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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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.)

**OHIO AMERICAN WATER COMPANY'S
MOTION TO STRIKE
OBJECTIONS OF DRAGOO & ASSOCIATES, INC.,
AKA DRAGOO MANAGEMENT, CO.**


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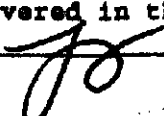
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Pursuant to Ohio Administrative Code ("OAC") Rule 4901-1-28, the Ohio American Water Company ("Ohio American" or the "Company") hereby files this Motion to Strike the Objections Nos. 1, 4, and 6 of Dragoo & Associates, Inc., aka Dragoo Management, Co. ("Dragoo"), that were filed with the Commission on June 26, 2008. A memorandum in support is attached hereto.

Respectfully submitted on behalf of
OHIO AMERICAN WATER COMPANY



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MEMORANDUM IN SUPPORT

Dragoo filed its objections to the Commission's Staff Report of Investigation in this case on June 26, 2008. Because Dragoo's objections numbered 1, 4, and 6 are not specific, and contrary to Ohio law, they must be stricken from the record.

I. The Commission must strike Dragoo's Objection No. 1 because it is not specific and is contrary to Ohio law.

Pursuant to OAC Rule 4901-1-28(B), "[a]ll objections must be specific" and should "relate to the findings, conclusions, or recommendations contained in the report, or to the failure of the report to address one or more specific items." Those objections that fail this specificity requirement "may be stricken upon motion of any party." See, also, *Entry dated June 17, 2008, In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc., for Authority to Amend its Filed Tariffs to Increase the Rates and Charges for Gas Services and Related Matters*, Case No. 07-1080-GA-AIR; Case No. 07-1081-GA-ALT (explaining that "[a]ny objection that is not specific enough to convey what is actually being placed at issue will be struck").

Dragoo's Objection No. 1 states that the "Staff erred in failing to object to the Ohio American Water Company's ('OAW') piling on in quick succession of rate case upon rate case, such as the Case No. 98-178-WS-AIR, and 03-2390-WS-AIR, and 06-433-WS-AIR." This objection, however, is totally unrelated to the "findings, conclusions, or recommendations contained in the report, or to the failure of the report to address one or more specific items." OAC Rule 4901-1-28(B). The Staff did not "fail" to address the issue of filing frequency because, as will be shown *infra*, there is no law, rule or Commission precedence that the Staff failed to address with respect to this issue. Moreover, Dragoo's non-specific objection raises the irrelevant subject of the frequency of Ohio American's rate case filings, which is not a subject appropriate for a staff report. Therefore, Dragoo's objection fails the specificity requirement.

Dragoo's Objection No. 1 also sets forth a position that is contrary to Ohio law. Pursuant to Ohio Revised Code Section ("R.C.") 4909.18, a utility is free to file a new rate case at any time after "a final order *** has been issued by the commission on any pending prior application to increase the same rate *** or until two hundred seventy-five days after filing such application, whichever is sooner." As Dragoo notes in its objection, Ohio American's most recent prior rate case was Case No. 06-433-WS-AIR. That rate case was filed on April 17, 2006 and the final order was issued on March 7, 2007 – more than eight months before the application in this case was filed. Therefore, Ohio American properly filed this rate case long after the final order was issued in its previous rate case, and Dragoo's Objection No. 1 has no basis in law and must be stricken from the record.

II. The Commission must strike Dragoo's Objection No. 4 because it is contrary to Ohio law.

Dragoo's Objection No. 4 erroneously states that the "Staff erred in not recommending at least a three year 'stay out' period to prevent OAW from continuing to pile rate increase request upon rate increase request." As noted above, Ohio law does not require a "stay out" period for rate cases. To the contrary, R.C. 4909.18 allows a utility to file a new rate case at any time after "a final order *** has been issued by the commission on any pending prior application to increase the same rate *** or until two hundred seventy-five days after filing such application, whichever is sooner." Therefore, Dragoo's Objection No. 4 must be stricken from the record because the three year "stay out" would violate Ohio law and Ohio American's right, under R.C. 4909.18, to file a new rate case.

III. The Commission must strike Dragoo's Objection No. 6 because it is not specific.

According to Dragoo's Objection No. 6, the "Staff erred in failing to follow its own rate making concepts in regard to customer understanding, continuity of rates, and minimal customer

impact.” This objection violates the specificity requirement in OAC Rule 4901-1-28(B).

Notably, this objection is unrelated to the “findings, conclusions, or recommendations contained in the report, or to the failure of the report to address one or more specific items.” Instead, it challenges unidentified rate making concepts used by the Commission Staff. Therefore, Dragoo’s Objection No. 6 must be stricken from the record.

For the reasons stated above, Ohio American moves the Commission to strike Dragoo’s Objections Nos. 1, 4, and 6.

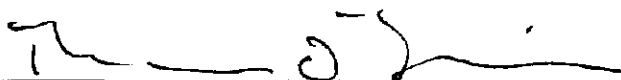
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the OHIO AMERICAN WATER COMPANY'S
MOTION TO STRIKE OBJECTIONS OF DRAGOO & ASSOCIATES, INC., AKA DRAGOO
MANAGEMENT, CO., was served by either electronic mail or regular U.S. Mail this 3rd day of
July 2008.


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