

FILE

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE)
APPLICATION OF WATERVILLE)
GAS & OIL COMPANY FOR)
AUTHORITY TO AMEND ITS FILED)
TARIFFS TO INCREASE THE)
RATES AND CHARGES FOR GAS)
SERVICES AND RELATED)
MATTERS.)

CASE NO. 07-194-GA-AIR

PREFILING NOTICE OF
WATERVILLE GAS & OIL COMPANY
OF ITS INTENT TO FILE AN APPLICATION FOR AN INCREASE IN ITS
RATES AND CHARGES FOR NATURAL GAS SERVICE

Waterville Gas & Oil Company ("Waterville") is a public utility and natural gas company subject to the jurisdiction of the Public Utilities Commission of Ohio ("Commission") pursuant to Sections 4905.04, 4905.05 and 4905.06, Ohio Revised Code. Waterville provides natural gas service to approximately 3,282 customers in its service territory in Wood and Lucas Counties, Ohio pursuant to jurisdictional rates established by the Commission. Waterville also serves customers in the Village of Waterville pursuant to rates established by municipal rate ordinance. Waterville most recently was granted the authority to increase its jurisdictional rates and charges more than twenty years ago, by Opinion and Order entered November 25, 1986, *In the Matter of the Application of the Waterville Gas & Oil Company, Inc. for an Increase in Rates and Charges*, Case No. 86-431-GA-AIR.

Pursuant to Chapter 1, Section B of the Commission's Standard Filing Requirements, Ohio Admin. Code 4901-7-01 (Appendix A), Waterville hereby submits

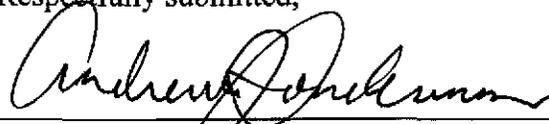
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its Pre-Filing Notice ("PFN") of its intent to file an application for an increase in its rates and charges for natural gas service to customers in its service area at least thirty days prior to the date of filing of Waterville's Application for Increase in Rates. As part of its PFN, Waterville moves for approval of a test year consisting of the twelve months ended December 31, 2006, and a date certain of December 31, 2006. Waterville is also requesting a waiver of the requirement that the test year commence six months prior to the date of filing its application in a waiver request filed on the same date as this Pre-Filing Notice.

Pursuant to Chapter 1, Section B of the Standard Filing Requirements, the following exhibits are attached hereto:

- (a) PFN Exhibit 1: Statement of notice of intent to file for an increase in rates; the service area to be included in the application; and the proposed test year and date certain.
- (b) PFN Exhibit 2: Listing of municipalities included in the application and the mayors and legislative authorities to whom notices of intent were sent pursuant to Section 4909.43(B), Ohio Revised Code.
- (c) PFN Exhibit 3 Proposed tariff schedules that are intended to replace or amend the current tariff schedules.
- (d) PFN Exhibit 4: Typical bill comparisons for each customer class.

Respectfully submitted,



Andrew J. Sonderman (0008610)
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Columbus, Ohio 43215
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Counsel for Waterville Gas & Oil Company

February 23, 2007

To the Mayors, Members of City Council and County Commissioners:

**NOTICE OF INTENT OF
WATERVILLE GAS & OIL COMPANY
TO FILE AN APPLICATION FOR AN INCREASE IN RATES AND
CHARGES FOR NATURAL GAS SERVICE**

Waterville Gas & Oil Company ("Waterville") intends to file an application with the Public Utilities Commission of Ohio (PUCO) for an increase in rates and charges for natural gas service to customers throughout its service territory. Waterville's current rates for natural gas service were approved in 1986 in Case No. 86-431-GA-AIR (PUCO Opinion and Order entered November 25, 1986). The purpose of Waterville's rate increase application is to provide Waterville with an opportunity to recover the cost of providing natural gas service and to earn a fair and reasonable return on its investment in property used to provide such service.

Therefore, in accordance with the requirements of Sections 4909.18, Ohio Revised Code, Waterville hereby serves its notice of intent to file for an increase in rates and charges for natural gas service with the PUCO. Waterville proposes that the Test Year for the analysis of accounts be the twelve months ended December 31, 2006, and that the Date Certain for the valuation of its property be established as December 31, 2006. In compliance with the requirements of Chapter 1, Section (B) of the PUCO's Standard Filing Requirements, the rates to be proposed in the application are attached hereto as PFN Exhibit 3.

Respectfully,

/s/ Robert S. Black

Robert S. Black
President
Waterville Gas & Oil Company

Lucas County Commissioners

One Government Center
Suite 800
Toledo, OH 43604
Ms. Tina Skeldon Wozniak
Mr. Pete Gerken
Mr. Ben Konop

Waterville Township Trustees

621 Farnsworth Rd.
Waterville, OH 43566
Les Disher
Kyle Hertzfeld
Brent Warner
Kay Ann Robertson, Fiscal Officer

Middleton Township

P.O. Box 206
Haskins, OH 43525
James Bostdorff
Penelope S. Getz
Fred Vetter
Laurie Limes, Fiscal officer

City of Perrysburg

201 W. Indiana Ave.
Perrysburg, OH 43551
Nelson Evans, Mayor
Joe Lawless
Maria F. Ernie
Tom Mackin
Tim McCarthy
Mike Olmstead
Kevin Rantanen
Liz Larson-Shidler
John Alexander, City Administrator

Ohio State Senate

Randy Gardner
Senate Building
Room # 220
Columbus, OH 43215

Monclova Township Trustees

4335 Albon Rd.
Monclova, OH 43542
Brian D. Craig
Barbara S. Lang
Gary F. Kuns
Sharon M. Bucher, Fiscal Officer

Wood County Commissioners

One Courthouse Square
Bowling Green, OH 43402
Tim W. Brown
James F. Carter
Alvin L. Perkins

Perrysburg, Township

26609 Lime City Rd.
Perrysburg, OH 43551
Robert Mack
Craig LaHote
Gary Britten
Shirley A. Harr, Fiscal officer

Ohio State representatives

Mark D. Wagoner, Jr.
77 S. High St.
Columbus, OH 43215-6111

Bob Latta
77 S. High St.
Columbus, OH 43215-6111

U.S. Senators

George Voinovich
524 Hart Senate Office Building
Washington, DC 20515

Sherrod Brown
United States Senate
Washington, DC 20515

U.S. House of Representatives

Paul Gillmor
1203 Longworth House Office Building
Washington, DC 20515

Marcy Kaptur
2366 Rayburn Building
Washington, DC 20515

SECTION 4 – RATES AND CHARGES

37. General Service Rate – GS

Availability. Available and applicable to all residential, commercial and industrial customers who have properly completed an application for service within the service area covered by this tariff, consisting of Middleton and Perrysburg Townships and the City of Perrysburg, Wood County, Ohio and Monclova and Waterville Townships, Lucas County, Ohio, except for the Village of Waterville which is served pursuant to municipal ordinance.

Rates or charges for consumers using in excess of 2,000,000 cubic feet of natural gas per month may be fixed by contract with such individual consumers and provision made for such limitation of service and other terms and conditions relating to the supplying of natural gas as may be agreed upon with such consumer(s) and subject to the approval of the Public Utilities Commission of Ohio pursuant to Ohio Revised Code Section 4905.31. Provided, that at least 50 percent of the consumption must occur in the six billing months from May through October. If this threshold consumption is not maintained, then all usage will be billed at the rates and charges set forth below.

Rates and Charges.

The Monthly customer service charge shall be \$11.00 for each customer location, regardless of the amount of natural gas consumed;

Plus \$3.070 per 1,000 cubic feet ("Mcf") for each Mcf consumed;

Plus all delivered gas shall be subject to an adjustment per Mcf as set forth in :

Paragraph 39, Gas Cost Recovery Rate
Paragraph 40, Gross Receipts Tax Rider
Paragraph 41, Ohio Mcf Tax Rider
Paragraph 42, Uncollectible Expense Rider

Miscellaneous Charges.

Customers receiving service under this Rate Schedule are subject to the Miscellaneous Charges set forth in Paragraph 38 of this Tariff as follows: Late Payment Charge; Bad Check Charge and ACH Return Charge; Reconnection Charge; Meter Test Charge; Meter Re-read Charge; Tie-in Charge; Collection Charge.

Service under this Rate Schedule is subject to the Rules and Regulations Governing the Distribution and Sale of Natural Gas set forth in this Tariff and all applicable Rules and Orders of the Public Utilities Commission of Ohio.

38. Miscellaneous Charges. The following charges shall apply to all customers served:

- (a) **Late Payment Charge.** If a bill payment is not received by the Company offices or by the Company's authorized agent within fourteen (14) days of the date of the invoice, a one-time additional charge of five (5) percent of the customer's billing shall be made.

This provision is not applicable to unpaid account balances of any customer enrolled in PIPP or a payment plan pursuant to Rule 4901:1-18-04, Ohio Administrative Code.

- (b) **Dishonored Check and ACH Return Charge.** Whenever a customer pays a bill by check and the check is returned to the Company by the customer's financial institution for lack of sufficient funds in the customer's account, there shall be a dishonored check assessed for each check returned. Whenever customer pays by electronic debit and the ACH is rejected for insufficient funds, there shall be a dishonor charge assessed for each such return. Such customer shall be charged twenty-three dollars (\$23.00) for processing the dishonored check or ACH return.
- (c) **Reconnection Charge.** Whenever a customer has been disconnected involuntarily for non-payment of the customer's bill, a charge not to exceed fifty dollars (\$50) shall be assessed prior to reconnection of service. In the event that a customer has voluntarily requested that the Company discontinue service, prior to reconnecting service to the same customer at the same service address, the customer shall be required to pay a reconnection charge equal to the applicable monthly customer service charge set forth in paragraph 37 of this Tariff multiplied by the number of months (not to exceed twelve [12] months) during which service has been disconnected.

Reconnection of service for residential customers shall be completed in compliance with the schedule established by Rule 4901:1-18-06, Ohio Administrative Code.

Reconnection of service for small commercial customers shall be completed in compliance with the schedule established by Rule 4901:1-13-09, Ohio Administrative Code.

- (d) **Meter Test Charge.** When a meter is tested at the request of the customer and the meter tested is found to be accurate within a tolerance of plus or minus three (3) percent, the Company will assess a meter test charge of thirty-five dollars (\$35.00) to recover the cost of the removal and meter test. The customer will be advised of the cost of the meter test at the time of the request for the test. If the meter tested is found not to have been accurate, there shall be no charge for the removal or test.
- (e) **Meter Read Charge.** A customer may request an actual meter read without charge if the customer's usage has been estimated for more than two of the immediately preceding billing cycles consecutively or if the customer has reasonable grounds to believe the meter is malfunctioning. At any other time a customer requests a meter read, the Company will assess a meter re-read charge of twenty-five dollars (\$25.00).
- (f) **Tie-in Charge.** If a tie-in is required to restore service to a customer whose service line has been cut and plugged as the result of detection of unauthorized use of service, a charge of up to three hundred dollars (\$300.00) or actual cost, whichever is less, shall be assessed. Unauthorized service includes:
- (1) detection of turning on the meter by customer or customer's agent after non-payment disconnection of service by the Company;
 - (2) detection of turning on the meter and the curb stop by the customer or customer's agent after non-payment disconnection of service by the Company;
 - (3) Detection of by-passing the meter inlet and outlet connections after removal of the meter by the Company.

(g) **Collection Charge.** If payment is made to any employee whose authorized purpose was to disconnect service and who was authorized to accept such payment, or to an employee dispatched to the premises to accept payment, a charge of ten dollars (\$10.00) may be assessed on each such visit and shall be payable at the time of such visit. However, this charge shall be waived for the first such trip in any 36-month period, and only one such trip can occur in any billing period.

39. **Gas Cost Recovery Charge.** The charge to the customer for the cost of gas shall be the appropriate final Gas Cost Recovery (GCR) rate per Mcf applied to the customer's monthly consumption. The final GCR rates shall be determined under the provisions of the uniform purchased gas adjustment as set forth in Ohio Administrative Code Chapter 4901:1-14 and any subsequent revisions thereof, and to the lawful orders of regulatory authorities having jurisdiction.

40. **Gross Receipts Tax Rider.** The Gross Receipts Excise Tax Rider is applicable to all gas cost recovery charges billed by the Company under its current Rate GS rate schedule. Provided, that this rider shall not be billed to those customers statutorily exempted from the payment of gross receipts taxes.

All bills shall be adjusted for the Ohio Gross Receipts Tax on gas cost recovery revenues at a rate of 4.8899%.

41. **Ohio Mcf Tax Rider.** The Ohio Excise Tax on each per MCF of natural gas distributed by the company through a meter of an end user in this state shall be applicable to all gas delivered by the Company to customers billed by the Company under its current Rate GS rate schedule.

All bills shall be adjusted to recover the Ohio Excise Tax by \$.0411 per Mcf delivered.

42. **Uncollectible Expense Rider.** Applicable to all customers served under the Company's current Rate GS rate schedule. An additional charge of \$.03 per Mcf shall be applied to all volumes of service rendered to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. The Company shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten (10) percent is needed to adjust for prior period over- or under-collections.

PFN EXHIBIT 4

**WATERVILLE GAS & OIL COMPANY
CASE NO. 07-~~194~~-GA-AIR
TYPICAL BILL COMPARISON**

Usage Mcf/Mo.	Bill at Current Rates (\$)	Bill at Proposed Rates (\$)	Increase (\$)	Base Rate Increase (%)	Gas Cost per GCR (\$)	Bill at Current Rates and GCR (\$)	Bill at Proposed rates and GCR (\$)	Increase (\$)	Increase (%)
1	7.80	14.07	6.27	80.38	7.49	15.29	21.56	6.27	41.01
5	17.00	26.35	9.35	54.99	37.45	54.45	63.80	9.35	17.17
10	28.50	41.70	13.20	46.31	74.89	103.40	116.59	13.20	12.76
20	51.50	72.40	20.90	40.57	149.79	201.29	222.19	20.90	10.38
30	74.51	103.10	28.59	38.38	224.68	299.19	327.78	28.59	9.56
40	97.51	133.80	36.29	37.22	299.57	397.08	433.37	36.29	9.14
50	120.51	164.50	43.99	36.50	374.47	494.98	538.97	43.99	8.89
75	178.02	241.25	63.24	35.52	561.70	739.71	802.95	63.24	8.55
100	235.52	318.00	82.48	35.02	748.93	984.45	1,066.93	82.48	8.38
250	580.55	778.50	197.95	34.10	1,872.33	2,452.88	2,650.83	197.95	8.07
500	1,155.60	1,546.00	390.40	33.78	3,744.65	4,900.25	5,290.65	390.40	7.97

	Current Rates (\$)	Proposed Rates (\$)
Customer Charge	5.50	11.00
Volumetric Rate (\$/Mcf)	2.3002	3.0700
Current GCR Rate (\$/Mcf)	7.49	7.49

Note: Excludes Gross Receipts Tax, Mcf Tax and Uncollectible Expense Rider