



Public Utilities Commission

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September 24, 2021

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

RE: *In the Matter of the Emergency Application of Carroll Township Treatment Services, Inc.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation regarding the emergency application filed by Carroll Township Treatment Services, Inc., Case No. 20-1322-ST-AEM.

Sincerely,

Marianne Townsend
Chief, Regulatory Utility Services
Rates and Analysis, Dept.
Public Utilities Commission of Ohio

Jason Well
Section Chief, Regulatory Utility Services
Rates and Analysis, Dept.
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

180 East Broad Street
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Carroll Township Services, Inc.
20-1322-ST-AEM

BACKGROUND:

Carroll Township Treatment Services, Inc. (CTTS) is a public utility pursuant to R.C. 4905.02 and is a sewage disposal system company pursuant to R.C. 4905.03(M) providing sewage disposal service to 400 to 5000 customers in Carroll Township, Ottawa County, Ohio. CTTS does not own meters, but rather, bills its customers for sewer service based on water usage as metered by Carroll Water and Sewer District. Carroll Water and Sewer District is unaffiliated with CTTS and, as a regional water and sewer district organized under R.C. Chapter 6119 and authorized by the Court of Common Pleas of Ottawa County, is not regulated by the PUCO.

On July 29, 2020, CTTS filed an emergency small utility application in Case No. 20-1322-ST-AEM for an increase in rates and charges (Emergency Rate Case). According to CTTS, for the 12-month period ending June 30, 2020, the company's expenses were \$191,907.54, which exceeded its revenue of \$71,725.96 by 120,181.58. CTTS averred that, at these expense rates, its income would not be sufficient to allow for the continuation of utility service. The company stated that it was able to survive due in part to short term loans totaling \$157,095.00 made by Wild Wings, Inc. Additionally, CTTS noted that additional repairs are required for aging plant and equipment and that it will further be required to rebate overcharges to customers as ordered in Case No. 18-0889-ST-AIR. Among the requests included in its application, CTTS asked the Commission to determine if rates proposed by CTTS are reasonable, or, in the alternative, determine what rates should be charged by CTTS to provide a reasonable level of compensation for utility service.

Following the filing of the Emergency Rate Case in July 2020, CTTS subsequently filed an application for an increase in rates and charges pursuant to R.C. 4909.18 in Case No. 20-1585-ST-AIR on October 12, 2020 (2020 Rate Case). On November 4, 2020, the Commission issued a Finding and Order in the Emergency Rate Case ordering that the emergency application be held in abeyance.

As part of the 2020 Rate Case, Commission staff analyzed PUCO annual reports and other compiled data of CTTS as well as engaged in multiple conversations with company representatives. Additionally, staff analyzed actual revenues and expenses recorded in CTTS' records for reasonableness and acceptability for ratemaking purposes. On May 5, 2021, the Commission issued an Opinion and Order granting CTTS' application and approving a return of 8.80 percent for sewage disposal services rendered by CTTS in Carroll Township.

STAFF'S RECOMMENDATION:

The Commission's Opinion and Order in the 2020 Rate Case has rendered the Emergency Rate Case moot. Consequently, staff recommends to the Commission that it dismiss the Emergency Rate Case with prejudice.

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 20-1322-ST-AEM

Summary: Staff Review and Recommendation electronically filed by Mrs. Tanika Hawkins on behalf of PUCO Staff