

FILE

1 BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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3 In the Matter of the :  
4 Application of Ohio :  
5 American Water Company :  
6 for Approval of Accounting : Case No.  
7 Charges with Respect to : 04-339-WW-AAM  
8 Deferral of Security Costs :  
9 Incurred in the Wake of :  
10 September 11, 2001. :

11 - - -

12 In the Matter of the :  
13 Application of Ohio :  
14 American Water Company to : Case No.  
15 Increase its Rates in its : 03-2390-WS-AIR  
16 Entire Service Area for :  
17 Water Service and Sewer :  
18 Service. :  
19 - - -

20 PROCEEDINGS

21 before Hearing Examiners Jeanne W. Kingery and  
22 Steven D. Lesser, at the Public Utilities  
23 Commission of Ohio, commencing at 5:35 p.m., on  
24 Monday, December 13, 2004, 201 North Street,  
Waverly, Ohio.

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## 1 APPEARANCES:

2 Bricker & Eckler  
3 By Ms. Sally W. Bloomfield  
4 100 South Third Street  
5 Columbus, Ohio 43215-4291

6 On behalf of the Ohio  
7 American Water Company.

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December 13, 2004,

Monday Evening Session.

- - -

EXAMINER KINGERY: The Public Utilities Commission of Ohio has called for hearing at this time and place being in the matter of the application of Ohio American Water Company to increase its rates in its entire service area for water service and sewer service, Case No. 03-2390-WS-AIR; and Case No. 04-339-WW-AAM, being in matter of application of Ohio American Water Company for approval of accounting changes with respect to deferral of security costs incurred in the wake of September 11, 2001.

My name is Jeanne Kingery. This is Steve Lesser, and we are the attorney examiners who have been appointed by the Commission to hear these proceedings.

At this point I'd like to start with a little summary of what we are going to do here tonight, and then we will proceed to the formal part of the case.

Ohio American Water has applied, as

1 you know, for an increase in its rates, and the  
2 purpose of our hearing tonight is for us to be  
3 able to hear your testimony, your comments and  
4 concerns about the rates and about the service  
5 that you may get from Ohio American.

6 What we are going to do is I will  
7 allow any of you who wish to present testimony,  
8 you can make either sworn statements or unsworn  
9 statements.

10 If you make sworn statements, then  
11 you will be subject to cross-examination by the  
12 parties in the case. You can also choose just  
13 to make unsworn statements. They will not  
14 receive as much weight in the consideration by  
15 the Commission, but the Commission will consider  
16 your testimony regardless of the situation.

17 In the event that you have concerns  
18 or complaints that you would like to express, we  
19 have two members of the staff of the Public  
20 Utilities Commission here who you can talk to if  
21 you'd like to.

22 There are also representatives of  
23 the company, someone in particular they should  
24 speak to.

1 At this point I am going to go ahead  
2 and take appearances of the parties, and that's  
3 just a formal statement by the parties that they  
4 are indeed present here at the hearing tonight.

5 MS. BLOOMFIELD: On behalf of the  
6 applicant, Ohio American Water, the law firm of  
7 Bricker & Eckler, and my name is Sally W.  
8 Bloomfield, and my address is 100 South Third  
9 Street, Columbus, Ohio 43215.

10 EXAMINER KINGERY: Okay. Thank you.

11 The first name they've signed up  
12 here is Mike Eversole.

13 MR. EVERSOLE: Yes.

14 EXAMINER KINGERY: Would you like to  
15 make a sworn on unsworn statement?

16 MR. EVERSOLE: Sworn statement is  
17 fine for the record.

18 - - -

19 MICHAEL EVERSOLE  
20 being first duly sworn, as prescribed by law,  
21 was examined and testified as follows:

22 DIRECT TESTIMONY

23 EXAMINER KINGERY: Would you state  
24 your name and address for the record?

1 MR. EVERSOLE: It's Michael  
2 Eversole. My address 42 Lucerne Drive, Waverly,  
3 Ohio.

4 EXAMINER KINGERY: Okay. Go ahead  
5 and make your statement.

6 MR. EVERSOLE: I live in the Lake  
7 White area serviced by Ohio American Water and  
8 just heard, actually read in the newspaper about  
9 this. This is the first thing we've actually  
10 seen or heard in writing or any other  
11 communication about the rate increase and 20  
12 percent.

13 That's why I am here. I was rather  
14 alarmed by the amount, and we have seen other  
15 rate increases that have been requested, only  
16 not in this area or in the state not even going  
17 up over a percent.

18 When you look at interest rates here  
19 of late, the last several years being in the  
20 three to four percent range, it seemed very  
21 alarming that much would be requested.

22 Going on beyond just the rate  
23 increase but the lack of communication saying  
24 what it might be for, I think this is the first

1 I heard your reading it was for security  
2 increases, and I can see a little bit of  
3 increase for the things. They need to protect  
4 for infrastructure, but it is still alarming  
5 that would be that much without any increase in  
6 the infrastructure and the service to us, the  
7 customers.

8 And I guess that goes back to trying  
9 to remember when Ohio American Water actually  
10 took over the service in our area, but there  
11 were indications, unwritten, of increased  
12 service, better service, because we do have some  
13 failures in the infrastructure of the water,  
14 some that haven't been addressed, and now that's  
15 been brought up in this rate increase.

16 I look at the rate increase as being  
17 something that is unfounded and no evidence to  
18 support it. I really have a lot of questions in  
19 regard to it.

20 EXAMINER LESSER: Does the community  
21 have an association?

22 MR. EVERSOLE: Lake White  
23 Association does exist. To be honest, I read  
24 about this, and we have had family matters. I



1 haven't been able to get the rest of the  
2 association, but there is a Lake White  
3 Association, and normally when things like this  
4 come up, there's other people calling me, so I  
5 was surprised when someone didn't call me. We  
6 have had some change in people moving here  
7 recently. That may not have happened.

8 EXAMINER LESSER: The association is  
9 usually on the service list for the staff report  
10 of the case.

11 MR. EVERSOLE: With changes in  
12 people moving, that may not have been  
13 circulated. I just saw it the other night in  
14 the paper. That's the one and only notice I've  
15 seen.

16 EXAMINER LESSER: At least we know  
17 it got published.

18 MR. EVERSOLE: Just a paragraph,  
19 there's hardly any information why was the rate  
20 increase, just there's going to be a hearing.

21 When I called the city, the mayor's  
22 office, they didn't have any idea about it. I  
23 actually called the Ohio Consumers Office, and  
24 they were the ones that told me about who, what,

1 when and where.

2 EXAMINER KINGERY: Do you have any  
3 further questions?

4 EXAMINER LESSER: No.

5 EXAMINER KINGERY: Anything further  
6 you would like to say?

7 MR. EVERSOLE: No.

8 EXAMINER KINGERY: Thank you very  
9 much for your testimony.

10 EXAMINER KINGERY: Ruth Kohser.

11 - - -

12 RUTH KOHSER  
13 (unsworn) testified as follows:

14 DIRECT TESTIMONY

15 MS. KOHSER: I really have no  
16 statements. I am here to observe. I've only  
17 lived here two years so I really don't want a  
18 water rate, but living alone and not a lot of  
19 money, why it's kind of hard to have a rate  
20 increase.

21 EXAMINER KINGERY: Would you like to  
22 make a statement to that effect?

23 MS. KOHSER: No, that's fine.

24 EXAMINER LESSER: Actually, we can

1 take that as an unsworn statement.

2 EXAMINER KINGERY: Okay.

3 Anybody else that would like to  
4 provide testimony this evening?

5 (No response.)

6 EXAMINER KINGERY: Any further  
7 matters the company would like to bring up at  
8 this point before we adjourn for this evening?

9 MS. BLOOMFIELD: No.

10 EXAMINER KINGERY: Then we are  
11 adjourned. Thank you very much.

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13 (Thereupon, the hearing adjourned at  
14 5:44 p.m.)

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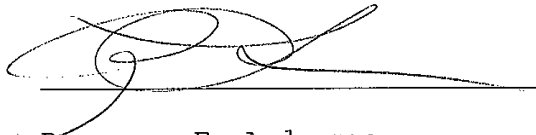
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## CERTIFICATE

I do hereby certify that the foregoing is  
a true and correct transcript of the proceedings  
taken by me in this matter before the Public  
Utilities Commission of Ohio on December 13,  
2004, and carefully compared with my original  
Stenographic notes.

A handwritten signature in dark ink, appearing to read 'Rosemary F. Anderson', is written over a horizontal line.

Rosemary F. Anderson

Professional Reporter.