

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
AQUA OHIO, INC. TO INCREASE ITS
RATES AND CHARGES FOR ITS
WATERWORKS SERVICE.

CASE NO. 22-1094-WW-AIR

IN THE MATTER OF THE APPLICATION OF
AQUA OHIO WASTEWATER, INC. TO
INCREASE ITS RATES AND CHARGES FOR
ITS WASTEWATER SERVICE.

CASE NO. 22-1096-ST-AIR

ENTRY

Entered in the Journal on January 11, 2023

I. SUMMARY

{¶ 1} The Commission finds that the motions of Aqua Ohio, Inc. and Aqua Ohio Wastewater, Inc. to set a test period and date certain and for waivers from certain standard filing requirements should be granted.

II. DISCUSSION

{¶ 2} Aqua Ohio, Inc. (Aqua) and Aqua Ohio Wastewater, Inc. (AWI)¹ are waterworks and sewage disposal system companies as defined by R.C. 4905.03(G) and (M), respectively, and public utilities as defined in R.C. 4905.02, and, as such, are subject to the jurisdiction of this Commission.

{¶ 3} R.C. Chapter 4909 prescribes the fixation of rates for public utilities. Pertinent to this Entry, R.C. 4909.15 controls the establishment of reasonable rates, and an application for an increase in rates is governed by and must satisfy the requirements of R.C. 4909.17 to 4909.19 and R.C. 4909.42. In determining just and reasonable rates, R.C. 4909.15(C) mandates that the revenues and expenses of a utility be determined during a test period. When applying for a rate increase, a utility may propose a test period for this determination that is any 12-month period beginning not more than six months before, and ending not more than nine months after, the date the application is filed. R.C. 4909.15(C)(1). Unless

¹ Collectively, Aqua and AWI will be referred to hereafter as “the Companies.”

otherwise ordered by the Commission, the test period shall be what is proposed by the utility. *Id.*

{¶ 4} In order for Staff to evaluate an application for an increase in rates, applicants must provide specific standard information, as required by Ohio Adm.Code 4901-7-01, Appendix A. These standard filing requirements (SFRs) contain the minimum information public utilities are required to submit with their applications.

{¶ 5} On November 30, 2022, the Companies filed, in accordance with Ohio Adm.Code 4901-7-01, Appendix A, Chapter I(B), separate notices of intent to file applications for an increase in rates. In Case No. 22-1094-WW-AIR, Aqua filed notice of intent to file an application for an increase in rates and charges for the sale of water to customers throughout its Rate Group 1, Rate Group 2, Rate Group 3, and Firestone Trace service divisions. In Case No. 22-1096-ST-AIR, AWI filed notice of intent to file an application for an increase in rates and charges for its sewer service to customers in its Franklin areas formerly served by Ohio American Water Company, Firestone Trace, and Southwood Estates.

{¶ 6} Contemporaneous with the notices of intent, the Companies also filed in each case on November 30, 2022, separate motions for approval of test period and date certain and for waivers from certain SFRs, pursuant to which the Companies request waivers from filing various financial and informational data required by the Commission's SFRs.

{¶ 7} The Companies move that the test period for both cases begin July 1, 2022, and end on June 30, 2023, and that the date certain be June 30, 2023. The Commission finds that the Companies' proposed test period and date certain should be approved as requested in both cases.

{¶ 8} In both motions for waivers from certain SFRs, the Companies have requested waivers from filing the following schedules:

(a) Schedule B-2.3

Gross Additions, Retirements and Transfers – Total Company
(Aqua will provide for each plant account the balances, gross additions, retirements, and transfers for only its Rate Group 1, Rate Group 2, Rate Group 3, and Firestone Trace service divisions, as these are the only divisions that are the subject of the application in Case No. 22-1094-WW-AIR. AWI will provide for each plant account the balances, gross additions, retirements, and transfers for only its divisions in the Franklin areas formerly served by Ohio American Water Company, Firestone Trace, and Southwood Estates because these are the only divisions that are the subject of the application in Case No. 22-1096-ST-AIR.)

(b) Schedule B-5.1

Miscellaneous Working Capital Items
(The Companies state that the test-year average and date certain balances data is not relevant to either a water utility or a sewage disposal system company and, therefore, the Companies request waivers of this requirement.)

(c) Schedules C-9, C-9.1²

Operation and Maintenance Costs and Payroll Analysis – Total Company

(Aqua proposes to prepare these schedules for only its Rate Group 1, Rate Group 2, Rate Group 3, and Firestone Trace service divisions, as these are the only divisions that are the subject of the application in Case No. 22-1094-WW-AIR. AWI proposes to prepare these schedules

² In their memoranda in support, the Companies inadvertently reference Schedules G9 and G9.1, rather than C9 and C9.1. The Commission recognizes that the correct references are to Schedules C9 and C9.1.

for only its divisions in the Franklin areas formerly served by Ohio American Water Company, Firestone Trace, and Southwood Estates because these are the only divisions that are the subject of the application in Case No. 22-1096-ST-AIR.)

(d) Schedule C-10.1

Comparative Balance Sheets for the Most Recent Five Calendar Years
(Aqua proposes to prepare this schedule for only its Rate Group 1, Rate Group 2, Rate Group 3, and Firestone Trace service divisions, as these are the only divisions that are the subject of the application in Case No. 22-1094-WW-AIR. AWI propose to prepare this schedule for only its divisions in the Franklin areas formerly served by Ohio American Water Company, Firestone Trace, and Southwood Estates because these are the only divisions that are the subject of the application in Case No. 22-1096-ST-AIR. The Companies will, however, provide data on a total company basis to Staff through responses to data requests, as needed.)

(e) Schedule C-10.2

Comparative Income Statements for the Most Recent Five Calendar Years

(Aqua proposes to prepare this schedule for only its Rate Group 1, Rate Group 2, Rate Group 3, and Firestone Trace service divisions, as these are the only divisions that are the subject of the application in Case No. 22-1094-WW-AIR. AWI propose to prepare this schedule for only its divisions in the Franklin areas formerly served by Ohio American Water Company, Firestone Trace, and Southwood Estates because these are the only divisions that are the subject of the application in Case No. 22-1096-ST-AIR. The Companies will,

however, provide data on a total company basis to Staff through responses to data requests, as needed.)

(f) Schedules C-11.1, C-11.3

Revenue Statistics and Sales Statistics – Total Company

(Aqua proposes to prepare this schedule for only its Rate Group 1, Rate Group 2, Rate Group 3, and Firestone Trace service divisions, as these are the only divisions that are the subject of the application in Case No. 22-1094-WW-AIR. AWI propose to prepare this schedule for only its divisions in the Franklin areas formerly served by Ohio American Water Company, Firestone Trace, and Southwood Estates because these are the only divisions that are the subject of the application in Case No. 22-1096-ST-AIR. The Companies will, however, provide data on a total company basis to Staff through responses to data requests, as needed.)

(g) Schedule C-12

Reserve for Uncollectible Accounts – Total Company

(Aqua proposes to prepare this schedule for only its Rate Group 1, Rate Group 2, Rate Group 3, and Firestone Trace service divisions, as these are the only divisions that are the subject of the application in Case No. 22-1094-WW-AIR. AWI propose to prepare this schedule for only its divisions in the Franklin areas formerly served by Ohio American Water Company, Firestone Trace, and Southwood Estates because these are the only divisions that are the subject of the application in Case No. 22-1096-ST-AIR. The Companies will, however, provide data on a total company basis to Staff through responses to data requests, as needed.)

- (h) Schedules D-1 (Rate of Return Summary), D-1.1 (Parent-Consolidated Common Equity), D-2 (Embedded Cost of Short-Term Debt), D-3 (Embedded Cost of Long-Term Debt), D-4 (Embedded Cost of Preferred Stock), D-5 (Comparative Financial Data) (The Companies propose to provide these various schedules using the appropriate capital structure of each of the applicant companies, as opposed to the capital structure of their parent company, Essential Utilities. The Companies submit that the Commission has approved such a proposal in previous applications.)

{¶ 9} The Commission finds that the waiver requests discussed in Paragraph 8(a)-(h) are well-supported with a showing of good cause and, therefore, should be granted as requested. The Commission's granting of these waivers does not relieve the Companies of their responsibility to provide additional schedules, work papers, and/or calculations, used in the production of such informational material, if, in the determination of Staff, they become necessary to process the applications.

III. ORDER

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That in both above-captioned cases, the test period for each applicant shall begin July 1, 2022, and end June 30, 2023, and that the date certain shall be June 30, 2023. It is, further,

{¶ 12} ORDERED, That the appropriate method for making any changes to the date certain or test period in either case shall be the filing of a new notice of intent to file an application for an increase in rates and the withdrawal of the pending application. It is, further,

{¶ 13} ORDERED, That the requests for waivers made by the Companies be granted as set forth in Paragraph 9. It is, further,

{¶ 14} ORDERED, That a copy of this Entry be served upon all parties of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

MLW/DMH/hac

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in

Case No(s). 22-1094-WW-AIR, 22-1096-ST-AIR

Summary: Entry that the Commission finds that the motions of Aqua Ohio, Inc. and Aqua Ohio Wastewater, Inc. to set a test period and date certain and for waivers from certain standard filing requirements should be granted electronically filed by Ms. Donielle M. Hunter on behalf of Public Utilities Commission of Ohio