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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

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

- - -

PROCEEDINGS

before Mr. Scott E. Farkas and Mr. Richard Bulgrin,
Attorney Examiners, at the Public Utilities
Commission of Ohio, 180 East Broad Street, Columbus,
Ohio, called at 10 a.m. on Monday, December 11, 2006.

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1 APPEARANCES:

2 Bricker & Eckler, LLP
3 By Mr. Thomas J. O'Brien
4 and Ms. Sally W. Bloomfield
100 South Third Street
Columbus, Ohio 43215

5 On behalf of the Company.

6 Janine L. Migden-Ostrander,
7 Ohio Consumers' Counsel
By Ms. Melissa Yost
8 and Ms. Maureen R. Grady
Assistant Consumers' Counsel
10 West Broad Street, Suite 1800
9 Columbus, Ohio 43215-3485

10 On behalf of the Residential Ratepayers
11 of the Ohio American Water Company.

12 Jim Petro, Ohio Attorney General
By Mr. Duane W. Luckey,
13 Senior Deputy Attorney General,
Mr. Thomas Lindgren,
14 and Mr. Steven Logan Beeler
Assistant Attorneys General
180 East Broad Street, 9th Floor
15 Columbus, Ohio 43215

16 On behalf of the Staff of the PUCO.

17 Mr. Henry Eckhart
50 West Broad Street, Suite 2117
18 Columbus, Ohio 43215

19 On behalf of Dragoo Management Co.

20 McNees, Wallace & Nurick, LLC
By Ms. Lisa McAllister
21 Fifth Third Center, Suite 1700
21 East State Street
22 Columbus, Ohio 43215-4228

23 On behalf of the Cities of Marion and
24 Tiffin.

- - -

Monday Morning Session,
December 11, 2006.

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ATTORNEY EXAMINER FARKAS: The Commission has called for hearing at this time and place 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, Case No. 06-433-WS-AIR.

My name is Scott Farkas. Next to me is Dick Bulgrin. We are the Attorney Examiners assigned to hear this case. At this time we will take appearances starting with this side of the table.

MS. YOST: Yes. On behalf of the American Water Residential Customers, the Office of the Consumers' Counsel, Janine L. Migden-Ostrander, Consumers' Counsel, Melissa Yost, Assistant Consumers' Counsel, 10 West Broad Street, Columbus, Ohio 43215.

MS. GRADY: Maureen R. Grady on behalf of the OCC as well.

ATTORNEY EXAMINER FARKAS: Okay.

MR. ECKHART: Henry Eckhart representing Dragoo Management.

1 MR. O'BRIEN: On behalf of Ohio American
2 Water Company, Bricker & Eckler, LLP, by Sally W.
3 Bloomfield and Thomas J. O'Brien, 100 South Third
4 Street, Columbus, Ohio 43215.

5 MS. McALISTER: Thank you, your Honors.
6 On behalf of the Cities of Tiffin and Marion, McNees,
7 Wallace & Nurick, by Lisa McAlister, 21 East State
8 Street, Columbus, Ohio 43215.

9 MR. BEELER: On behalf of the Staff of
10 the Public Utilities Commission, Jim Petro, Ohio
11 Attorney General, Duane Luckey, Senior Deputy
12 Attorney General, Steve Beeler and Tom Lindgren,
13 Assistant Attorneys General, 180 East Broad Street,
14 Columbus, Ohio 43215.

15 ATTORNEY EXAMINER FARKAS: Okay. Just
16 for the record any member of the public here?

17 There are no members of the public at the
18 hearing.

19 As a preliminary matter, it is the -- our
20 expectation that the Company will provide some
21 response to the testimony that was given at the
22 public hearings. We had four public hearings.

23 And with respect to the hearing in
24 Ravenna, that was cancelled due to a severe weather.

1 It's the -- prior to going on the record there was
2 some discussion OCC has indicated it is still
3 interested in a -- having a hearing in northeast
4 Ohio.

5 MS. GRADY: That's correct, your Honor.

6 ATTORNEY EXAMINER FARKAS: Okay. And we
7 will just reschedule that. Because it's a public
8 hearing we will -- the Company will have to provide
9 the public notice as per the rules for that prior to
10 the hearing.

11 MR. O'BRIEN: Your Honor, will we get an
12 additional entry with the language in it?

13 ATTORNEY EXAMINER FARKAS: Yes, we will
14 do an entry rescheduling that.

15 At this point is there anything -- we are
16 scheduled to go forward with the hearing today. Are
17 the parties ready to go forward or are you -- what's
18 the stage of the proceeding at this point?

19 MR. O'BRIEN: Your Honor, the parties are
20 still in discussions about possible settlement of the
21 case. However, I think it is the will of the
22 involved parties at this point that we would like to
23 set a date for continuing today's hearing at which
24 time we would go forward with either -- if settlement

1 talks fail with the evidentiary portion of the
2 hearing or would also be the time at which we would
3 do whatever clean up needs to be done to the record
4 of the case.

5 ATTORNEY EXAMINER FARKAS: Okay. What
6 dates are you looking at?

7 MR. O'BRIEN: Well, from the Company's
8 perspective we would like to continue this until
9 January 8. But it is our understanding that there --
10 some of the other parties have conflicts which the
11 Company thinks we can work around, but the Company's
12 witnesses are available that week.

13 ATTORNEY EXAMINER FARKAS: Okay.

14 MS. YOST: Your Honor, if I may speak, I
15 have a personal conflict. I am out of town the 11th,
16 12th, and 15th being a holiday for State employees.
17 I am available 8th, 9th, and 10th and would be able
18 to reconvene the 16th, 17th, 18th, and 19th, if
19 necessary.

20 ATTORNEY EXAMINER FARKAS: Okay.
21 Mr. Eckhart?

22 MR. ECKHART: My client would be
23 available preferable on January 10 if that suits
24 everybody. He's going to be back in town the day

1 after Christmas, but I don't think there's too much
2 demand for that time for a hearing so the best time
3 for him is January 10.

4 ATTORNEY EXAMINER FARKAS: Okay.

5 MS. McALISTER: Your Honor, we are
6 available the week of the 8th. I think we had also
7 discussed among the parties the week of the 23rd of
8 January which would be preferable to the Cities, but
9 we are available the week of the 8th.

10 ATTORNEY EXAMINER FARKAS: Okay.

11 MS. YOST: OCC is also available the week
12 of the 22nd.

13 ATTORNEY EXAMINER FARKAS: Okay.

14 MR. BEELEER: Staff is available both the
15 week of the 8th and the week of the 22nd.

16 ATTORNEY EXAMINER FARKAS: Let's go off
17 the record for a second.

18 (Discussion off the record.)

19 ATTORNEY EXAMINER FARKAS: Why don't we
20 reschedule -- we will continue the hearing until
21 beginning on January 8 at 10 o'clock. And then if we
22 have an issue with the 9th, we will just skip a day
23 and go to the next day.

24 MS. YOST: Is there a potential it will

1 go forward on the 11th and 12th also?

2 ATTORNEY EXAMINER FARKAS: Well, that's
3 really up to you, guys. I think -- you have how many
4 witnesses for the Company?

5 MR. O'BRIEN: Four or five, I believe.
6 It's been a long time since I have looked at the
7 filing.

8 ATTORNEY EXAMINER FARKAS: You have
9 three?

10 MS. GRADY: Yes.

11 ATTORNEY EXAMINER FARKAS: I would say
12 for sure at least two days. I can't imagine we are
13 going to do this in one day.

14 MS. YOST: Is there any way we could
15 agree in the event it goes between the 8th, 9th, or
16 10th we could reconvene on the 16th, or do I need to
17 change? Because I am out of town on the 11th and
18 12th.

19 MR. O'BRIEN: Your Honor, from the
20 Company's perspective we will be working with the OCC
21 and Mr. Dragoo to accommodate their conflicts.

22 ATTORNEY EXAMINER FARKAS: Okay.
23 Anything else?

24 ATTORNEY EXAMINER BULGRIN: Let's go off

1 the record for a minute.

2 (Discussion off the record.)

3 ATTORNEY EXAMINER BULGRIN: If there is
4 not anything further by any of the parties?

5 Then this hearing will be continued until
6 January 8 at 10 o'clock. Thank you.

7 (Thereupon, the hearing was concluded at
8 10:13 a.m.)

9 - - -

10 CERTIFICATE

11 I do hereby certify that the foregoing is
12 a true and correct transcript of the proceedings
13 taken by me in this matter on Monday, December 11,
14 2006, and carefully compared with my original
15 stenographic notes.

16 

17 Karen Sue Gibson, Registered
18 Merit Reporter.

19 (KSG-4579)

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