

FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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2008 JAN 28 PM 4:19

In the Matter of the Application of Ohio)
 American Water Company for Authority to)
 Increase its Rates For Water and Sewer) Case No. 07-1112-WS-AIR
 Service Provided to its Entire Service Area.)

PUCO

**MOTION REGARDING NEWSPAPER PUBLICATION
AND
REQUEST FOR EXPEDITED RULING
OF
OHIO AMERICAN WATER COMPANY**

Ohio American Water Company ("Ohio American" or "Company") moves the Public Utilities Commission of Ohio ("Commission") to permit it to correct the last paragraph in the newspaper publication that has been made pursuant to the Commission's entry of January 9, 2008 directing the Company to publish notice of its rate application ("Entry") in the above-entitled matter. Because there was an error in some of the newspaper publications, Ohio American requests expedited treatment of this Motion in order to remedy the error.

MEMORANDUM IN SUPPORT

In accordance with the Commission's instructions in the Entry, Ohio American's representatives prepared the Word document that is attached as Exhibit A. The document was proofread several times and then it was prepared to be sent to the various newspapers of general circulation in the counties in which Ohio American serves. In order to send the document to the

newspapers it was transferred from the main server to an individual drive on a personal office computer in order to title the document so that the newspapers would be able to identify it. The Word document from the main server has a numeric designation that cannot be changed on the system. A copy of the document was transferred to an individual drive on a computer attached to the main system and saved. A cursory check was made to determine that the transfer was accomplished. It appeared to be correct. Unfortunately, and this fact was not known at the time, the selected drive saved a version that did not even appear on the drive at the time the Word document was attempted to be saved. The version that was actually saved and was E-mailed to the newspaper publishers under the mistaken belief that it was correct, contained a last paragraph from the prior Ohio American rate case. This paragraph pertained to how customers could obtain copies of the filings in the case and did contain the Commission's website, but did not contain the more detailed instructions that were directed by the Commission to be used and that were, in fact, correct in the Word document.

There are 10 newspapers that received an Ohio American notice. One of those, the *Ashtabula Star Beacon*, was not E-mailed the publication, but received a fax version of the correct Word document (Exhibit A) that had the proper notice. When the error was discovered, Ohio American representatives immediately contacted the nine affected newspapers. Eight of them had published the notice twice; another had only published the notice one time. All nine agreed to publish the correct version in the remaining publications.

Ohio American believes that the published notices substantially comply with the directions of the Commission in the Entry and with Ohio Revised Code Section ("R.C.") 4909.19. The Ohio General Assembly has set forth a substantial compliance standard for the Commission when it publishes notice of the hearings in rate cases. The substantial compliance

standard of R.C. 4903.083 is entirely appropriate for the published notices of the rate case that are the responsibility of the applicant. Ohio Revised Code 4903.083 specifically states that

Defects in the content of said notice shall not affect the legality of notices published under this section provided that the public utilities commission meets the substantial compliance provision of 4905.09 of the Revised Code.

The published notices provided all the information about the rate increases and gave sufficient information for customers to access the Commission's website for additional information. Furthermore, the Commission found the paragraph which was erroneous in this case had been appropriate notice in the last Ohio American rate case and ordered that paragraph to be included in the notice.

The Commission has a long line of precedents with respect to publications made by applicants where, for various reasons, the publications were not technically in compliance with the Commission's directions. A few of these include: *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Northeast Ohio Natural Gas Corp. and Related Matters*, Case No. 06-209-GA-GCR, Opinion and Order of August 23, 2006, where the Commission found that even though the bill insert did not reach customers within 15 days prior to hearing and was given more than 30 days prior to hearing, the notice substantially complied with the Commission's direction. In another cases, the Commission found that even though the applicant was directed not to publish legal notices in the Legal Publication section of the newspapers, when the notices appeared there, substantial compliance with the order had been met: *In the Matter of the Self Complaint of Paramount Natural Gas Company Concerning Its Existing Tariff Provisions Regarding Charges of Installing a Positive Shut Off Drip*, Case No. 98-1590-GA-SLF, Finding and Order of January

14, 1999. In a third case, when several of the notices were not published in accordance with the Commission in, *In the Matter of the Purchased Gas Adjustment Clause Contained Within the Rate Schedule of the Ohio Gas Company and Related Matters*, Case No. 94-214-GA-GCR, Opinion and Order of December 29, 1994, the Commission found substantial compliance. Lastly, where a number of the publications were not made as directed by the Commission, *In the Matter of the Self-Complaint of US Sprint Communications Company Limited Partnership Concerning Certain of its Rates and Charges*, Case No. 90-734-TP-SLF, Finding and Order of November 29, 1990, the Commission found substantial compliance.

Though substantial compliance applied to the Ohio American published notices, nevertheless, Ohio American proposes that it include a bill insert correcting the last paragraph to all its customers with the exception of the Ashtabula billing routes whose customers had access to the correct publication. In addition, Ohio American proposes that the insert notify customers that it has published the entire corrected public notice about the rate case on its own website and to refer the customers to its website. Though the final language has not been determined, it proposes that the insert would be substantially the same as the following:

Through an error, in two of the three weekly newspaper published notices, the last paragraph about Ohio American's rate case was incorrect. Below is the correct last paragraph which gives directions for obtaining information about the rate case from the PUCO's website.

The last paragraph of the published notice should have stated:
Any interested person seeking detailed information with respect to all affected rates, charges, regulations and practices may inspect a copy of the application, including supporting schedules and present and proposed rate sheets, by either of the following methods: by visiting the office of the Commission at 180 East Broad Street, 13th floor, Columbus, Ohio, 43215-3793; or by visiting the Commission's web site at <http://www.puco.ohio.gov>, selecting DIS, inputting 07-1112 in the case lookup box, and selecting the

date the application was filed. Additionally, a copy of the application and supporting documents may be viewed at the business office of the company at 365 East Center Street, Marion, Ohio 43302.

We regret any confusion the erroneous published paragraph may have caused. If you would like to view the full corrected published notice, you may do so by visiting the company's website, <http://www.amwater.com/awpr1/ohaw/default.html>

The Company proposes that the expenses associated with the correction will not be borne by the ratepayers.

Ohio American requests expedited treatment pursuant to Ohio Administrative Code Rule 4901-1-12(C), which allows for immediate rulings without waiting for responsive pleadings. Furthermore, expedited treatment of this Motion will allow customers to receive the bill insert as soon as possible so that any adverse effects of the error will be minimal. Delay will only serve to confuse customers if the publication and the bill insert are separated by too much time. In that unfortunate event, customers could conceivably believe that there are two rate applications rather than one. The error having occurred, it is the proper and prudent thing to correct it as soon as possible.

WHEREFORE, Ohio American urges the Commission, on an expedited basis, to grant its motion to correct the publication by the proposed bill insert and to find that the newspaper publications substantially comply with the Entry and with R.C. 4909.19.

Respectfully submitted on behalf of
OHIO AMERICAN WATER COMPANY



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the Motion of Ohio American Water Company was either served by electronic mail or regular U.S. Mail this 28th of January 2008.


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PUBLIC NOTICE

Notice is hereby given that Ohio-American Water Company has filed an Application with the Public Utilities Commission of Ohio (Case No. 07-1112-WS-AIR) seeking increases in, and adjustments to, its rates and charges for sewer customers in Franklin County and water service customers in its entire service area that includes its seven districts located in the Ohio counties of: Ashtabula, Franklin, Lawrence, Marion (which administers the Preble County and Pike County service areas), Morrow, Portage, Richland, and Seneca, Ohio.

The rates proposed by Ohio-American Water Company, given below, are for general water service in all districts, **except Franklin and Portage**, to RESIDENTIAL, COMMERCIAL, INDUSTRIAL and PUBLIC SERVICE CUSTOMERS. Note: Most of Ohio-American's customers are billed bi-monthly; however, some customers are billed monthly.

METER RATES

Under the proposal of the Ohio-American Water Company, the increased rates for consumption would be:

	100 Cubic Feet <u>Per Month</u>	Rate Per <u>100 Cubic Feet</u>	1,000 Gallons <u>Per Month</u>	Rate Per <u>1,000 Gallons</u>
For the first	20	\$5.0422	15	\$6.7229
For the next	1,980	3.6898	1,485	4.9197
For all over	2,000	1.5850	1,500	2.1133

	100 Cubic Feet <u>Bi-Monthly</u>	Rate Per <u>100 Cubic Feet</u>	1,000 Gallons <u>Bi-Monthly</u>	Rate Per <u>1,000 Gallons</u>
For the first	40	\$5.0422	30	\$6.7229
For the next	3,960	3.6898	2,970	4.9197
For all over	4,000	1.5850	3,000	2.1133

UNMETERED RATES

\$79.66 Per BI-MONTHLY

SERVICE CHARGES

Upon approval of the proposed increase in rates, all metered general water service customers would pay a service charge monthly or bi-monthly, at the option of the Company, based on the size of each meter installed, according to the bi-monthly rates set forth below:

<u>Size of Meter</u>	<u>Monthly</u>	<u>Bi-Monthly</u>
5/8"	\$10.59	\$21.18
3/4"	13.51	27.02
1"	19.34	38.68
1-1/2"	33.90	67.80
2"	51.38	102.76
3"	92.17	184.34
4"	150.43	300.86
6"	296.11	592.22

SURCHARGE

All metered general water service Customers served by the Marion District-Marion County and Morrow County shall pay a surcharge for water softening costs. This surcharge shall be at the rate set forth below:

Surcharge per 100 cubic feet	\$0.36090
or per 1,000 gallons	\$0.48120

REPRESENTATIVE CUSTOMERS

Under the Ohio-American Water Company proposal, a representative customer in each of the following classes would experience rate changes as shown below:

<u>Representative Bi-Monthly</u>	<u>Consumption Cubic Feet</u>	<u>Bi-Monthly Increase</u>	<u>Percent Increases</u>
<u>Residential-5/8" meter</u>			
-w/o softening surcharge	1,180	\$9.62	13.61%
-with softening surcharge	1,180	\$10.41	14.06%
<u>Commerical-5/8" meter</u>			
-w/o softening surcharge	4,650	\$48.80	13.25%
-with softening surcharge	4,650	\$55.02	13.93%
<u>Representative Monthly</u>			
<u>Industrial-2" meter</u>			
-w/o softening surcharge	57,810	\$495.86	12.63%
-with softening surcharge	57,810	\$573.20	13.46%

The rates proposed by Ohio-American Water Company, given below, are for general water service for districts in **Franklin and Portage Counties**, to **RESIDENTIAL, COMMERCIAL, INDUSTRIAL, and PUBLIC SERVICE CUSTOMERS**. Note: Most of Ohio-American's customers are billed bi-monthly; however, some customers are billed monthly.

1. DOMESTIC SERVICE

Water Customer Charge

For 5/8" meter	\$10.59	per Month
For 3/4" meter	\$13.51	per Month
For 1" meter	\$19.34	per Month
For 1 1/2" meter	\$33.90	per Month
For 2" meter	\$51.38	per Month
For 3" meter	\$92.17	per Month
For 4" meter	\$150.43	per Month
For 6" meter	\$296.11	per Month

Water Consumption Charge - Basic Water Service (applies to all customers):

First 13.33 Ccf	\$4.7470	per Ccf*
Next 586.67 Ccf	\$2.9136	per Ccf*
Over 600 Ccf	\$1.5850	per Ccf*

Softening Surcharge (Only applies to the Lake Darby and Worthington Hills Service Area)

\$0.60070 per Ccf*

Reverse Osmosis Surcharge (applies to Blendon Township Only)

\$1.19220 per Ccf*

Purchase Water Adjustment Surcharge (applies to Portage County Districts Only)

\$1.61048 per Ccf*

2. NON-DOMESTIC SERVICE:

Water Customer Charge:

For 5/8" meter	\$10.59	per Month
For 3/4" meter	\$13.51	per Month
For 1" meter	\$19.34	per Month
For 1 1/2" meter	\$33.90	per Month
For 2" meter	\$51.38	per Month
For 3" meter	\$92.17	per Month
For 4" meter	\$150.43	per Month
For 6" meter	\$296.11	per Month

Water Consumption Charge - Basic Water Service:

First 13.33 Ccf	\$4.7470	per Ccf*
Next 586.67 Ccf	\$2.9136	per Ccf*
Over 600 Ccf	\$1.5850	per Ccf*

Softening Surcharge (Only applies to the Lake Darby and Worthington Hills Service Area)

\$0.60070 per Ccf*

Reverse Osmosis Surcharge (applies to Blendon Township Only)

\$1.19220 per Ccf*

Purchase Water Adjustment Surcharge (applies to Portage County Districts Only)

\$1.61048 per Ccf*

Charges for water service will be comprised of the applicable Water Customer Charge plus the Water Consumption Charge calculated on the number of metered or estimated units at the appropriate rate block for non softened water (basic water service), plus any surcharges for softened water, reverse osmosis treated water or purchased water in Portage County.

*1 Ccf = 100 cubic feet

REPRESENTATIVE CUSTOMERS

Under the Ohio-American Water Company proposal, a representative customer in each of the following classes would experience rate changes as shown below, **for Franklin and Portage water customers only:**

<u>Monthly</u>	<u>Consumption</u> <u>Cubic Feet</u>	<u>Monthly</u> <u>Increase</u>	<u>Percent</u> <u>Increases</u>
<u>Residential-5/8" meter</u>			
-w/o softening surcharge	590	\$10.26	36.22%
-with softening surcharge	590	\$10.20	31.92%
-with rev osmosis surch	590	\$9.48	26.22%
-with purch water surch	590	\$11.17	30.24%
<u>Commercial-5/8" Meter</u>			
-w/o softening surcharge	2,325	\$31.08	43.35%
-with softening surcharge	2,325	\$30.81	35.86%
-with rev osmosis surch	2,325	\$27.99	27.31%
-with purch water surch	2,325	\$34.64	32.81%
<u>Industrial-2" meter</u>			
-w/o softening surcharge	57,810	\$559.97	46.66%
-with softening surcharge	57,810	\$553.32	35.60%
-with rev osmosis surch	57,810	\$483.20	24.58%
-with purch water surch	57,810	\$648.52	31.75%

The rates proposed by Ohio-American Water Company, given below, are for general sewer service for districts in **Franklin County and Portage County**, to RESIDENTIAL, COMMERCIAL, INDUSTRIAL, and PUBLIC SERVICE CUSTOMERS. Note: Most of Ohio-American's customers are billed bi-monthly; however, some customers are billed monthly.

1. DOMESTIC SERVICE

Sewer Customer Charge (Applicable to customers who only receive sewer service):

For 5/8" meter	\$10.59	per Month
For 3/4" meter	\$13.51	per Month
For 1" meter	\$19.34	per Month
For 1 1/2" meter	\$33.90	per Month
For 2" meter	\$51.38	per Month
For 3" meter	\$92.17	per Month
For 4" meter	\$150.43	per Month

Sewer Consumption Charge:

First 13.33 cubic feet	\$8.2319	per Ccf *
Next 586.67 cubic feet	\$5.8142	Per Ccf *
Over 600 cubic feet	\$2.2694	per Ccf *

Sewer Only Flat Rate:

Domestic Customers without Ohio-American Water Service	\$49.39	per Month
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Charges for sewer service will be comprised of the applicable Sewer Customer Charge and the Sewer Consumption Charge calculated on the number of metered or estimated units at the appropriate rate block in accordance with the summer/winter usage formula.

REPRESENTATIVE CUSTOMERS

Under the Ohio-American Water Company proposal, a representative customer in each of the following classes would experience rate changes as shown below, **for Franklin County and Portage County sewer customers only:**

<u>Monthly</u>	<u>Consumption Cubic Feet</u>	<u>Monthly Increase</u>	<u>Percent Increases</u>
Domestic	590	\$13.07	36.80%
Non-Domestic-Small	2,325	\$45.04	36.80%
Non-Domestic-Large	57,810	\$912.93	36.73%

In its Application, the Company requested the Public Utilities Commission of Ohio to approve its proposed rates and charges and to grant Ohio-American Water Company such other and further relief to which it may be entitled.

ANY PERSON, FIRM, CORPORATION OR ASSOCIATION MAY FILE, PURSUANT TO SECTION 4909.19 OF THE REVISED CODE, AN OBJECTION TO SUCH INCREASE WHICH MAY ALLEGE THAT THE APPLICATION CONTAINS PROPOSALS THAT ARE UNJUST AND DISCRIMINATORY OR UNREASONABLE.

Recommendations that differ from the Application may be made by the Staff of the Public Utilities Commission of Ohio or by intervening parties and may be adopted by the Commission.

Any interested person seeking detailed information with respect to all affected rates, charges, regulations and practices may inspect a copy of the application, including supporting schedules and present and proposed rate sheets, by either of the following methods: by visiting the office of the Commission at 180 East Broad Street, 13th floor, Columbus, Ohio, 43215-3793; or by visiting the Commission's web site at <http://www.puco.ohio.gov>, selecting DIS, inputting 07-1112 in the case lookup box, and selecting the date the application was filed. Additionally, a copy of the application and supporting documents may be viewed at the business office of the company at 365 East Center Street, Marion, Ohio 43302.