

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
American Water Company to Increase its) Case No. 07-1112-WS-AIR
Rates for Water and Sewer Services.)

ENTRY

The attorney examiner finds:

- (1) On November 13, 2007, Ohio American Water Company (Ohio American or company) filed this application to increase its rates for water and sewer services throughout the company's entire service area. Pursuant to Section 4909.19, Revised Code, the staff of the Commission conducted an investigation of the company's application, and filed its report on May 28, 2008.
- (2) On November 20, 2007, the Ohio Consumers' Counsel (OCC) filed a motion to intervene on behalf of the residential utility consumers of the applicant, pursuant to Section 4903.11, Revised Code and Rule 4903.221, Ohio Administrative Code.
- (3) On December 18, 2007, Dragoo & Associates, Inc. aka Dragoo Management, Inc. (Dragoo), filed a motion to intervene. On January 29, 2008, the city of Marion, Ohio filed a motion to intervene. In both motions, the intervenors assert that they are Ohio American customers with a real and substantial interest in this proceeding.
- (4) Upon review, the examiner finds that the motions of OCC, Dragoo, and the city of Marion should be granted.
- (5) The evidentiary hearing will be scheduled for August 14, 2008, at 10:00 a.m., in Hearing Room 11-C, 11th floor, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.
- (6) Section 4903.083, Revised Code, requires that the Commission hold at least one session of the public hearing within the applicant utility's service territory, and that at least one session of the hearing be held after 5:00 p.m. Accordingly, local public hearings have been scheduled at the following times and locations:

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August 4, 2008, at 1:30 p.m. at the Mansfield-Richland County Library Community Room, 43 West Third Street, Mansfield, Ohio 44902;

August 4, 2008, at 7:00 p.m. at Marion City Hall, City Council Chambers, 233 West Center Street, Marion, Ohio 43301;

August 18, 2008, at 6:00 p.m., at the Harvest Assembly of God Church, 8075 Dellinger Road, Galloway, Ohio 43119; and

August 20, 2008, at 6:00 p.m., at the Faith Covenant Church, 3607 Dempsey Road, Westerville, Ohio 43081.

Public testimony will also be solicited at the start of the evidentiary hearing on August 14, 2008, at 10:00 a.m., at the Commission.

- (7) The applicant should publish legal notice of the local hearings in a newspaper of general circulation in all of the affected service territory once a week for two consecutive weeks prior to the scheduled date of the local hearing. The hearing notice should not appear in the legal notices section of the newspaper. The notice should read as follows:

LEGAL NOTICE

The Public Utilities Commission of Ohio has scheduled local public hearings in Case No. 07-1112-WS-AIR, the Application of Ohio American Water Company to Increase its Rates for Water and Sewer Services. These local hearings are scheduled for the purpose of providing an opportunity to interested members of the public to testify in these proceedings. The local hearings will be held at the following times and locations: August 4, 2008, at 1:30 p.m. at the Mansfield-Richland County Library Community Room, 43 West Third Street, Mansfield, Ohio 44902; August 4, 2008, at 7:00 p.m. at Marion City Hall, City Council Chambers, 233 West Center Street, Marion, Ohio 43301; August 18, 2008, at 6:00 p.m., at the Harvest Assembly of God Church, 8075 Dellinger Road, Galloway, Ohio 43119; and August 20, 2008, at 6:00 p.m., at the Faith Covenant Church, 3607 Dempsey Road, Westerville, Ohio 43081.

By its application, Ohio American Water Company seeks a rate increase which would generate additional base revenues of approximately \$3,158,322 or 11.96 percent over current revenues for the company's Water A division in the Ashtabula, Lake White, Lawrence County, Mansfield, Marion and Tiffin Districts; \$1,204,459 or 30.08 percent over current revenues for the company's Water C division in the Franklin and Portage County Districts; and \$1,120,227 or 36.61 percent over current revenues for the company's wastewater operations in the Franklin County District. The staff of the Commission recommends a revenue increase between \$877,134 and \$1,191,976 or between 3.31 percent and 4.50 percent over current revenues for the company's Water A division; an increase of \$1,204,459 or 29.97 percent over current revenues for the company's Water C division in the Franklin and Portage Counties; and an increase of \$1,120,249 or 37.08 percent over current revenues for wastewater operations in Franklin County.

The major issues raised in this case are:

- (a) The appropriate rate base;
- (b) The determination of test-year revenues and operating expenses or costs of service including management fees, taxes, depreciation, pension, uncollectible, and rate case expenses;
- (c) The appropriate rate of return; and
- (d) Quality of water and service, unaccounted-for-water levels, and resolution of issues or compliance with commitments from prior rate cases.

Further information may be obtained by contacting the Public Utilities Commission of Ohio, 180 East Broad Street, Columbus, Ohio 43215-3793, the Commission's hotline at 1-800-686-7826, or the PUCO website at www.puc.ohio.gov.

It is, therefore,

ORDERED, That the motions for intervention of OCC, Dragoo, and Marion be granted. It is, further,

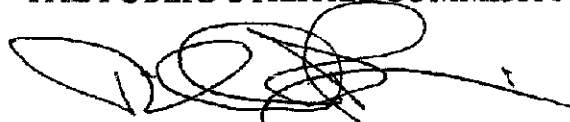
ORDERED, That a public evidentiary hearing shall commence on August 14, 2008, at 10:00 a.m., in Hearing Room 11-C, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio. It is, further,

ORDERED, That local public hearings be scheduled as set forth in Finding 6. It is, further,

ORDERED, That notice of the local hearings be published by the applicant as directed in Finding 7. It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



By: Richard Bulgrin
Attorney Examiner

RMB
RMB/vrm

Entered in the Journal

22 22 2008



Renee J. Jenkins
Secretary