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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

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. :

- - -

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.

- - -

Armstrong & Okey, Inc.  
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- - -

1 APPEARANCES:

2 Whitt Sturtevant LLP  
3 By Ms. Melissa L. Thompson  
4 PNC Plaza, Suite 2020  
5 155 East Broad Street  
6 Columbus, Ohio 43215

7 On behalf of the Applicant.

8 Ms. Melissa R. Yost  
9 Senior Counsel  
10 Office of Ohio Consumers' Counsel  
11 10 West Broad Street  
12 Suite 1800  
13 Columbus, Ohio 43215-3793

14 On behalf of the Residential  
15 Customers of Ohio American  
16 Water Company.

17 Mr. Thomas G. Lindgren  
18 Assistant Attorney General  
19 180 East Broad Street  
20 Columbus, Ohio 43215

21 On behalf of the Staff of the  
22 Public Utilities Commission  
23 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 litigate 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 OAW 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.

- - -

**This foregoing document was electronically filed with the Public Utilities**

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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.