

FILE

2



Bricker & Eckler
ATTORNEYS AT LAW
COLUMBUS | CLEVELAND
CINCINNATI-DAYTON

BRICKER & ECKLER LLP
100 South Third Street
Columbus, Ohio 43215-4291
MAIN: 614.227.2300
FAX: 614.227.2390

www.bricker.com
info@bricker.com

Sally W. Bloomfield
614.227.2368
sbloomfield@bricker.com

March 10, 2009

RECEIVED-DOCKETING DIV

2009 MAR 10 PM 3:24

VIA HAND DELIVERY

PUCO

Ms. Renee Jenkins
Public Utilities Commission of Ohio
Administration/Docketing
180 East Broad Street, 13th Floor
Columbus, OH 43215-3793

Re: Case Nos. 08-1233-WS-UNC and 07-1112-WS-AIR
Ohio American Water Company
Stipulation Page No. 13, ¶ 16

Dear Ms. Jenkins:

This letter will provide an update about the efforts of Ohio American Water Company ("Ohio American") has made with respect to fulfilling its commitment to seek third party vendors to accept payments from its Franklin County customers set forth in paragraph 16 of the Stipulation filed in Case No. 07-1112-WS-AIR.

A number of the American Water Works Company water distribution companies have provisions for third party vendors and the system has contracted with a company, FirsTech, that undertakes to make vendor arrangements on behalf of the distribution companies. Through FirsTech efforts, Ohio American currently has four vendors in the Marion service area, two in the Ashtabula service area, and one each in the Tiffin and Blacklick service areas. Shortly, Ohio American's office in Westerville will have a customer service function that will include taking payments from customers.

In addition Ohio American requested FirsTech, Inc. to explore the available and feasible third party vendors for the service areas that have no third party vendors. For smaller systems, obtaining a third party collection vendor is particularly difficult because the maximum potential number of customers who will walk into a location to pay in person is no more than 6% of the total number of customers in a given system. In the Franklin County area, it is particularly difficult because of the low number of customers who would be expected to make payments to third party vendors.

In the Lake Darby area, those paying a third party vendor would be expected to be no more than 107 (total of approximately 1,790)

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician _____ Date Processed MAR 10 2009

Renee Jenkins
March 10, 2009
Page 2 of 2

customers, while in Westerville, the total volume would be expected not to exceed 203 (of a total of 3,384) customers who might make payments to third party vendors.

Mr. Brian Zuber of FirsTech made inquiries made for each of the Ohio American systems' service areas. As of late 2008 he had contacted eight potential vendors in the Lake Darby area of which three were banks and 12 in the Westerville area of which three were banks. In 2009, he contacted more potential vendors in each of these areas. The low fee of 84¢ coupled with the low volume of customers for these two systems were the reasons that none were willing to take Ohio American customer payments. In addition, Mr. Zuber specifically inquired of Kroger who declined to become a third party vendor for any of the Ohio American service areas. Mr. Zuber reported that he also seeks collection agents for the American Water Works Company distribution companies in Illinois and Missouri where the allowable collection fee paid by the customer is \$1.00 and in Indiana where the allowable collection fee is \$2.00.

In a nutshell, there are two major challenges: the small size of the Franklin County systems where there are no potential vendors willing to be a collection agent for Ohio American and the maximum processing fee of 84¢ that Ohio Administrative Code Rule 4901:1-15-17 imposes.

Sincerely,



Sally W. Bloomfield

cc: Parties of Record