**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| --- | --- | --- |
| In the Matter of the Application of Aqua Ohio, Inc. to Increase its Rates and  Charges for Its Waterworks Service. | )  )  ) | Case No. 21-595-WW-AIR |

**OBJECTIONS TO THE PUCO STAFF REPORT**

**BY**

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# INTRODUCTION

Aqua Ohio, Inc. (“Aqua Ohio”) seeks to increase the annual amount that it charges consumers by an additional $8,290,405 for water service.[[1]](#footnote-2) The Public Utilities Commission of Ohio Staff (“Staff Report”)[[2]](#footnote-3) and its auditor Larkin & Associates, PLLC (“Audit Report”) recommend an increase to consumers of $2,264,605 million to $4,119,595 million.[[3]](#footnote-4) OCC’s analysis and adjustments would lead to a lowered and more reasonable revenue increase in the amount of $1,551,318 for Aqua’s waterworks consumers to pay for service.[[4]](#footnote-5)

Larkin & Associates, PLLC (“Larkin”) conducted the audit of the revenue requirement, rate base, and net operating income proposed by Aqua. Larkin subcontracted with Acadian Consulting Group (“ACG”) to address the cost of service, revenue distribution and rate design issues. PUCO Staff performed a rate of return analysis and service monitoring and enforcement investigation. Larkin’s audit report was filed on February 11, 2022. The combined efforts of Larkin, ACG, and the PUCO Staff form the PUCO Staff Report, also filed on February 11, 2022.

The Office of the Ohio Consumers’ Counsel (“OCC”) appreciates the Audit Report analysis and the PUCO Staff Report recommendations that benefit consumers. However, the Staff Report falls short of protecting residential consumers in a several ways, as explained in these Objections. The PUCO should adopt OCC’s consumer protections recommendations.

# SUMMARY OF FINDINGS AND RECOMMENDATIONS SUPPORTED BY OCC

The Office of the Ohio Consumers' Counsel ("OCC") supports the following findings, conclusions, and recommendations from the Audit Report (adopted by the Staff Report):

* Larkin correctly removed Aqua’s proposed utility division plant additions that have been determined to not be in service by December 31, 2021.[[5]](#footnote-6)
* Larkin correctly updated the costs for plant additions that are in service by December 31, 2021.[[6]](#footnote-7)
* Larkin correctly removed the cost for the Service Center SAP System because it is not used and useful by date certain.[[7]](#footnote-8)
* Larkin correctly removed service center plant additions not in service by date certain.[[8]](#footnote-9)
* Larkin correctly adjusted depreciation reserve resulting from the adjustments to the divisional and service center plant in service.[[9]](#footnote-10)
* Larkin correctly adjusted capitalized tank painting to recognize only tank painting associated with painting tanks that have significant lead content.[[10]](#footnote-11)
* Larkin correctly utilized the regulatory liability Aqua has for tank painting that has less than 0.5 percent of lead content.[[11]](#footnote-12)
* Larkin correctly adjusted depreciation reserve resulting from the adjustment to capitalized tank painting.[[12]](#footnote-13)
* Larkin correctly removed an AFUDC regulatory asset from rate base that does not apply to plant related to the service area in this application[[13]](#footnote-14).
* Larkin correctly adjusted plant in service to remove an error in the cost for a capitalized tank.[[14]](#footnote-15)
* Larkin correctly removed labor expenses that were overstated during the test year.[[15]](#footnote-16)
* Larkin correctly removed incentive compensation expense that is a shareholder responsibility.[[16]](#footnote-17)
* Larkin correctly removed stock-based compensation as it provides no benefit to consumers.[[17]](#footnote-18)
* Larkin correctly reduced payroll tax associated with its adjustments to payroll, incentive compensation and stock-based compensation.[[18]](#footnote-19)
* Larkin correctly excluded a supplemental executive retirement plan (SERP) as it is the responsibility of shareholders.[[19]](#footnote-20)
* Larkin adjusted employee insurance expense related to vacant positions.[[20]](#footnote-21)
* Larkin correctly adjusted rate case expense to reflect a five-year amortization rather than three.[[21]](#footnote-22)
* Larkin adjusted depreciation expense related to all the plant in service adjustments.[[22]](#footnote-23)
* Larkin adjusted property tax expense related to all the adjustments to plant-in-service adjustments.[[23]](#footnote-24)
* Larkin correctly adjusted uncollectible expense to reflect a normalized uncollectible ratio.[[24]](#footnote-25)
* The Capital Structure and the Cost of Long-Term Debt recommended in the Staff Report.[[25]](#footnote-26)
* The Staff Report correctly recommended that Aqua continue efforts to reduce the unaccounted for water (“UFW”) when the level is greater than 15 percent and that decisions to take more active leak detection and remediation be supported with cost-benefit analysis.[[26]](#footnote-27)
* The recommendations regarding the revenue recovery mechanisms, including revenue allocation and rate design, made in Section 5, Rate and Tariff Review, of the Larkin Audit Report and the Acadian Consulting Group (ACG) are reasonable. The recommendations appear to be adopted by Staff in its report given that there are no additional recommendations by the PUCO Staff. OCC has no objections to those recommendations. However, OCC reserves the right to modify our position if the recommendations are altered.
* ACG correctly recommends that the Commission apply any revenue requirement adjustment across customer classes on an equal basis. [[27]](#footnote-28)
* ACG correctly recommends the Commission apply equal rate increases across Rate Groups 1-2 and no rate increases in Southwood Estates.[[28]](#footnote-29)
* ACG correctly concurs with the Applicant’s proposal to unify meter charges across service territories and recommends that the Commission approve the Applicant’s proposed fixed customer charges.[[29]](#footnote-30)
* ACG correctly recommends approval of the Applicant’s declining rate block structure to set metered rates among the different customer classes.[[30]](#footnote-31)

However, the Staff Report should have gone further and proposed additional recommendations for the benefit of consumers, including:

* The PUCO Staff Report is in error because the rate base includes land held for future use that is not currently used or useful for providing utility service to Aqua’s consumers, causing the revenue requirement to be too high. The PUCO Staff should have removed 55.654 acres of land from plant in service and instead recognize it as land held for future use.
* The PUCO Staff Report is in error because the recommended revenue requirement reflects a rate of return that is too high based on a review of current market conditions and Aqua’s business and financial risk.
* The PUCO Staff Report is in error because it failed to perform an analysis of consumer information collected through its call center or any analysis of the disconnection reports that it obtains from Aqua and recommend ways that Aqua consumers can be better protected.

OCC reserves the right to supplement its testimony in this case should any of the Staff Report's findings, conclusions or recommendations noted above that OCC supports are no longer supported by the PUCO Staff.

# OBJECTIONS TO THE PUCO STAFF REPORT

1. Revenue Requirement.

OBJECTION 1: As a result of OCC’s other objections below (including OCC’s proposed changes to rate base and rate of return), the Staff Report’s recommended rate increase of $2.3 million to $4.1 million is too high for consumers and would result in consumers paying unjust, unreasonable and unlawful rates under R.C. 4905.22, 4909.15, 4909.154, 4909.17 and 4909.18.

The PUCO Staff’s recommended increase to consumers of $2.3 million to $4.1 million is too high for consumers and would result in unjust and unreasonable rates.[[31]](#footnote-32) OCC objects to the PUCO Staff-recommended revenue requirement and resulting revenue and rate increase recommended for Aqua. The PUCO Staff’s recommendations are unreasonable and unlawful, and the recommended revenue requirement for Aqua is excessive, for two reasons.

First, the recommendations are based on an overstated valuation of Aqua’s property that is used and useful in rendering public utility service. Second, the recommendations utilize a rate of return that is not just and reasonable. The specific objections from which these overall conclusions are drawn are detailed below in OCC’s objections to the PUCO Staff’s recommendations regarding these matters.

Additionally, OCC objects to each component of the PUCO Staff Report’s recommended revenue requirement and rate increase recommended for Aqua Water to the extent that OCC objections have an impact on the calculation of the recommended revenue requirement (e.g., rate base, operating income, rate of return).

## B. Rate Base

OBJECTION 2: The Staff Report erred by not treating the additional 55.654 acres of farmland of Mohawk Utilities, purchased by Aqua in 2014, as land held for future use. The land is not currently used and useful for providing utility service to Aqua’s consumer and should not be in rate base. This error will lead to rates charged to consumers that are too high and are unjust, unreasonable and unlawful under R.C. 4905.22, 4909.15, 4909.154, 4909.17 and 4909.18.

Included within the original cost of Aqua’s purchase of Mohawk Utilities in 2014 was land containing all wells, right of way, access roads and EPA-required buffer zones for the wells.[[32]](#footnote-33) Aqua also purchased an additional 55.654 acres of farmland around Water Plants One and Two. The additional $569,285 of land purchased in 2014 should be recognized as land held for future use. It is not currently used in providing service to Aqua’s customers.[[33]](#footnote-34) The Utility should not get a return on this investment because this plant is not used to provide service. Since the land is not used and useful in providing service to Aqua Ohio consumers, it should not be included in rate base.

## C. Rate of Return

As described in our below Objections, the PUCO Staff Report’s recommended rate of return range of 6.51% -7.04%[[34]](#footnote-35) is too high based on current market conditions and Aqua’s business and financial risks, and it is too high for consumers to pay. It is thus unjust and unreasonable for consumers to pay Aqua a water distribution charge based on this range of rate of return. A more reasonable rate of return would be in the range of 6.10%- 6.32%. The Staff Report’s recommended return on equity range of 8.99% - 10.00%[[35]](#footnote-36) is also too high and thus unjust and unreasonable for consumers to pay.

Specifically, the cost of equity and the rate of return proposed in the PUCO Staff Report do not reflect current market conditions or the business and financial risks facing a regulated water utility such as Aqua. Furthermore, Staff’s analysis is inconsistent with the analysis and approach used in the Staff Reports of many prior rate cases.[[36]](#footnote-37) The PUCO Staff has not provided any explanation for why it changed its approach.

OBJECTION 3: The Staff Report erred by using the average of the yields of the 20-year and 30-year U.S. Treasury Bonds as the risk-free rate used in the Capital Asset Pricing Model (“CAPM”). The inclusion of the yields of 20-year U.S. Treasury Bonds in calculating the risk-free rate overstates the estimated cost of equity of Aqua under the CAPM analysis causing a rate of return that is too high and results in unjust and unreasonable rates for consumers to pay.

PUCO Staff’s use of the yields of 20-year U.S. Treasury Bonds as part of the calculation of the risk-free rate overstates the estimated cost of equity of Aqua under the CAPM analysis.[[37]](#footnote-38) In the CAPM analysis, a risk-free rate is typically based on the current actual yields of long-term US government bonds with ten years or longer maturity.[[38]](#footnote-39) A more reasonable risk-free rate would be the average of the 10-year and 30-year U.S. Treasury Bonds. The use of the yields of the 10-year and 30-year government bonds in calculating the risk-free rate is well-established and widely used by many analysts when applying the CAPM.[[39]](#footnote-40)

There is no explanation why the PUCO Staff in its Report used the yields of the 20-year bonds, and not the yields of the 10-year bonds in this proceeding as the risk-free rate for the CAPM analysis.[[40]](#footnote-41) As the yields of the 20-year bonds (for example, 2.07% in 2021) tend to be much higher than the yields of the 10-year bonds (for example, 1.50% in 2021), using the yields of 20-year U.S. Treasury Bonds as the risk-free rate overstates the estimated cost of equity of Aqua under the CAPM analysis. OCC objects to the use of the average of the yields (interest rates) of the 20-year and 30-year U.S. Treasury Bonds as the risk-free rate for the CAPM analysis.[[41]](#footnote-42)

Instead, Staff should have used the average of the 10-year U.S. Treasury Bonds (1.50%) and the 30-year U.S. Treasury Bonds (2.16%) for the six-month period of March 1 to August 31, 2021, which leads to a risk-free rate of 1.83% for the CAPM.[[42]](#footnote-43) The PUCO Staff Reports of prior rate cases have used the average of the yields of 10-year and 30-year U.S. Treasury bonds as the risk-free rate and should do so here.[[43]](#footnote-44)

OBJECTION 4: The Staff Report erred by including the results of Comparable Earnings (“CE”) analysis, such as the estimated return on equity of 13.53% earned by companies from various industries with vastly different business and financial risks from a regulated utility in calculating the cost of equity. The inclusion of this unrelated and unreasonably high earned return on equity of 13.53% overstates the cost of equity of Aqua causing a rate of return that is too high and results in unjust and unreasonable rates for consumers to pay.

To protect Aqua’s consumers, OCC objects to Staff’s use of the results of the Comparable Earnings Review (“CE Review”), such as the estimated return on equity of 13.53% earned by companies from various industries (Group 1), in calculating the cost of equity.[[44]](#footnote-45) These companies are in various industries with vastly different business and financial risks than those associated with a regulated water utility such as Aqua. The average earned return on equity of these companies should not be used in setting the cost of equity of Aqua. The inclusion of this unrelated earned return on equity of 13.53% from other industries unreasonably overstates the cost of equity of Aqua, a regulated water utility.

The concern with using the CE Review in the Staff Report is that it selected a peer group that consists of many companies in unregulated industries with totally different business and financial risks of a regulated water utility like Aqua. The resulting return on equity of 13.53% is clearly unreasonable and unreliable (much too high) as a proxy in estimating the cost of equity of Aqua when other accepted rate of return methodologies have generated a cost of equity of either 8.36% (from CAPM) or 8.30% (from DCF).[[45]](#footnote-46)

In recent PUCO rate case Staff Reports,[[46]](#footnote-47) the cost of equity was calculated by the average of the Capital Asset Pricing Model (“CAPM”) and Discounted Case Flow (“DCF”) analysis. The results from the Comparative Earnings analysis were rarely used in prior rate cases. The Staff Report has provided no explanation why the CE Review should be added in estimating a reasonable cost of equity for Aqua in this proceeding.

OBJECTION 5: The Staff Report inappropriately increased the cost of equity by allowing an adjustment for equity issuance and other costs, causing a recommended cost of equity (or return on equity) range of 8.99% to 10.00% that is too high and thus results in unjust and unreasonable rates for consumers to pay**.**

To protect Aqua’s consumers, OCC objects to the inclusion of an allowance for generic and hypothetical issuance and other costs proposed in the Staff Report.**[[47]](#footnote-48)** By including this additional allowance, the Staff Report increased the recommended cost of equity from a range of 8.89% to 9.89% to a range of 8.99% to 10.00%. This added allowance to the baseline cost of equity is unnecessary and unreasonable. There is no evidence in the Staff Report that Aqua is likely to incur the equity issuance and other costs recently or in the future or the magnitude of these costs.**[[48]](#footnote-49)**

OBJECTION 6: The Staff Report’s recommended rate of return range of 6.51% to 7.04% is too high based on current market conditions and Aqua’s business and financial risks, resulting in rates that are too high and are unjust and unreasonable for consumers to pay. A more reasonable rate of return would be 6.32% or lower.

To protect Aqua’s consumers, OCC objects to the recommended rate of return range of 6.51% to 7.04% in the Staff Report. The Staff Report’s recommended rate of return range of 6.51% to 7.04% is too high based on current market conditions and Aqua’s business and financial risks. It is therefore unjust and unreasonable for consumers to pay Aqua a water distribution charge based on this range of rate of return.

The costs of water services to the approximately 150,549 Ohio consumers served by Aqua have steadily increased over the past five years. These consumers have faced frequent and significant rate increases. This rate increase by Aqua, if approved, would be the fifth increase in rates (including the three System Improvement Charges) granted by the PUCO since March 2017.[[49]](#footnote-50)

Aqua’s frequent and significant rate increases in recent years indicate the need to select a lower but reasonable rate of return to lessen the impact of any further rate increase to Aqua’s consumers. At the same time, the frequent use of the System Improvement Charge (two in 2019 and one in 2020) by Aqua has reduced considerably the so-called regulatory lag and the business and financial risks of Aqua. This in turn should lead to a lower authorized rate of return for Aqua.

OCC’s recommended rate of return in the range of 6.10% to 6.32% with a midpoint of 6.21% reflects proper and reasonable modifications to the rate of return analysis included in the Staff Report.[[50]](#footnote-51) This range of rate of return is also consistent with the well-established regulatory principles that (1) a rate of return should not result in unjust and unreasonable rates; (2) a rate of return should be based on current market conditions and returns available from alternative investments; (3) a rate of return should be based on providing sufficient fund for a regulated utility to continue its normal course of business; and (4) a rate of return is not a guarantee for the regulated utility to receive excessive returns on its invested capital.[[51]](#footnote-52)

If the upper bound rate of return recommended in the Staff Report (7.04%) were adopted, Aqua would collect approximately $2.52 million ($2,519,986) annually in additional and unreasonable charges from its water consumers.[[52]](#footnote-53)

## D. Service Monitoring and Enforcement

OBJECTION 7: The PUCO Staff report is in error because Staff should have recommended that the PUCO require Aqua to expand the data in its disconnection reporting and publicly file the data on its disconnections of consumers. The PUCO Staff should have reviewed their customer contact information over at least a three- year period and should now expand its assessment by promptly doing so and publicly filing it. The PUCO Staff should have recommended that Aqua annually donate $25,000 of non-customer funds for consumer bill payment assistance.

The PUCO Staff Report lacks analysis regarding consumer contacts to the PUCO call center and the disconnection data that is routinely provided to the Staff.[[53]](#footnote-54) A more thorough analysis should have been performed of the call center contact information and disconnection data that Aqua provides Staff to assess the need for additional consumer protections to help consumers.[[54]](#footnote-55)

Many Aqua consumers may continue to struggle financially paying their water bills. And the struggle will only be exacerbated considering the additional increase in operating revenues that Staff is recommending. Yet the Staff Report fails to use the information that it has available to provide recommendations for ways in which Aqua can better serve and protect consumers; especially those who may experience being disconnected for nonpayment.[[55]](#footnote-56)

The Staff Report unnecessarily limited the customer contact assessment to a one-year period of time when an assessment over a longer period of time, such as three years, is necessary to identify trends into the types of issues that are most likely impacting consumers.[[56]](#footnote-57) In addition, the customer contact assessment lacked sufficient details to understand the core issues that caused customers to contact the PUCO call center in the first place. While 29 percent of the contacts involved “billing matters,” there is no indication of what the billing issues were and/or how many consumers were expressing concern with unaffordable water rates and services.[[57]](#footnote-58)

As another example, other than some unknown number of customers who contacted the PUCO because of “payment arrangements,”[[58]](#footnote-59) there is no indication of how many Aqua consumers reached out to the PUCO call center for help in being able to pay their bill. Likewise, there is no indication of how many consumers contacted the PUCO call center for help in avoiding being disconnected for non-payment. Yet, disconnection of water service is an extremely serious issue that places the health and safety of consumers at risk. An actual analysis of the customer contact data over time can reveal where there are needs for additional protections including needs for financial assistance by thousands of Aqua consumers who face the unfortunate situation of being disconnected for nonpayment each year.[[59]](#footnote-60)

While the quarterly reports that Aqua submits to the PUCO Staff are helpful to know the total number of disconnections by service area, Aqua has a wealth of other information that provides a more encompassing view of the impact that these disconnections are having on consumers.[[60]](#footnote-61) And the information that Aqua collects is similar to the information that the Ohio gas and electric utilities have publicly reported for many years.[[61]](#footnote-62)

The PUCO should require Aqua to expand upon the disconnection information that is contained in the quarterly operating reports to the Staff to include metrics such as the number of disconnection notices, the number of disconnections for nonpayment, the average disconnection amount and the total disconnection amount per year.[[62]](#footnote-63) Furthermore, the PUCO should direct Staff to use the information that is contained in the quarterly operating reports to perform a more comprehensive analysis of Aqua disconnection issues. The PUCO should require Staff to review and analyze the root causes for why a high percentage of Aqua customers are not being reconnected.[[63]](#footnote-64)

The PUCO should require Aqua to publicly file at the PUCO on a quarterly basis the disconnection information that it currently collects but does not share with the public. Sharing the information is in the public interest because it leads to the PUCO obtaining a more thorough analysis into the adverse impacts that Aqua customers are experiencing.[[64]](#footnote-65) And interested persons can readily access the information without the necessity of requesting data from the PUCO or awaiting future cases where the information may be obtained through discovery.

Finally, the Staff Report was in error in not addressing specific ways that Aqua consumers could be protected when facing disconnections. Aqua Ohio provides a shareholder funded grant called “Aqua Aid” to provide bill payment assistance for consumers.[[65]](#footnote-66) To help customers avoid late payment charges and avoid reconnection charges, the PUCO should require Aqua to contribute no less than $25,000 annually beginning this year to help customers maintain their water service.[[66]](#footnote-67)

# CONCLUSION

To protect consumers from paying rates that are unjust, unreasonable and unlawful, the PUCO should adopt OCC’s recommendations set forth in these objections, which are further developed in OCC’s testimony.

Respectfully submitted,

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*Special Counsel for the Office of the Ohio Consumers’ Counsel*

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the Objections was served on the persons stated below via electronic transmission, this 14th day of March 2022.

*/s/ Amy Botschner O’Brien*

Amy Botschner O’Brien

Assistant Consumers’ Counsel

The PUCO’s e-filing system will electronically serve notice of the filing of this document on the following parties:

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1. *See* Application of Aqua Ohio, Inc. to Increase its Rates and Charges for its Water Service ("Application") Schedule A-1, Case No. 21-595-WW-AIR (June 28, 2021). [↑](#footnote-ref-2)
2. A Report by the Staff of the Public Utilities Commission of Ohio, Case No. 51-595-WW-AIR (February 11, 2022). [↑](#footnote-ref-3)
3. Audit of the Application to Increase Rates of Aqua Ohio Wastewater, Inc. for the Period January 1, 2021 through December 31, 2021 (“Audit Report”), Schedule A page 1 of 2, Case No. 21-595-WW-AIR (February 11, 2022). [↑](#footnote-ref-4)
4. Direct Testimony of William R. Willis, WRW Attachment 1 (March 14, 2022). [↑](#footnote-ref-5)
5. Larkin Audit Report at 3-5. [↑](#footnote-ref-6)
6. *Id*. [↑](#footnote-ref-7)
7. *Id*. [↑](#footnote-ref-8)
8. Larkin Audit Report at 3-7. [↑](#footnote-ref-9)
9. *Id*. at 3-8. [↑](#footnote-ref-10)
10. *Id*. [↑](#footnote-ref-11)
11. *Id*. at 3-9. [↑](#footnote-ref-12)
12. *Id*. [↑](#footnote-ref-13)
13. *Id*. [↑](#footnote-ref-14)
14. *Id*. [↑](#footnote-ref-15)
15. *Id*. at 3-11. [↑](#footnote-ref-16)
16. *Id.* at 3-12. [↑](#footnote-ref-17)
17. *Id*. at 3-15, 16. [↑](#footnote-ref-18)
18. *Id*. at 3-16. [↑](#footnote-ref-19)
19. *Id.* at 3-16, 17. [↑](#footnote-ref-20)
20. *Id*. at 3-17. [↑](#footnote-ref-21)
21. *Id*. [↑](#footnote-ref-22)
22. *Id*. at 3-18. [↑](#footnote-ref-23)
23. *Id*. [↑](#footnote-ref-24)
24. *Id*. at 3-19. [↑](#footnote-ref-25)
25. Staff Report at 6. [↑](#footnote-ref-26)
26. Staff Report at 15. [↑](#footnote-ref-27)
27. Larkin Audit Report at 5-18. [↑](#footnote-ref-28)
28. *Id*. at 5-24. [↑](#footnote-ref-29)
29. *Id*. [↑](#footnote-ref-30)
30. *Id*. at 5-25. [↑](#footnote-ref-31)
31. Staff Report at 4 and it refers to Larkin Audit Report, Schedule A (February 11, 2022). [↑](#footnote-ref-32)
32. Direct Testimony of Wm. Ross Willis at 4-5, Case No. 21-595-WW-AIR (March 14, 2022). [↑](#footnote-ref-33)
33. Direct Testimony of Wm. Ross Willis, WRW Attachment 2, page 1 Plat of Survey, & page 2 Additions Workpaper WPB-2.3cc from Case No. 16-907-WW-AIR. [↑](#footnote-ref-34)
34. Staff Report at 6. [↑](#footnote-ref-35)
35. Staff Report at 9. [↑](#footnote-ref-36)
36. *See*, Direct Testimony of Daniel J. Duann at 9-12, Case No. 21-595-WW-AIR (March 14, 2022). [↑](#footnote-ref-37)
37. Staff Report at 7. [↑](#footnote-ref-38)
38. Duann Direct Testimony at 9-10. [↑](#footnote-ref-39)
39. *Id*. [↑](#footnote-ref-40)
40. *Id*. [↑](#footnote-ref-41)
41. *Id*. [↑](#footnote-ref-42)
42. *See* <https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_yield_curve&field_tdr_date_value=2021>. [↑](#footnote-ref-43)
43. Duann Direct Testimony at 9-10. [↑](#footnote-ref-44)
44. *See* Staff Report at 8. [↑](#footnote-ref-45)
45. *Id.*  [↑](#footnote-ref-46)
46. *See,* for example, PUCO Case No. 20-1651-EL-AIR et al., Staff Report at 21-22 (July 21, 2021), (AES Ohio Distribution Rate Case) and Case No. 16-907-WW-AIR et al., Staff Report at 12-13 (November 17, 2016) (Aqua Ohio Rate Case). . [↑](#footnote-ref-47)
47. Staff Report at 8-9. [↑](#footnote-ref-48)
48. Duann Direct Testimony at 12. [↑](#footnote-ref-49)
49. *See*, *In re Application of Aqua Ohio, Inc. for Authority to Assess a System Improvement Charge*, Case No. 18-0337-WW-SIC, 3.66% increase approved (February 6, 2019); *In re Application of Aqua Ohio, Inc. for Authority to Assess a System Improvement Charge*, Case No. 19-0567-WW-SIC, 3.733% increase approved (October 23, 2019); *In re Application of Aqua Ohio, Inc. for Authority to Assess a System Improvement Charge*, Case No. 20-0532-WW-SIC, 3.498% increase approved (September 23, 2020); *see* Staff Report at 1-3; Duann Direct Testimony at 13-14. [↑](#footnote-ref-50)
50. Staff Report at 6-8. [↑](#footnote-ref-51)
51. Duann Direct Testimony at 5-6. [↑](#footnote-ref-52)
52. Duann Direct Testimony at 15-16. [↑](#footnote-ref-53)
53. Staff Report at 11. [↑](#footnote-ref-54)
54. Direct Testimony of James D. Williams at 7, Case No. 21-595-WW-AIR (March 14, 2022). [↑](#footnote-ref-55)
55. Williams Direct Testimony at 4. [↑](#footnote-ref-56)
56. Williams Direct Testimony at 5-6. [↑](#footnote-ref-57)
57. *Id*. [↑](#footnote-ref-58)
58. Staff Report at 11. [↑](#footnote-ref-59)
59. Williams Direct Testimony at 6. [↑](#footnote-ref-60)
60. Williams Direct Testimony at 9-10. [↑](#footnote-ref-61)
61. R.C. 4933.123. [↑](#footnote-ref-62)
62. Williams Direct Testimony at 11. [↑](#footnote-ref-63)
63. *Id.* [↑](#footnote-ref-64)
64. *Id*. [↑](#footnote-ref-65)
65. Williams Direct Testimony at 13. [↑](#footnote-ref-66)
66. *Id*. [↑](#footnote-ref-67)