

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio )  
American Water Company to Increase Its ) Case No. 11-4161-WS-AIR  
Rates for Water and Sewer Service. )

ENTRY

The attorney examiner finds:

- (1) On August 1, 2011, Ohio American Water Company (Ohio American) filed an application pursuant to Section 4909.18, Revised Code, 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 facts, exhibits, and matters relating to the company's application, and filed its report on January 31, 2012.
- (2) Rule XII, Section 2(A) of the Government of the Bar of Ohio (Bar Rule) provides rules governing eligibility to practice *pro hac vice* in Ohio. Pursuant to Section 2(A)(6) of the Bar Rule, motions for admission *pro hac vice* must be accompanied by a certificate of *pro hac vice* registration furnished by the Supreme Court Office of Attorney Services. On August 2, 2011, a motion to practice *pro hac vice* and a certificate of *pro hac vice* registration were filed on behalf of Albert D. Sturtevant. The attorney examiner finds that the motion for admission *pro hac vice* should be granted.
- (3) On September 14, 2011, the City of Marion (Marion) filed a motion to intervene in this proceeding. Marion explains that it is a customer of Ohio American and that it believes it could be adversely affected by the outcome of this case. No one filed a memorandum contra Marion's motion. The attorney examiner finds that Marion's motion for intervention is reasonable and should be granted.
- (4) On September 23, 2011, the Ohio Consumers' Counsel (OCC) filed a motion to intervene in this case. In its motion, OCC explains that it represents the residential customers of Ohio American who could be adversely affected by the outcome of this proceeding. No memoranda contra OCC's motion to intervene were filed. The attorney examiner finds that OCC's motion for intervention is reasonable and should be granted.

- (5) On October 27, 2011, the Board of Trustees of Perry Township, Franklin County, Ohio (Perry) filed a motion to intervene, stating that its residents are customers of Ohio American. Perry asserts that it, as well as its residents, will be impacted by the outcome of this proceeding. No one filed a memorandum contra Perry's motion. The attorney examiner finds that Perry's motion for intervention is reasonable and should be granted.
- (6) On December 5, 2011, the Board of Trustees of Prairie Township, Franklin County, Ohio (Prairie) filed a motion to intervene, stating that it is a customer of Ohio American. Prairie asserts that it, as well as its residents, may be impacted by the outcome of this proceeding. No one filed a memorandum contra Prairie's motion. The attorney examiner finds that Prairie's motion for intervention is reasonable and should be granted.
- (7) By entry issued February 1, 2012, an evidentiary hearing has been scheduled to commence in this matter on March 26, 2012, at the offices of the Commission.
- (8) Section 4903.083, Revised Code, requires that the Commission hold at least one public hearing session within Ohio American's service territory, and that at least one session of the local public hearing be scheduled after 5:00 p.m. Accordingly, local public hearings have been scheduled at the following times and locations:
  - (a) Monday, March 5, 2012, at 6:00 p.m., at Harvest Assembly of God, 8075 Dellinger Road, Galloway, Ohio 43119.
  - (b) Wednesday, March 7, 2012, at 6:00 p.m., at Ashtabula Township Office, Meeting Room, 2718 North Ridge Street, Ashtabula, Ohio 44004.
  - (c) Monday, March 12, 2012, 6:00 p.m., at Tiffin Municipal Building, Courtroom, 51 East Market Street, Tiffin, Ohio 44883.
  - (d) Monday, March 19, 2012, 6:00 p.m., at Eastland Career Center, Multipurpose Room, 4465 South Hamilton Road, Groveport, Ohio 43125.

- (e) Wednesday, March 21, 2012, 6:00 p.m., at Marion City Council, 233 West Center Street, Marion, Ohio 43301.

Public testimony will also be solicited at the start of the evidentiary hearing on March 26, 2012, at 10:00 a.m. in Hearing Room 11-A, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.

- (9) Ohio American 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. 11-4161-WS-AIR, *In the Matter of the Application of Ohio American Water Company to Increase Its Rates for Water and Sewer Service*. 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: March 5, 2012, at 6:00 p.m., at Harvest Assembly of God, 8075 Dellinger Road, Galloway, Ohio 43119; March 7, 2012, at 6:00 p.m., at Ashtabula Township Office, Meeting Room, 2718 North Ridge Street, Ashtabula, Ohio 44004; March 12, 2012, 6:00 p.m., at Tiffin Municipal Building, Courtroom, 51 East Market Street, Tiffin, Ohio 44883; March 19, 2012, 6:00 p.m., at Eastland Career Center, Multipurpose Room, 4465 South Hamilton Road, Groveport, Ohio 43125; March 21, 2012, 6:00 p.m., at Marion City Council, 233 West Center Street, Marion, Ohio 43301.

By its application, Ohio American Water Company (Applicant) seeks a rate increase which would generate additional base revenues of approximately \$6,491,606 or 22.12 percent over current revenues for the company's Water A division in the Ashtabula,

Lake White, Lawrence County, Mansfield, Marion, and Tiffin Districts; \$1,274,308 or 23.03 percent over current revenues for the company's Water C division in the Franklin and Portage County Districts; and \$506,256 or 12.33 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 \$3,902,913 and \$4,503,686 or between 13.28 percent and 15.33 percent over current revenues for the company's Water A division; an increase of \$573,738 and \$676,555 or 10.34 percent to 12.20 percent over current revenues for the company's Water C division; and an increase of \$290,434 to \$368,449 or 7.07 percent to 8.97 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, pensions, 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 <http://www.puc.state.oh.us>.

It is, therefore,

ORDERED, That the motion for admission *pro hac vice* filed by Albert D. Sturtevant on August 2, 2011, be granted. It is, further,


ORDERED, That the motions to intervene filed by Marion, OCC, Perry, and Prairie be granted. It is, further,

ORDERED, That local public hearings be scheduled in accordance with finding (8). It is, further,

ORDERED, That notice of the local hearings be published by Ohio American as directed in finding (9). It is, further,

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

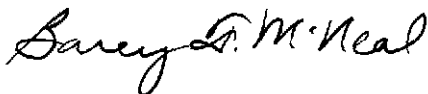
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
By: Katie L. Stenman  
Attorney Examiner

  
/dah

Entered in the Journal

**FEB 13 2012**



Barcy F. McNeal  
Secretary