

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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

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PROCEEDINGS

Before Jeffrey Jones and Katie Stenman, Attorney
Examiners, held at the offices of the Public
Utilities Commission of Ohio, 180 East Broad
Street, Hearing Room No. 11-D, Columbus, Ohio,
on Wednesday, May 9, 2012, at 10:00 A.M.

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Armstrong & Okey, Inc.
222 East Town Street, 2nd Floor
Columbus, Ohio 43215
(614) 224-9481 - (800) 223-9481
Fax - (614) 224-5724

- - -

APPEARANCES:

Whitt Sturtevant LLP
By Ms. Melissa L. Thompson
PNC Plaza, Suite 2020
155 East Broad Street
Columbus, Ohio 43215

On behalf of the Applicant.

Ms. Melissa R. Yost
Senior Counsel
Office of Ohio Consumers' Counsel
10 West Broad Street
Suite 1800
Columbus, Ohio 43215-3793

On behalf of the Residential
Customers of Ohio American
Water Company.

Mr. Thomas G. Lindgren
Assistant Attorney General
180 East Broad Street
Columbus, Ohio 43215

On behalf of the Staff of the
Public Utilities Commission
of Ohio.

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1 Wednesday Morning,
2 May 9, 2012.

3 - - -

4 ATTORNEY EXAMINER STENMAN: We are
5 returning for the continuation of Case No.
6 11-4161-WS-AIR being in the matter of
7 the application of Ohio American Water Company
8 to increase its rates for water and sewer
9 service.

10 I know we have already taken
11 the appearances of the parties, but just to be
12 clear who is here let's do it again starting
13 with the Company.

14 MS. THOMPSON: Thank you, Your
15 Honor. Mark Whitt and Melissa Thompson with the
16 firm Whitt Sturtevant LLP, 155 East Broad
17 Street, Columbus, Ohio 43215 on behalf of Aqua
18 Ohio Water Company, Inc., the company formerly
19 known as Ohio American Water Company. Thank
20 you, Your Honors.

21 ATTORNEY EXAMINER STENMAN: Thank
22 you.

23 MS. YOST: On behalf of the Office
24 of Ohio Consumers' Counsel, Bruce J. Weston,
25 Consumers' Counsel, Melissa Yost and Kyle Kern,

1 10 West Broad Street, Columbus Ohio 43215.

2 ATTORNEY EXAMINER STENMAN: Thank
3 you.

4 MR. LINDGREN: On behalf of the
5 Commission's staff, Ohio Attorney General Mike
6 DeWine by Thomas Lindgren and Devin Parram,
7 Assistant Attorneys General. Address is 180
8 East Broad, 6th Floor, Columbus, Ohio 43215.

9 ATTORNEY EXAMINER STENMAN: Thank
10 you. I understand we have a stipulation.

11 MS. THOMPSON: Yes, Your Honor.
12 Yesterday the parties filed a stipulation in
13 this case. Granted, the stipulation was filed
14 12 minutes after noon. Our apologizes for
15 getting it in a little late.

16 But the stipulation was filed along
17 with schedules and tariffs. And Staff also
18 provided testimony in support of the
19 stipulation.

20 ATTORNEY EXAMINER STENMAN: Okay.
21 Just to be fair, I know there are some exhibits
22 that the parties agreed to in this stipulation.
23 Of course, it's always my preference to actually
24 mark and enter those exhibits especially since
25 we do have a non-signatory party here in the

1 room. I think it's important for clarity.

2 Also it appears that there are some
3 proofs of publication that are not listed in the
4 stipulation that will also need to be put
5 into the record.

6 MS. THOMPSON: I see. Okay. Thank
7 you, Your Honor.

8 ATTORNEY EXAMINER STENMAN: So if
9 someone wants to proceed with the stipulation.

10 MS. THOMPSON: Excuse me, Your
11 Honor. Would you prefer us to move the
12 stipulation into evidence first, or wait until
13 the testimony is filed, I mean testimony is
14 given, and then move the stipulation to be
15 entered?

16 ATTORNEY EXAMINER STENMAN: I think
17 it would be appropriate to have the testimony
18 first.

19 MS. THOMPSON: Thank you, Your
20 Honor.

21 MR. LINDGREN: Thank you, Your
22 Honor. The Staff calls William Ross Willis to
23 the stand.

24 (WITNESS SWORN)

25 - - -

1 WILLIAM ROSS WILLIS
2 called as a witness on behalf of the Staff,
3 being first duly sworn, testified as follows:

4 DIRECT EXAMINATION

5 By Mr. Lindgren:

6 Q. Good morning, Mr. Willis. Would
7 you please state and spell your name for the
8 record?

9 A. Yes. My name is William Ross
10 Willis. My last name is W-I-L-L-I-S.

11 Q. And where is your business address?

12 A. Business address is 180 East Broad
13 Street, Columbus, Ohio 43215.

14 Q. Thank you. And where are you
15 employed?

16 A. I am employed by the Public
17 Utilities Commission of Ohio.

18 Q. Thank you. Did you prepare and file
19 testimony in this case?

20 A. I did.

21 MR. LINDGREN: Thank you. May I
22 approach the witness?

23 ATTORNEY EXAMINER STENMAN: You
24 may.

25 MR. LINDGREN: For the record I am

1 handing the witness what I have marked for
2 identification as Staff Exhibit 1.

3 Q. Mr. Willis, do you recognize this
4 exhibit?

5 A. I do.

6 Q. And is this the testimony that you
7 prepared and filed in this case?

8 A. It is.

9 Q. Thank you. If I were to ask you all
10 the questions set forth in this prepared
11 testimony would your answers be the same this
12 morning?

13 A. They would.

14 Q. Do you have any corrections or
15 additions to this testimony?

16 A. I do not.

17 Q. Thank you. Also, Mr. Willis, were
18 you involved in the preparation of the Staff
19 Report filed in this case on January 31st of
20 this year?

21 A. I was. I was the project leader for
22 the operating income and the rate base sections.

23 MR. LINDGREN: Thank you. May I
24 approach the witness again?

25 ATTORNEY EXAMINER STENMAN: You

1 may.

2 MR. LINDGREN: Let the record
3 reflect I am handing the witness what I have
4 marked for identification as Staff Exhibit 2. I
5 am sorry, I do not have extra copies.

6 ATTORNEY EXAMINER STENMAN: That is
7 all right.

8 Q. Mr. Willis, do you recognize this
9 exhibit?

10 A. I do.

11 Q. And is this the Staff Report you
12 just indicated you were the project manager on?

13 A. Yes.

14 Q. Is everything in that report
15 accurate to the best of your knowledge?

16 A. It is. There has been some -- there
17 was some changes that we made as a result of the
18 stipulation that, you know, the schedules are
19 not exactly -- we made changes to the schedules
20 as a result of the negotiations.

21 But, yes, the Staff Report is what
22 was filed in the case.

23 Q. Thank you. And are the updated
24 schedules you just mentioned attached to the
25 stipulation, if you know?

1 A. They are. And I would add also that
2 the schedules as attached to the stipulation.
3 Also I filed testimony and they would be the
4 same schedules if we would fully litigation the
5 case.

6 MR. LINDGREN: Thank you. I have no
7 further questions of this witness.

8 ATTORNEY EXAMINER STENMAN: Thank
9 you. Ms. Thompson.

10 MS. THOMPSON: I have no questions,
11 Your Honor.

12 ATTORNEY EXAMINER STENMAN: Ms.
13 Yost.

14 MS. YOST: No questions, Your Honor.

15 ATTORNEY EXAMINER STENMAN: Thank
16 you, Mr. Willis.

17 MR. LINDGREN: Your Honors, I would
18 move the admission of Staff Exhibits 1 and 2.

19 ATTORNEY EXAMINER STENMAN: Any
20 objection?

21 MS. THOMPSON: No, Your Honor.

22 MS. YOST: No, Your Honor.

23 ATTORNEY EXAMINER STENMAN: Staff
24 Exhibits 1 and 2 will be admitted.

25 (EXHIBITS ADMITTED INTO EVIDENCE)

1 MS. THOMPSON: Actually I have one
2 quick question, Your Honor. In the stipulation,
3 Staff Exhibit 2, is the direct testimony of
4 Shahid Mahumd. Would counsel for Staff be
5 opposed to renumbering that to Staff Exhibit 8
6 for the direct testimony supporting the
7 stipulation?

8 MR. LINDGREN: No objections.

9 MS. THOMPSON: To match the
10 numbering in the stipulation, Your Honor.

11 ATTORNEY EXAMINER STENMAN: The
12 direct testimony of Shahid Mahumd will be Staff
13 Exhibit 8.

14 MS. THOMPSON: Yes. Thank you.

15 ATTORNEY EXAMINER STENMAN: And
16 the other exhibits will remain as they are in
17 the stipulation.

18 MR. LINDGREN: Yes, Your Honor.

19 ATTORNEY EXAMINER STENMAN: I think
20 what we really need to do for clarity of the
21 record, especially given that we have a party
22 that didn't sign the stipulation, we should
23 remark and move all of the exhibits just to be
24 clear. The Staff Report also doesn't line up
25 with what is in the stipulation.

1 MR. LINDGREN: I apologize for any
2 confusion, Your Honor.

3 ATTORNEY EXAMINER STENMAN: Since
4 the Staff has already moved their exhibits do
5 you just want to go through and say for the
6 record what the exhibits are and the numbers
7 that correspond, and then move for their
8 admission? Then we will just go through that
9 way.

10 MR. LINDGREN: Thank you, Your
11 Honor. Staff Exhibit 1 according to the
12 stipulation would be the Staff Report filed
13 on --

14 ATTORNEY EXAMINER STENMAN: Right,
15 but we have already moved Staff Exhibit 1, which
16 is the testimony of Mr. Willis. If you want to
17 just start with 3 and go through what I guess
18 would be 8.

19 MR. LINDGREN: I understand, Your
20 Honor. Staff Exhibit 3 then would be the
21 direct testimony of Clifford T. Evans.

22 Staff Exhibit 4 will be the direct
23 testimony of David E. Hupp.

24 Staff Exhibit 5 would be the
25 previous direct testimony of William Ross

1 Willis.

2 Staff Exhibit 6 would be the direct
3 testimony of Sue Daly.

4 Staff Exhibit 7 would be the direct
5 testimony of Judy Sarver.

6 And Staff Exhibit 8 would be the
7 direct testimony of Shahid Mahumd. And I would
8 move the admission of those exhibits as well.

9 ATTORNEY EXAMINER STENMAN: Any
10 objection?

11 MS. THOMPSON: No, Your Honor.

12 MS. YOST: No, Your Honor.

13 ATTORNEY EXAMINER STENMAN: Hearing
14 no objection Staff Exhibit 3 through 8 will be
15 admitted.

16 (EXHIBITS HEREBY ADMITTED INTO
17 EVIDENCE)

18 ATTORNEY EXAMINER STENMAN: Ms.
19 Thompson.

20 MS. THOMPSON: Thank you, Your
21 Honor. Aqua Ohio moves the admission of Joint
22 Exhibit 1, which is the Stipulation and
23 Recommendation.

24 And Joint Exhibit 2, which is the
25 stipulation schedules attached to the

1 stipulation.

2 And also OAW Exhibits 1, the direct
3 testimony of Dave Little.

4 OAW Exhibit 2, which is the direct
5 testimony of Gary Verdouw.

6 OAW Exhibit 2.1, the supplemental
7 direct testimony of Gary Verdouw.

8 OAW Exhibit 2.2, which is the second
9 supplemental direct testimony of Gary Verdouw.

10 OAW Exhibit 3, the direct testimony
11 of Melissa Schwarzell.

12 OAW Exhibit 4, the direct testimony
13 of Lewis Keathley.

14 OWA Exhibit 5, the direct testimony
15 of Donald Petry.

16 OAW Exhibit 6, the direct testimony
17 of Thomas Schwing.

18 OAW Exhibit 7, the direct testimony
19 of Pauline Ahern.

20 OAW Exhibit 7.1, supplemental direct
21 testimony of Pauline Ahern.

22 OAW Exhibit 8, the direct testimony
23 of John Spanos.

24 OAW Exhibit 9, the direct testimony
25 of Paul Herbert.

1 OAW Exhibit 10, the application of
2 Ohio American Water which was filed in this case
3 on August 1st.

4 In addition, per the Bench's request
5 the company also moves to admit the proofs of
6 publication. OAW Exhibit 11, the Proof of
7 Publication filed in this case on December 29th
8 2012.

9 OAW Exhibit 12, the Proof of
10 Publication filed on February 8th, 2012 in this
11 case.

12 And OAW Exhibit 13, the Proof of
13 Publication filed on March 22, 2012.

14 ATTORNEY EXAMINER STENMAN: Any
15 objection to the admission of Joint Exhibits 1
16 and 2?

17 MR. LINDGREN: No, Your Honor.

18 MS. YOST: No objection.

19 ATTORNEY EXAMINER STENMAN: Hearing
20 no objection Joint Exhibit 1 and 2 will be
21 admitted.

22 (EXHIBITS ADMITTED INTO EVIDENCE)

23 ATTORNEY EXAMINER STENMAN: Any
24 objection to the admission of OAW 1 through 13?

25 MR. LINDGREN: No objections.

1 MS. YOST: No objection.

2 ATTORNEY EXAMINER STENMAN: Hearing
3 none OAW 1 through 13 will be admitted.

4 (EXHIBITS ADMITTED INTO EVIDENCE)

5 MS. YOST: On behalf of OCC
6 pursuant to the stipulation OCC moves Exhibit 1,
7 which is the direct testimony of Daniel Duann;
8 OCC Exhibit 2, which is the direct testimony of
9 Steven B. Hines; OCC Exhibit 3, which is the
10 direct testimony of Ibrahim Soliman; OCC Exhibit
11 4, which is the direct testimony of James D.
12 Williams.

13 ATTORNEY EXAMINER STENMAN: Any
14 objections?

15 MS. THOMPSON: No, Your Honor.

16 MR. LINDGREN: No objection.

17 ATTORNEY EXAMINER STENMAN: OCC
18 Exhibits 1 through 4 will be admitted.

19 (EXHIBITS ADMITTED INTO EVIDENCE)

20 ATTORNEY EXAMINER STENMAN: Is
21 there anything else to come before us today?

22 MS. YOST: No, Your Honor.

23 MS. THOMPSON: No, Your Honor.

24 MS. YOST: Your Honors, OCC did not
25 sign the stipulation, but OCC would like to make

1 a statement on the record that OCC does not
2 oppose the Stipulation and Recommendation as
3 filed on May 8th, 2012 in this docket.

4 ATTORNEY EXAMINER STENMAN: Thank
5 you.

6 MS. YOST: Thank you.

7 ATTORNEY EXAMINER STENMAN:
8 Anything else?

9 MR. LINDGREN: No.

10 MS. THOMPSON: No, Your Honor.

11 ATTORNEY EXAMINER STENMAN: All
12 right. The hearing is adjourned.

13 (At 10:13 A.M. the hearing was
14 concluded)

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CERTIFICATE

I do hereby certify that the foregoing
is a true and correct transcript of the
proceedings taken by me in this matter on May 9,
2012, and carefully compared with my original
stenographic notes.

Michael O. Spencer,
Registered Professional
Reporter.

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in

Case No(s). 11-4161-WS-AIR

Summary: Transcript of the Application of Ohio American Water Company hearing held on 05/09/12 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.