

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio )  
American Water Company to Increase its ) Case No. 06-433-WS-AIR  
Rates for Water and Sewer Services Provided )  
to its Entire Service Area. )

ENTRY

The attorney examiner finds:

- (1) The Commission has caused an investigation to be made of the facts set forth in the application of Ohio American Water Company (applicant) in this case, the exhibits attached thereto, and of the matters connected with the application.
- (2) By entry of November 7, 2006, four local public hearings were scheduled in this matter.
- (3) On November 9, 2006, the Office of the Ohio Consumers' Counsel (OCC) filed a motion to establish an additional local public hearing in Ashtabula County. In its motion, OCC states its concern that the Commission did not establish a local public hearing in northeast Ohio, where it claimed a substantial number of customers of the company reside. OCC argues that, as a result, any of these customers would have to travel more than 100 miles to testify at one of the currently scheduled local public hearings.
- (4) On November 14, 2006, applicant filed a memorandum contra OCC's motion. Applicant states that it opposes OCC's motion and claims that, in the past two of three rate cases, local public hearings were held in Ashtabula County and no customers testified. Applicant also opposes the motion because it notes that four local public hearings have already been scheduled and that this means that a local public hearing has been scheduled for every 12,900 of its customers. It argues that the number of customers per local public hearing for recent gas and electric rate cases is 24 to 80 times greater than the number of customers per local public hearing in this case. Applicant also contends that the cost and expense of local public hearings are already far in excess of the burden placed upon other utilities.

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- (5) Also on November 14, 2006, State Senator Kimberly Zurz filed a request for a local public hearing to be held in Portage County. In the request, Senator Zurz argues that it is unreasonable for customers to have to travel a significant distance further than other affected citizens to vocalize their concerns with the application. She requests that a local public hearing be held in Portage County.
- (6) The examiner finds that it is appropriate to schedule an additional local public hearing in Portage County. Accordingly, a hearing will be scheduled on December 7, 2006, at 6:00 p.m., at City Council Chambers, 210 Park Way, Ravenna, Ohio.
- (7) The applicant should publish legal notice of the local hearing in a newspaper of general circulation in the affected service territory once a week for two consecutive weeks prior to the scheduled date of the local hearing. The hearing notice should not appear in the legal notices section of the newspaper. The notice should read as follows:

#### LEGAL NOTICE

The Public Utilities Commission of Ohio has scheduled local public hearings in Case Nos. 06-433-WS-AIR, In the Matter of the Application of Ohio American Water Company to Increase its Rates for Water and Sewer Services Provided to its Entire Service Area. A local hearing is scheduled for the purpose of providing an opportunity to interested members of the public to testify in this proceeding. The local hearing will be held on December 7, 2006, 6:00 p.m., at City Council Chambers, 210 Park Way, Ravenna, Ohio. By its application, Ohio-American Water Company seeks a rate increase which would generate for Ashtabula, Lawrence County, Marion and Tiffin Districts approximately \$4,214,864 or 17.93 percent over current revenues; for Franklin County District and the Portage County District approximately \$758,146 or 21.53 percent over current revenues; and, for wastewater operations in the Franklin County District, approximately \$157,748 or 5.05

percent over current revenues. The staff of the Commission calculates a revenue increase for all Ashtabula, Lawrence County, Marion and Tiffin Districts between \$2,583,609 and \$2,912,143 or between 10.93 percent and 12.32 percent over current revenues; for Franklin County District and the Portage County District between \$689,075 and \$730,758 or 19.44 percent to 20.62 percent over current revenues; and, for wastewater operations in the Franklin County District, \$157,748 or 5.03 percent over current revenues.

The major issues raised in this case are:

- (a) The appropriate rate base;
- (b) The determination of revenues and operating expenses, including security costs, management fees, acquisition savings, depreciation and property taxes; and
- (c) The rate of return.

Further information may be obtained by contacting the Public Utilities Commission of Ohio, 180 East Broad Street, Columbus, Ohio 43215-3793, the PUCO website at <http://www.puc.state.oh.us>, or the Commission's hotline at 1-800-686-7826.

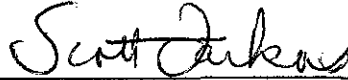
It is, therefore,

ORDERED, That a local public hearing be held as designated in Finding (6). It is, further,

ORDERED, That notice of the local hearing be published by the applicant as directed in Finding (7). It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



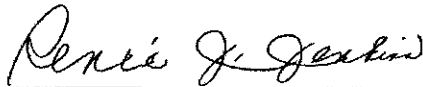
By: Scott Farkas  
Attorney Examiner



SEF:ct

Entered in the Journal

**NOV 14 2006**



Renee J. Jenkins  
Secretary