

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

Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

Section 4
~~Fifth~~ Revised Sheet No. 3
Replaces ~~Fourth~~ Sheet No. 3
P.U.C.O. Tariff No. 2

Deleted: Fourth

Deleted: Third

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

DIVISION B – PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per Month
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 Connection	Per Month
2"	\$8.50
4"	\$33.90
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.

Deleted: October 24, 2019

Deleted: October 24, 2019

Deleted: October 23, 2019

Deleted: 19-567-WW-SIC

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

Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

Section 4
~~Fifth~~ Revised Sheet No. 5
Replaces ~~Fourth~~ Sheet No. 5
P.U.C.O. Tariff No. 2

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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.

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6650 South Avenue
Boardman, OH 44512

Section 4
~~Second~~, Revised Sheet No. 7
Replaces ~~First~~, Sheet No. 7
P.U.C.O. Tariff No. 2

Deleted: First

Deleted: Original

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.

Deleted: March 22, 2017

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Deleted: 16-0907-WW-AIR

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Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

Section 4
Fifth Revised Sheet No. 10
Replaces Fourth Sheet No. 10
P.U.C.O. Tariff No. 2

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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 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 Connection	Per 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.

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Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

Section 4
Fifth Revised Sheet No. 12
Replaces Fourth Sheet No. 12
P.U.C.O. Tariff No. 2

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Deleted: Third

**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

Monthly flat rate unmetered service per unit Per
Month
\$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.

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Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

Section 4
Fifth Revised Sheet No. 13
Replaces Fourth Sheet No. 13

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

Deleted: Fourth

Deleted: Third

Rates for Masury Division

Schedule "A" – Metered Service

CUSTOMER CHARGE – ALL CUSTOMER CLASSES

<u>Size of Meter</u>	<u>Monthly</u>
5/8"	\$10.00
3/4"	\$10.00
1"	\$25.00
1-1/2"	\$50.00
2"	\$80.00
3"	\$150.00
4"	\$250.00
6"	\$500.00

CONSUMPTION CHARGES – RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS

	<u>Per 100 gallons</u>
	<u>Monthly</u>
First 15,000 gallons monthly	\$0.8810
Next 85,000 gallons monthly	\$0.7489
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.

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Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

Section 4
~~Second~~, Revised Sheet No. 18
Replaces ~~First~~, Sheet No. 18
P.U.C.O. Tariff No. 2

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Deleted: Original

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.

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6650 South Avenue
Boardman, OH 44512

Section 4
~~Fourth~~, Revised Sheet No. 20
Replaces ~~Third~~, Sheet No. 20
P.U.C.O. Tariff No. 2

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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.

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

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

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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.

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

DIVISION B – PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per Month
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 Connection	Per Month
2"	\$8.50
4"	\$33.90
6"	\$76.40

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Boardman, OH 44512

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.

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6650 South Avenue
Boardman, OH 44512

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

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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 Month
1-1/4" Hose Connection	\$10.10
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Private Fire Hydrant	\$54.00

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Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

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.

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

Rates for Masury Division

Schedule "A" – Metered Service

CUSTOMER CHARGE – ALL CUSTOMER CLASSES

<u>Size of Meter</u>	<u>Monthly</u>
5/8"	\$10.00
3/4"	\$10.00
1"	\$25.00
1-1/2"	\$50.00
2"	\$80.00
3"	\$150.00
4"	\$250.00
6"	\$500.00

CONSUMPTION CHARGES – RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS

	Per 100 gallons
	<u>Monthly</u>
First 15,000 gallons monthly	\$0.8810
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Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

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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Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

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

Aqua Ohio, Inc.
6650 South Avenue
Boardman, OH 44512

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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In accordance with the Public Utilities Commission of Ohio
Order Dated _____ for Case 18-1843-WW-UNC

Attachment 2

Aqua Ohio Inc.

Attachment 2

Calculation of TCJA Negative Surcharge - Water

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

Page 1 of 5

TCJA % of
Base
Revenue

Line	Amortization of Excess ADIT's		Water	Admin	Total	
1	Protected Property, Plant and Equipment	ARAM	(314,688)	(182,844)	(497,532)	
2					-	
3	Unprotected Property, Plant and Equipment	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						
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 Attachment 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 Revenue)					<u><u>-11.82%</u></u>
19						

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

Attachment 2
REVISED

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Calculation of ADIT Amortization for Negative Surcharge

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	Total
1	Protected Excess ADIT- PP&E													
2	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
3	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)	
4	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
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														
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

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

		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)	(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	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														
23	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														
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													
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														
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		

Attachment 2
REVISED

[illegible]

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

Line			
1	Approved Revenue Requirement	65,329,479	Case 16-0907-WW-AIR
2			
3	Less Special Contracts	(2,281,614)	
4			
5	Miscellaneous Revenue	(1,154,852)	
6			
7	Adjusted Base Revenue	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

	21% Tax Rate	35% Tax Rate
1 Rate Base	169,153,285	169,153,285
2 Adjusted Operating Income (See Tax Reduction Section)	11,332,633	10,035,978
3 Required Op Income (Line 1 * 7.47%)	12,635,750	12,635,750
4 Income Deficiency	1,303,117	2,599,772
5 Gross Revenue Conversion Factor (See Line 20)	1.342643	1.631827
6 Revenue Increase Required (Line 4 * Line 5)	<u>1,749,621</u>	<u>4,242,380</u>
7 Change in Revenue Increase	<u><u>2,492,759</u></u>	
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		
12 Gross Revenue	21%-GRCF 100%	35%-GRCF 100%
13 Uncollectibles	<u>1.0200%</u>	<u>1.0200%</u>
14 Net Revenue (Line 12 - Line 13)	<u>98.9800%</u>	<u>98.9800%</u>

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.