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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Water and :
Sewer LLC to Increase its Rates for Sewer : Case No. 11-4509-ST-AIR
Services Provided to its Entire Service Area :

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**PREFILED TESTIMONY
OF**

SUE DALY

SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO
UTILITIES DEPARTMENT
RATES AND TARIFFS, ENERGY AND WATER DIVISION

STAFF EX. _____

May 2, 2012

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1 1. Q. Would you please state your name, business address and position?

2 A. Sue Daly, 180 East Broad Street, Columbus, Ohio 43215-3793. The Public
3 Utilities Commission of Ohio employs me as a Utility Specialist III,
4 Water/Wastewater Section, Rates and Tariffs, Energy and Water Division
5 of the Utilities Department.
6

7 2. Q. Please summarize our responsibilities with the Public Utilities Commission.

8 A. The duties include planning, the review and evaluation of tariff and rate
9 issues in various proceedings before the Commission. This involves pre-
10 paring the Staff Report of Investigation, analyzing data filed by the utility
11 companies, preparing and/or reviewing necessary documentation and work
12 papers based on the results of the investigation and preparing and present-
13 ing testimony in support of the Staff's position.
14

15 3. Q. Please state your background and qualifications.

16 A. I graduated from Ohio State University in September 1982 with a
17 Bachelor's Degree in Finance. In December 1979, I began at the Public
18 Utilities Commission as a Utility Rate Specialist in the Electric Section of
19 the Rates and Tariffs Division. I began my current duties with the Com-
20 mission in October 1984. I have attended various seminars and rate case
21 training programs sponsored by this Commission. I have previously testi-
22 fied before the Commission.

1 4. Q. Briefly state your activities in connection with professional organizations
2 and associations.

3 A. I am the Chair to the National Association of Regulatory Utility
4 Commissioners (NARUC) Staff Subcommittee on Education and Research,
5 past co-chair of the NARUC Staff Subcommittee on Water and a member
6 of the NARUC Staff Subcommittee on Critical Infrastructure, a member of
7 the Ohio Water Resources Council, the State Coordinating Committee on
8 Ground Water, and the Drinking Water Advisory Committee, an Advisor to
9 USEPA Region V on the topic of Capacity Development, and the National
10 Associations of Water Companies (NAWC) Small Companies Committee.
11 I am also a member of the American Water Works Association. I am an
12 instructor for the NARUC Water Rate School. I have authored the follow-
13 ing publications: Small Water Company Regulation: Choices for Commis-
14 sions, 1998; Capacity Development Program PUCO Water/Wastewater
15 Companies, 1998; and Why Isn't Water Free? 1997. I have written several
16 articles for the NAWC magazine "Water". I authored the "Water Conser-
17 vation" brochure and "The Price of Safe Drinking Water" handout for the
18 Public Utilities Commission of Ohio.

19
20 5. Q. What is the purpose of your testimony?

21 A. The purpose of my testimony is to address the objections to the Rates and
22 Tariffs portion of the Staff Report.

1 6. Q. Are there any corrections which should be made to the Staff Report of
2 Investigation?

3 A. No.
4

5 7. Q. What is Staff's recommendation concerning the bill format?

6 A. Changes to bill formats were required by the Ohio Administrative Code
7 (O.A.C.) rule amendments adopted by the Commission in its November 29,
8 2011 Finding and Order in Case No. 11-4910-AU-ORD. On March 16,
9 2012 the Company filed a motion for waiver in the referenced ORD case,
10 specifically requesting that the bill format changes be considered in the
11 context of this rate case proceeding. Water & Sewer LLC (W&S) uses a
12 postcard bill and the space for bill messages is very limited. Staff under-
13 stands that W&S has a large bill stock. Staff finds it reasonable to permit
14 W&S to utilize its existing bill stock until it is exhausted before imple-
15 menting the new bill format. W&S should follow O.A.C. Rule 4901:1-15-
16 23 (B) procedure for filing a new bill format.
17

18 8. Q. Would Staff please clarify its recommendation concerning the nonpayment
19 of bills issue?

20 A. Yes. Staff is cognizant that the Commission has no jurisdiction over the
21 condo association (HOA). However there is nothing preventing W&S from
22 approaching the HOA and trying to reach resolution on their own accord.

1 The rate design comment about including a “no usage” rate option was
2 intended to address people who have vacated their homes for whatever rea-
3 son and have stopped making payments. A lower “no usage” rate might
4 entice this group of people to pay their bill to avoid a marred credit record
5 or other negative consequences. Staff did not propose this rate option in its
6 rate recommendation as there was no data available on non-payment/vacant
7 homes. The suggestion was meant as a suggestion to spur discussion on
8 different resolutions.

9
10 9. Q. What is Staff’s recommendation on the appropriate effective date of the rate
11 increase authorized in this proceeding, on a bills rendered or service ren-
12 dered basis?

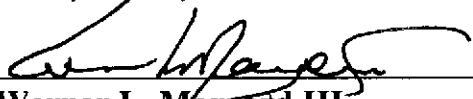
13 A. The Company bills on a bimonthly basis (every other month). The Com-
14 pany’s next billing is in June. The issue is whether the effective date of the
15 rates should be on a bills rendered or a service rendered basis. W&S is
16 requesting implementation on a bills rendered basis. Staff finds that bills
17 should be issued by prorating the charge on a service rendered basis. The
18 calculation would charge the old rate for the number of days the old rates
19 were effective and likewise the new.

1 10. Q. Does this conclude your prepared testimony?

2 A. Yes, it does. However, I reserve the right to submit supplemental testi-
3 mony as described herein, as new information subsequently becomes avail-
4 able or in response to positions taken by other parties.

CERTIFICATE OF SERVICE

I certify a true copy of the foregoing **Prefiled Testimony of Sue Daly**, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served upon the following parties via electronic mail this 2nd day of May, 2012.



Werner L. Margand III
Assistant Attorney General

PARTIES OF RECORD:

Barth E. Royer
Bell & Royer Co.
33 South Grant Avenue
Columbus, OH 43215-3927

Leslie G. Wolfe
William R. Hanna
Walter & Haverfield
The Tower at Erieview
1301 East 9th Street, Suite 3500
Cleveland, OH 44114