

From: "webmaster@puc.state.oh.us"
 To: "ContactThePUCO@puc.state.oh.us"
 Subject: 27359
 Sent: 12/11/2006 8:45:02 AM
 Message:
 WEB ID: 27359 AT:12-11-2006 at 08:44 AM

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PUCO

TYPE: comment

NAME: Dr. Daniel Bayliss

CONTACT SENDER ? No

MAILING ADDRESS:

- (NO CITY?) , (NO STATE??) (NO ZIP??)
- (NO COUNTRY??)

PHONE INFORMATION:

- Home: (no home phone provided?)
- Alternative: (no alternative phone provided?)
- Fax: (no fax number provided?)

E-MAIL: (no e-mail address provided)

INDUSTRY: Water

ACCOUNT INFORMATION:

- Company: American Water
- (no account name provided?)
- Service address: Case # 06-0433-WS-AIR
- (no service phone number provided?)
- (no account number provided?)

COMMENT DESCRIPTION:

In refrence to case # 06-0433-WS-AIR

Customers of American Water are forced into business with a company that in any given free market situation would go out of business for providing a very poor quality product at well above local market rates. Without the free market influence, American Water's monopoly provides zero incentive for American Water to deliver anything beyond the absolute bare minimum of service or quality water.

Given that people value their free time and seldom voluntarily surrender this limited commodity without reason; please note that the attendance at each of the Darby area American Water public meetings has been at overflow capacity. The customers of American Water are fed up with poor water quality and unreasonably high prices for that poor product. The large attendance of unhappy and dissatisfied American Water customers who chose to give up their free time and attend during the diner hours is a

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simple illustration of the wide spread dissatisfaction with American Water.

American Water has used the argument that they inherited "old equipment" with their purchase of Citizen's Water on several earlier occasions when seeking rate increases. A private, for profit, company's bad business decisions are their shareholders concerns and not a simple pass it on to the captive customer issue. Both Citizen's Water and now American Water have chosen to "milk the profit" out of the Darby area customers without investing or adding any capital or new services.

Profit is the reward a company earns from delivering a quality product at a reasonable fair market price. Profit occurs from happy customers and repeat business due to these favorable conditions that the company produces. Profit is the report card a company receives on how well it performs its task in the marketplace. Without a free market influence to regulate the balance between service, product, and price the PUCO must act as this balancing force.

The PUCO's rate control of American Water's profit is the consumer's only economic leverage in obtaining quality water and service at a fair and reasonable price. If the PUCO blindly rewards American Water's past performance with a rate increase and not a significant profit decrease, then the message is clear to American Water that poor is good enough. Likewise, the fine proposed for American Water's past and on going failures in the service area is so small and insignificant to American Water that it will be easily absorbed into the cost of business, and simply passed on to the consumers in the current or a future price increase.