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FILE

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of )  
Ohio-American Water Company To )  
Increase Its Rates For Water And )  
Sewer Service Provided to Its Entire )  
Service Area. )

Case No. 03-2390-WS-AIR

In the Matter of the Application of )  
Ohio-American Water Company for )  
Approval of Accounting Charges With )  
Respect to Deferral of Security Costs )  
Incurred in the Wake of )  
September 11, 2001. )

Case No. 04-339-WWW-AAM

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JOINT MOTION TO INTERVENE AND  
MOTION TO CONSOLIDATE  
OF THE CITIES OF TIFFIN AND MARION

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May 7, 2004

Attorneys for the Cities of Tiffin and  
Marion, Ohio

(C15425)

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**MOTION TO INTERVENE**

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The City of Tiffin, Ohio ("Tiffin") and the City of Marion, Ohio ("Marion") (collectively "Cities") hereby respectfully move the Public Utilities Commission of Ohio ("Commission"), pursuant to Section 4903.221, Revised Code, and Rule 4901-1-11 of the Ohio Administrative Code, for leave to intervene in the above-captioned matters, concerning an application for an increase in rates for water service and an application for approval of accounting charges for deferral of security costs filed by the Ohio-American Water Company ("Ohio-American") on March 12, 2004. The Cities request that the Commission consolidate the proceedings and grant the Cities the full powers and rights available to intervening parties.

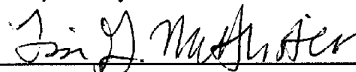
As demonstrated further in the Memorandum in Support attached hereto and incorporated herein, the Cities have a direct, real, and substantial interest in the issues and matters involved in the above-captioned proceedings and are so situated

that the disposition of these proceedings may, as a practical matter, impair or impede their ability to protect those interests.

The Cities believe that their participation in the proceedings will not cause undue delay, will not unjustly prejudice any existing party, and will contribute to the just and expeditious resolution of the issues and concerns raised in the proceedings. The interests of the Cities will not be adequately represented by other parties to the proceedings and, as such, the Cities are entitled to intervene in both proceedings with the full powers and rights granted, by the Commission specifically, by statute and by the Ohio Administrative Code, to intervening parties.

Additionally, the Commission should consolidate Ohio-American's rate case with its application for accounting authority and continue with an integrated examination of Ohio-American's ability to provide reliable and reasonably priced water and sewer service. Given the interrelationship of the issues at stake in these proceedings, the Commission should resolve these key issues regarding service to Ohio-American's customers in one proceeding.

Respectfully submitted,



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**Attorneys for the Cities of Tiffin and  
Marion, Ohio**

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**MEMORANDUM IN SUPPORT**

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In support of this Motion to Intervene and Motion to Consolidate, the Cities state that they, and their citizens, are customers of Ohio-American, a public utility subject to the jurisdiction of the Commission. The Cities are also municipalities and seek to promote the interests of their citizens. The Cities have participated in a number of Ohio-American rate increase proceedings over the years because of the influence that rates and charges for water and sewer service can have upon the Cities as customers of Ohio-American, and upon the Cities' local economies and citizens.

The issues in the application for approval of accounting charges are interrelated to the issues in the rate case inasmuch as the accounting charge application seeks approval to defer the costs associated with Ohio-American's security initiatives and the rate case seeks authorization to maintain a regulatory

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asset on its books, which represents the operation and maintenance expenses associated with the adoption of new procedures and updates to existing procedures to safeguard the water plant. As part of Ohio-American's rate case application, it proposes both a return of, and a return on, the deferred security costs over a three-year recovery period. The rate case also proposes to recover the costs of security. This recovery is based on 1) amortizing over a three year period the deferred costs that have accumulated in a regulatory asset account, 2) requesting rate base treatment of the unamortized balance and 3) including in its pro forma operating expenses a level of security costs based on an on-going level of expenses for security. The balance in the regulatory asset account is anticipated to be \$1,947,000.00 by the end of 2004. The on-going security costs will be \$332,530.00 per year.

Due to the probable impact that a rate increase and the accounting charges will have upon the Cities, the Cities have a real and substantial interest in these proceedings. Furthermore, the disposition of the proceedings may, as a practical matter, impair or impede the Cities' abilities to protect their interests.

For the aforementioned reasons, The Cities have a direct, real, and substantial interest in the issues and matters involved in the above-captioned proceeding that will only be protected by its participation in the proceedings. Additionally, due to the interrelationship of the issues in these proceedings, the Commission should consolidate the proceedings and resolve them in one proceeding. Therefore, the Cities hereby request that the Commission consolidate the proceedings and grant this Joint Motion to Intervene with the full powers and rights granted, by the

Commission specifically, by statute and by the Ohio Administrative Code, to intervening parties.

Respectfully submitted,



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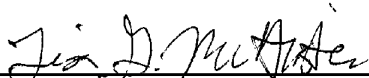
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**Attorneys for the Cities of Tiffin and  
Marion, Ohio**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Motion to Intervene, Motion to Consolidate and Memorandum in Support was served upon the following parties of record this 7th day of May 2004, via electronic transmission, hand-delivery or ordinary U.S. mail, postage prepaid.

  
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**On Behalf of the Office of the Ohio  
Consumers' Counsel**