aug-13	Зер-13	001-13	1404-13		
30	Jurisdictional Beginning Balance	785,432	770,195	754,958	739,721	724,484	709,247	694,010	678,773	663,536	648,299	633,062		
31	Amortization (Jurisdictional)	(15,237)	(15,237)	(15,237)	(15,237)	(15,237)	(15,237)	(15,237)	(15,237)	(15,237)	(15,237)	(15,237)		
32	Ending Balance	770,195	754,958	739,721	724,484	709,247	694,010	678,773	663,536	648,299	633,062	617,825		
33	Enantig balance	770,133	754,550	755,721	724,404	703,247	034,010	070,773	003,330	040,233	033,002	017,023		
34														
35	Unprotected Excess ADIT- PP&E													
36	Jurisdictional Beginning Balance	156,652	171,889	187,126	202,363	217,600	232,837	248,074	263,311	278,548	293,785	309,022		
37	Amortization (Jurisdictional)	15,237	15,237	15,237	15,237	15,237	15,237	15,237	15,237	15,237	15,237	15,237		
38	Ending Balance	171,889	187,126	202,363	217,600	232,837	248,074	263,311	278,548	293,785	309,022	324,259		
39	ziidiilg balanee	1,1,003	107,120	202,000	227,000	202,007	2 .0,07 .	200,011	270,310	233,703	303,022	32 .,233		
40	Unprotected Excess ADIT- Non-PP&E													
41	Jurisdictional Beginning Balance	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)		
42	Amortization (Jurisdictional)	, -,	. , -,	. , -,	. , -,	. , -,	. , -,	. , -1	. , -,	. , -,	. , -,	. , -1		
43	Ending Balance	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)	(115,143)		
44	5 - 1 - 1 - 1	(-,,	, -,	, -,	, -,	, -,	, -,	, -,	, -,	, -,	, -,	, -,		
45	Total Excess ADIT's	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941	826,941		
								· · · · · · · · · · · · · · · · · · ·	•	•				

Aqua Ohio Inc.

Calculation of Deferrals - WATER

Associated with FIT Change (Stub Period)

Case No. 18-1843-WW-UNC (Revised for Staff Recommendations)

Attachment 2
REVISED

Page 4 of 5

Line		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
1	Beginning Balance		125,975	185,305	336,166	429,706	609,377	813,013	1,064,792	1,331,615	1,517,123	1,718,740	1,820,675
2	Revised Accrual of FIT Impact	125,719	58,698	149,803	91,986	177,562	200,750	247,969	261,960	179,727	195,051	94,753	109,492
3	Balance Subject to Interest	62,860	155,324	260,207	382,159	518,487	709,752	936,998	1,195,772	1,421,479	1,614,649	1,766,117	1,875,421
4	Carrying Charges	256	632	1,058	1,554	2,109	2,886	3,810	4,863	5,781	6,566	7,182	7,627
5	Amortization												
6	Ending Balance Reg Liability	125,975	185,305	336,166	429,706	609,377	813,013	1,064,792	1,331,615	1,517,123	1,718,740	1,820,675	1,937,794
7													
8													
9													
10												Estimate	
11													
		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
12		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
	Beginning Balance	Jan-19 1,937,794	Feb-19 2,050,539	Mar-19 2,143,909	Apr-19 2,259,427	May-19 2,339,360	Jun-19 2,476,804	Jul-19 2,632,448	Aug-19 2,829,548	Sep-19 3,087,438	Oct-19 3,229,434	Nov-19 3,447,026	Dec-19 3,555,990
12	Beginning Balance Accrual of FIT Impact	-				•							
12 13	• •	1,937,794	2,050,539	2,143,909	2,259,427	2,339,360	2,476,804	2,632,448	2,829,548	3,087,438	3,229,434	3,447,026	
12 13 14	Accrual of FIT Impact	1,937,794 104,652	2,050,539 84,859	2,143,909 106,583	2,259,427 70,601	2,339,360 127,671	2,476,804 145,276	2,632,448 186,016	2,829,548 245,883	3,087,438 129,178	3,229,434 204,044	3,447,026 94,753	
12 13 14 15	Accrual of FIT Impact Balance Subject to Interest	1,937,794 104,652 1,990,120	2,050,539 84,859 2,092,969	2,143,909 106,583 2,197,201	2,259,427 70,601 2,294,728	2,339,360 127,671 2,403,196	2,476,804 145,276 2,549,442	2,632,448 186,016 2,725,456	2,829,548 245,883 2,952,490	3,087,438 129,178 3,152,027	3,229,434 204,044 3,331,456	3,447,026 94,753 3,494,403	

Revised to remove FIT impact of special contract revenue excluded from base / also replaced estimates with actuals in July, Aug & Sept / added October & November

Cost of Debt 4.88%

Aqua Ohio Inc Attachment 2 Revenue Calc - Negative Surcharge - Water

For Rider

Case No. 18-1843-WW-UNC (Revised for Staff Recommendations) Page 5 of 5

			Case No. 18-1843-WW-UNC (Revised for Staff Recommenda	itions) F
Line				
1	Approved Revenue F	Requirement	65,329,479 Case 16-0907-WW-AIR	
2				
3	Less Special Contrac	ets	(2,281,614)	
4				
5	Miscellaneous Rever	nue	(1,154,852)	
6				
7	Adjusted Base Reve	nue	61,893,013_	
8				
9				
10	Poet	332,220		
11	Whirlpool	420,540		
12	R. Shores	128,164		
13	Painsville	25,401		
14	Ash County	1,335,536		
15	Pinecrest	39,743		
16	Total	2,281,604		

Staff Attachment B (revised by Aqua Ohio Inc)

FIT Reduction Based on Previous Base Rate Case (Case No. 16-0907-WW-AIR)

Line No	210/ = 2	2-2/- 5 :
1 Rate Base	21% Tax Rate 169,153,285	35% Tax Rate 169,153,285
1 Nate Base	103,133,203	103,133,203
2 Adjusted Operating Income (See Tax Reduction Section)	11,332,633	10,035,978
3 Required Op Income (Line 1 * 7.47%)	12 625 750	12 625 750
5 Required Optificonie (Ente 1 * 7.47%)	12,635,750	12,635,750
4 Income Deficiency	1,303,117	2,599,772
E. Cross Bayanua Conversion Easter (See Line 20)	1.342643	1.631827
5 Gross Revenue Conversion Factor (See Line 20)	1.342043	1.031827
6 Revenue Increase Required (Line 4 * Line 5)	1,749,621	4,242,380
7 Change in Revenue Increase	2 402 750	
7 Change in Revenue increase	2,492,759	=
Tax Expense Reduction		
8 Tax Expense 35%		3,241,638
9 40% Reduction (Line 8 * (1-(.21 / .35)))		1,296,655
		,,
10 Operating Income @ 34%		10,035,978
11 Operating Income @ 21% (Line 10 + Line 9)		11,332,633
		,,
Tax Expense Reduction		
	21%-GRCF	35%-GRCF
12 Gross Revenue	100%	
13 Uncollectibles	1.0200%	
14 Net Revenue (Line 12 - Line 13)	98.9800%	98.9800%

15 Ohio Gross Receipts Tax (Line 14 * 4.75%)	4.7016%	4.7016%
16 Income Before Federal Income Tax (Line 14 - Line 15)	94.2785%	94.2785%
17 Federal Income Tax (Line 16 * FIT Rate)	19.79847%	32.99746%
18 Operating Income Percentage (Line 16 - Line 17)	74.47998%	61.28099%
19		
20 Gross Revenue Conversion Factor (Line 12 / Line 18)	1.342642762	1.631827357

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in

Case No(s). 18-1843-WW-UNC, 18-1844-WW-ATA

Summary: Correspondence Correspondence re: Updated Schedules and Proposed Tariff Sheets electronically filed by Mr. Christopher T Kennedy on behalf of Aqua Ohio, Inc.