

FILE

11-4161-WS-AIR

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January 22, 2012

Public Utilities Commission of Ohio
180 East Broad Street, 13th Floor
Columbus, OH 43215-3793

Re: 11-4161-WS-AIR

Dear Public Utilities Commission of Ohio:

I am writing to express my opposition to House Bill 379, Regulation of Water Utilities and ask you to vote "NO". As a Blendon Township Trustee and customer of the Ohio American Water Company, I urge you to please consider my request. HB 379 will have an adverse affect on the community and the constituents that I represent. I ask that you review the following points:

1. HB 379 would allow regulated water and sewer utilities freedoms to pass certain costs onto their customers without traditional regulatory review.
2. HB 379 will allow Ohio's investor-owned water and sewer utilities to have more and larger surcharges on customers' bills than customers have experienced in the past.
3. HB 379 changes the way that investor-owned water and sewer utilities in Ohio can raise their customers' water and sewer bills. Typically, water and sewer utilities can increase their customers' bills in two primary ways: either through traditional rate cases, where all expenses, revenues and plant investment are reviewed, or through a "System Improvement Charge" (SIC) which is a separate, limited charge that can be added onto customers' bills, without the process required by a traditional rate case. Currently, water and sewer utilities can use this charge to collect costs they incur to improve infrastructure for the purpose of reducing the loss of water through their main pipes, hydrants valves and service lines. Reducing the water lost through leaky pipes can benefit customers who typically pay indirectly for the lost water. The bill would allow water and sewer utilities to propose charging customers for practically any type of capital costs through a SIC.
4. HB 379 would allow the utilities to raise our residents' bills by up to 15 percent within three years instead of the current level of 9 percent currently allowed by the SIC. This potential increase is in addition to rate increases that can occur in rate cases.
5. HB 379, as proposed, guarantees water and sewer utilities full recovery of expenses related to state and federal taxes without considering whether there are other types of expenses which the utilities may be over-collecting through rates.
6. State and federal taxes have historically been included in base rates, and looked at as a part of the traditional rate case review. HB 379 adds another surcharge to customers' bills for what appears to be full recovery of state and federal taxes. Taxes – just like other major expenses, such as energy costs and labor – should be reviewed as a part of a rate case, not

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Ladies and Gentlemen, I appeal to you to please amend HB 379 and remove the provision that allows water and sewer utilities to add a surcharge for state and federal taxes. I ask Legislature to reject this bill and instead maintain the current laws that govern how water and sewer utilities set rates and maintain their systems. If the legislature proceeds with the legislation, changes should be made to protect residential consumers.

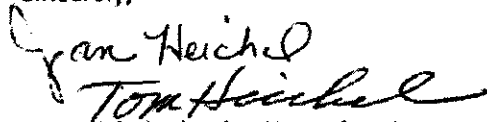
My neighbors of Huber Ridge Area and Sunbury Woods Subdivisions in Blendon Township have been harshly impacted by the continuous rate increases by the Ohio American Water Company.

Blendon Township customers of Ohio American Water have had three rate increases for water and sewer services the past six years. This company has another rate case pending currently at the PUCO and is seeking to raise water rates by as much as 26 percent. On average, our residents are presently paying between \$111 and \$121 per month for water and sewer services.

Again, this letter is written urging your support to represent the Blendon Township residents directly affected by the House Bill 379, regulation of Water Utilities, by rejecting HB379. I believe that any changes benefitting this water company will negatively impact our residents and community. These proposed changes harm our community by creating financial hardships. It's very disappointing to hear a resident say the reason for moving outside of our community is due to their water cost!

Thank you for your time and consideration of my concerns. I appreciate your help and the efforts of the government to work with the Blendon Township residents towards the betterment of our community.

Sincerely,

The block contains two handwritten signatures in black ink. The first signature, 'Jan Heichel', is written in a cursive style. The second signature, 'Tom Heichel', is also in cursive and appears to be written below the first one.

Jan Heichel, Blendon Township Trustee, resident and customer of Ohio American Water
Tom Heichel, Blendon Township Police Chief (Retired) resident & customer of Ohio American Water
5576 Santiago Drive
Westerville, Ohio 43081