



OHIO
AMERICAN WATER

FILE

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February 12, 2009

Thomas Lindgren
Assistant Attorney General
Public Utilities Section
180 East Broad Street, 9th Floor
Columbus, OH 43215

RECEIVED-DOCKETING DIV
2009 FEB 12 PM 5:15
PUCO

RE: Case No. 07-1112-WS-AIR and 08-1233-WS UNC Stipulation Status

Dear Mr. Lindgren:

This letter will respond to your letter of February 4, 2009 filed in the above referenced cases. The letter indicated that the Public Utilities Commission of Ohio ("Commission" or "PUCO") Staff has reviewed the status of the commitments made by Ohio American Water Company ("Company") in the Stipulation filed on September 4, 2008 in Case No. 07-1112-WS-AIR ("Stipulation") which was approved on November 12, 2008. As a result of the Staff review, your letter listed Staff concerns related to the commitments in the following paragraphs of the Stipulation: unaccounted-for-water in paragraph 13 D, Lake Darby softening in paragraph 14, the Ashtabula plant in paragraph 18, and the Mansfield unmetered system in paragraph 19.

As you are aware, counsel for Staff and the other parties to the case agreed to an extension of time until February 19, 2009 for the Company to file the cost-benefit reports referenced in paragraph 13 D. The Company will file the reports by February 19, 2009 and thus this letter does not address that commitment. However, below, please find the responses to the other three concerns raised by you letter.

Lake Darby Softening – Paragraph 14

Install, operate and maintain an on-line analyzer to monitor the Lake Darby Water Treatment Plant's finished water hardness. The on-line unit will sample, measure and record one sample every two hours while the plant is running. [Subpart B]

Ohio American agrees statements made in the first paragraph under the quotation from the Stipulation relative to paragraph 14 that describes the on-line analyzer installation. It also agrees with the description of the capability of the on-line analyzer found in the first two sentences of the second paragraph and with the fact that the Company, as of

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January 5, 2009, did not have software that could digest the numerous data points generated by the on-line analyzer. However, the Company believes that the February 4th letter misstates that the Company is required to report the numerous data points (of the samples taken every 6 or 7 minutes) in order to comply with the Stipulation.

The Stipulation provides that the Company must provide one "daily average finished water hardness level measured at the Lake Darby Water Plant" (subpart G of paragraph 14). The average daily samples are computed from those samples taken every two hours "while the plant is running" (subpart B of paragraph 14). The Company agrees with the statements in the remainder of the second paragraph.

The Company had ordered software that had been scheduled to arrive by January 5, 2009. The software arrived later in January. The software arrays the sample data on an Excel spreadsheet, but Company personnel must undertake further analysis to separate the 6 or 7 sample data for each hour of every day in order to extract only the data pertaining to the time when the plant is running on each given day.

On January 23, 2009, the Company filed the first monthly Lake Darby softening reports for November and December 2008. A Company representative informally informed the Staff that he had not had the opportunity to complete the work to compute the daily averages for both those months. The Staff had suggested the filing of "interim" reports which were attached to the January 23, 2009 filing. The November data showed an asterisk for all the days in the month in the daily average sample column, but showed only 4 asterisks in the average daily sample column for the month of December. The footnote indicated that the Company was awaiting retrieval software. By the February 17, 2009 (your letter indicated February 15th which is a Sunday and Monday, the 16th is a federal holiday), the Company will submit the missing daily average sample information for the interim reports of November and December and will submit a complete report for January 2009.

A Company representative has informally asked the Staff if the format of the report was satisfactory, but to date has received no response. While of course, the Company desires that the format be acceptable to the Staff, there is no Stipulation requirement that the Staff "approve" the format and indeed, the Company has already submitted the proposed format when it filed the interim reports on January 23, 2009. Nevertheless, the Company has attached as Exhibit A to this letter, the report form that was used for the interim reports along with a separate narrative document that explains the parameters of each column listed on the report form.

It has been Ohio American's goal that when it can provide additional information or data beyond the minimum specified ("once every two hours while the plant is running") in the



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Stipulation at no additional or impacting cost, it would attempt to do it so that all parties would develop a mutual understanding of the improved and reliable performance of the Lake Darby Water Treatment Plant.

Ashtabula Commitment No. 18

Within two (2) months of the Order in this proceeding, the Company will provide to Staff for approval a contingency emergency plan for making improvements to the Bunker Hill tank, in the event of a catastrophic failure of the tank, that will include a detailed list of equipment along with the specific vendor(s) of each piece of equipment that might be required, a timetable for obtaining the equipment from each vendor and a plan for managing the distribution system so that water will be available throughout the Ashtabula system during the full or partial outage of the Bunker Hill storage tank.

The Company previously addressed the first paragraph under this topic which the Company assumes was an error as the content referred to paragraph 14 of the Stipulation. If this is not the case, the Company respectfully requests clarification of this paragraph.

Regarding the Bunker Hill contingency report, as mentioned in your letter, the report was submitted to the Staff on January 13, 2009 and then filed on January 26, 2009. Your letter expressed the concern that the plan did not say whether additional steps were contemplated should an extended tank outage occur and indicated the Staff's belief that the Company should (1) examine the possibility further and in addition (2) revise the plan to include a detailed list of equipment, specific vendors for the equipment and a timetable for obtaining the equipment as well as (3) include a plan for managing the distribution system during a full or partial outage of the Bunker Hill storage tank.

As a preliminary matter, the Company's understanding was that once the contingency plan was submitted for *review and approval*, the Company would hear back from the parties with any questions or concerns. Company representatives were distressed to see this issues coming to us through the Office of the Attorney General.

In compliance with the Bunker Hill contingency plan commitment, on January 13, 2009, the Mr. Randy Moore, Director of Operations of Ohio American, sent an email to staff member, Mr. Cliff Evans, along with the Bunker Hill Contingency plan. In that email Mr. Moore informed Mr. Evans that the Company has an inspection report and a remote camera inspection DVD that was available for review by the PUCO Staff at their convenience. These resources indicate that no significant or real threats exist that could lead to any level of catastrophic failure (acts of God excluded). To date the Staff has not



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responded to that offer. Based upon the information in the contingency report along with the inspection report and the remote camera inspection DVD, the Company believes that the contingency plan submitted is complete and thorough in all circumstances of the Bunker Hill storage tank and thus has met the Staff concern in item (1) above.

Moreover, with respect to item (2) above, it is the Company's opinion that the plan does cover contingency in the event that there is an extended tank outage. Ohio American has the ability to obtain and deliver temporary portable tank storage facilities within a small window of time. Any emergency tank outage would be handled in both a short and extended time period. The Company defines a short time period as seven (7) days or fewer. The Company defines an extended time period from eight (8) or more days. Temporary portable water storage tank(s) can be brought on site within seven (7) days and used for an indeterminate period while appropriate repairs are performed. Temporary portable water storage tanks are available and have been used by Ohio American as needed for emergencies.

Vendors for portable water storage tanks include, but are not limited to:

Rain for Rent
3404 State Road
Bakersfield, CA 93308
P.O. Box 2248, Bakersfield, CA 93303
661-399-9124 (O)
661-393-6897 (F)
800-742-7246

Baker Corporation
3020 Old Ranch Parkway
Seal Beach, CA 90740
1-800-225-3712

Tank Connection LLC
Municipal Liquid Division
1801 S 21st Street
Parsons, KS 67357
620-423-3010 (O)
620-423-3999 (F)



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With respect to managing the distribution system during a full or partial extended outage of the Ashtabula plant, item (3), the Company believes that the system can be managed through the use of temporary storage tanks as explained above.

Your letter asked for clarification about when valves that were necessary for emergency operations were located and operated. As a general practice the Company operates valves in accordance with the Commission's rules. With respect to the Bunker Hill Storage Tank, the Company as recently as February 10, 2009 operated all of the valves associated with the shutdown of the Bunker Hill tank. Operation of the valves had to be conducted on a limited basis because of the critical situation associated with taking the tank out of service.

The Company acknowledges the Staff's desire to see the new pressure regulating valve that is being designed for the Bunker Hill booster station and to know when it will be operational. In accordance with the terms of your letter, the Company will submit a project schedule to the Staff by February 27, 2009.

A meeting with the parties to review the status of the Ashtabula plant upgrades can be scheduled at the Ashtabula plant as soon as the Staff can meet. The Company requests Staff to coordinate dates with the Company.

Mansfield Commitment No. 19

The Company agrees that by the end of 2008, approximately one half of the customers in the ten Mansfield systems will have metered service available. Because a number of Mansfield customers have indicated a desire for metered service, Ohio American will survey those customers who have purchased inside water meters (used by the Richland County Department of Sewers to meter sewage disposal usage) to determine if they desire to use their meters for water usage in which case they would be subject to a meter reading surcharge of 35¢ (or whatever rate the Richland County Department of Sewers charges).

As set forth in the first line of the commitment quoted above, the Company has agreed to have **approximately** one half of the customers in the ten Mansfield systems metered. As of December 31, 2008, 48.78% of the customers on the ten systems were metered. This constitutes approximately 50% of the Mansfield customers.

Mr. Randy Moore talked with Mr. Cliff Evans in October of 2008 prior to the approval of the Stipulation. During the conversation Mr. Evans asked if Ohio American was going to meet the stipulated requirement of installing 50% of the Mansfield customers on meters by the end of 2008. Mr. Moore said that he believed Ohio American would achieve the



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50% by year end. Mr. Moore also stated that the Company would definitely be looking at 2010 before all of the Mansfield meter installations could be completed. Apparently there was a misunderstanding by the Staff to the effect that the Company would not be able to start the remainder of the meter installations until 2010—which is not true. To the Company's knowledge there has been no other conversation with the Commission Staff regarding this issue.

In January of 1996, when Ohio American purchased the Mansfield systems there were 333 metered customers. As of December 2008 the Company increased the number of metered customers to 650 customers. The Company's plan for 2009 is to add 172 additional meters to the Mansfield systems.

Ohio American is not requesting a waiver on the survey requirements. There was no deadline for the survey specified in the Stipulation. The Company provided Staff and representatives of the Office of the Ohio Consumers' Counsel a copy of the survey for their review on February 5, 2009. The Company estimates that it will have the survey results completed by mid April 2009. The survey will provide Mansfield unmetered customers the option of waiting until the Company installs new customer's meters and continue paying the flat rate or use the Richland County meter and pay a surcharge.

The surcharge has now been identified to be \$0.35 (Mansfield Public Hearing Transcript page 81).

If the Staff has additional questions please contact my office.

Sincerely,

Randy A. Moore
Director of Operations
Ohio American Water Company

**Ohio American Water Company
Franklin County District
Lake Darby Water Hardness Report**

Column	Parameter
1	Date
2	Day of Week – not required by the Stipulation but will remove if Staff objects.
3	On-Line Measurement – the arithmetic average of the hardness values determined every two (2) hours while the plant is running per Item 14.B. The hardness value recorded every two (2) while the plant is running shall be the arithmetic average of three (3) measurements taken on the particular hour.
4	Documentation of the On-Line unit's operability – per Item 14.C and Item 14.D.
5	LDWTP process control sample once per day – not required by the Stipulation but will remove it Staff objects.
6	LDWTP hardness sample once per day by OAWC's WQ Lab – once per day per Item 14.E.
7	LDWTP sample by Outside (non-OAWC) Ohio EPA approved lab – once per month per Item 14.F.
8	LDWTP sample collection documentation per Item 14.F.
9	Distribution sample by Outside (non-OAWC) Ohio EPA approved lab – once per month per Item 14.F.
10	Distribution sample collection documentation per Item 14.F.
11	Distribution hardness sample twice per week by OAWC's WQ Lab – once per day per Item 14.

**Ohio-American Water Company
Franklin County District
Lake Darby Water Hardness Report**

Reporting Month & Year _____

1	2	3	4	5	6	7	8	9	10	11
Date	Day	On-Line Measurement (mg/L) Every 2 hrs when LDWTP is ON	On-Line Unit Operational (Y or N)	LDWTP Process Control Measurement (mg/L) Daily	OAWC WQ Lab Measurement (mg/L) Daily	LDWTP Outside Lab Measurement (mg/L) 1/Month	LDWTP Outside Lab Collection Time Sampler	Distribution Outside Lab Measurement (mg/L) 1/Month	Distribution System Outside Lab Collection Time Sampler	WQ Water Distribution Measurement (mg/L) 2/week
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
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19										
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21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
Average										
Max										
Min										
% >150 mg/L										

NOTES: 1) Operator shall make a notation in the Instrumentation Log Book on a DAILY basis on the status of the On-Line Hardness Analyzer.
2) Week is Sunday to Saturday
3) WQ Lab is responsible for delivering monthly sample to outside lab.
4) For any test with a hardness <95 mg/L or >145 mg/L notify the Network Operations Superintendent and the Operations Supervisor immediately.