



**Public Utilities
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April 11, 2017

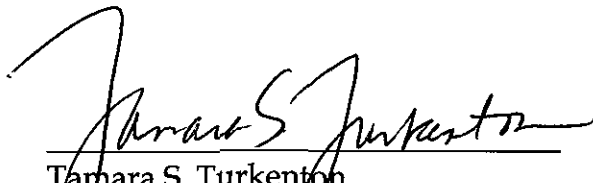
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

2017 APR 11 PM 1:33
PUCO

RE: *In the Matter of the Application of Ohio Wastewater Systems, Inc. for a Certificate of Public Convenience and Necessity, Case No. 17-616-ST-ACE.*

Dear Docketing Division:

Enclosed please find the Staff's Comments in regards to the application filed by Ohio Wastewater Systems for a Certificate of Public Convenience and Necessity, Case No. 17-616-ST-ACE.


Tamara S. Turkenton
Chief, Regulatory Services Division
Public Utilities Commission of Ohio


David Lipthrat
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
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180 East Broad Street
Columbus, Ohio 43215-3793

(614) 466-3016
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Ohio Wastewater Systems, Inc.
Case No. 17-616-ST-ACE

Summary

On March 1, 2017, Ohio Wastewater Systems, Inc. (Ohio Wastewater or the Company) filed an Application for a Certificate of Public Convenience and Necessity in accordance with Ohio Revised Code 4933.25 and Ohio Administrative Code 4901:1-15-05.

In its application, the Company included exhibits containing information for Staff to use to determine the value of the Applicant's rate base, authorize a fair rate of return, prescribe the proper depreciation accrual rates, identify the magnitude of the Applicant's expenses, and make such other findings that are necessary to grant the certificate requested.

On April 4, 2017 the Company filed a supplemental letter to address typographical errors in the application, and on April 11 2017, the Company filed a supplemental letter in the docket to clarify financial responsibility.

Staff Review

Staff reviewed the March 1, 2017 application for compliance with the rules established in OAC 4901:1-15-05. Staff's review was designed to ensure that the Company provided information that would facilitate the Staff's investigation.

The Company requests waivers in the following areas:

1. OAC Exhibit 12 requires full detail of the cost of construction of the sewage disposal system to be signed by the person who prepared and presented Exhibits six (description and map of area to be served) and seven (engineers report). In the application, the Company declares that Exhibit six was prepared by the developer while Exhibits seven and 12 were prepared by the engineering firm. Because Exhibits six and seven were prepared by different entities, the Company asserts there is no basis for requiring the same signature, and the engineering firm has signed Exhibit 12. The Company therefore requests a waiver of the requirement that the person that prepared Exhibit six must also prepare and sign the construction cost estimate presented in Exhibit 12.
2. OAC Exhibit 16 requires that if Ohio Environmental Protection Agency (OEPA) approval is necessary for the construction of the facilities described in the application, a written statement to the commission from an official of the OEPA, stating that the OEPA has approved general plans for the proposed sewage disposal system and that it would approve acceptable final detail plans upon notification that the commission has granted to the applicant a certificate of public convenience and necessity for the construction and operation of the system or systems. In the application, the Company asserts that although the OEPA's final approval of the Company's plans predates the Commission's grant of a certificate of public convenience and necessity, a general

condition of the Permit to Install is that the issuance of the permit does not relieve the permit holder from the duty of complying with all applicable federal, state, and local laws, ordinance, and regulations. The Company acknowledges that this condition includes the Commission's grant of certificate of public convenience and necessity and respectfully submits that the issuance of the actual Permit to Install prior to the Commission's decision in this case does not violate the intent of the rule. Therefore the Company requests a waiver of the requirement that final OEPA approval of the facilities described in the application be obtained after the certificate of public convenience and necessity has been granted.

3. OAC Exhibit 17 (b) requires a statement that the applicant will complete all sewage disposal system facilities required to adequately serve the entire area for which the certificate of public convenience and necessity is sought and that the completion date will be as stated unless work is interrupted by weather or by other conditions beyond applicant's control. In the application, the Company asserts that the septic lagoon storage basin, the filtration system and the control building will be completed in their entirety before the service commences, but the drip irrigation system that will be constructed and installed by the time service commences will have the capacity to provide disposal service for 70 lots, which will be more than adequate to serve Phase 1 and Phase 2 of the project. The construction and installation of the additional drip distribution disposal facilities required to serve the subsequent phases of the development will be synchronized with the customer requirements of each subsequent phase to avoid having facilities that are underutilized or would stand idle for an extended period of time. The Company also asserts that there will be relatively minor incremental additions to the control system, pumps, and external wiring initially installed in each subsequent phase of the project. The Company warrants that all drip distribution disposal facilities necessary to serve customers in subsequent phases of the development will be in place when required to meet the needs of such customers. Therefore the Company requests a waiver of the requirement that all facilities necessary to serve the entire service area must be in place before the service can commence.

Conclusion

Staff agrees that the waiver request pertaining to 1) Exhibit 12 submitted by Ohio Wastewater should be granted and the waiver requests pertaining to 2) Exhibit 16 and 3) Exhibit 17 should be denied at this time.

With regards to the waiver requested for items 2) Exhibit 16 and 3) Exhibit 17 (b), the Company application includes an OEPA Permit to Install for Phase 1 only. Therefore Staff recommends that the Commission consider approving a certificate only for Phase 1 of the project at this time. Further expansion will require the mandatory OEPA permits to be filed with any application to expand the certificate.

In all other respects, the application complies with the requirements included in the Application for a Certificate of Public Convenience and Necessity.