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SALLY W. BLOOMFIELD
(614) 227-2368

LAW OFFICES
BRICKER & ECKLER LLP

100 SOUTH THIRD STREET
COLUMBUS, OHIO 43215-4291
(614) 227-2300

TELEFAX: (614) 227-2390
E-MAIL: SBLOO@BE.BRICKER.COM

INTERNET HOMEPAGE
HTTP://WWW.BRICKER.COM

July 28, 2000

VIA HAND DELIVERY

Dwight Nodes, Esq.
Public Utilities Commission of Ohio
180 East Broad Street, 12th Floor
Columbus, Ohio 43215

Ms. Daisy Crockron
Public Utilities Commission of Ohio
Administration/Docketing
180 East Broad Street, 10th Floor
Columbus, Ohio 43215-3793

Re: **Ohio-American Water Company/1999 Rate Case**
Case No. 99-1038-WW-AIR

Dear Mr. Nodes and Ms. Crockron:

In accordance with the Opinion and Order issued June 29, 2000 in the above-referenced matter, I am submitting the Remedial Action Report: Unaccounted for Water, which is due 30 days from the date of the Opinion and Order.

If you have any questions, please call me at the number listed above.

Sincerely,



Sally W. Bloomfield

jb
Enclosures

cc: Greg Dewhurst (w/enclosure)
Parties of Record (w/enclosure)
City of Tiffin, Mayor Bernard J. Hohman (w/enclosure)

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REMEDIAL ACTION REPORT: UNACCOUNTED FOR WATER
OHIO-AMERICAN WATER COMPANY

Case No. 99-1038-WW-AIR

JULY 28, 2000

OHIO-AMERICAN WATER COMPANY

REMEDIAL ACTION REPORT: UNACCOUNTED FOR WATER

In accordance with the Opinion and Order of the Public Utilities Commission (Commission) issued in Case No. 99-1038-WW-AIR on June 29, 2000, Ohio-American Water Company (Ohio-American) submits this report concerning its unaccounted for water program.

Ohio-American has devoted employees to work nearly extensively on leak detection programs throughout the year. In each of its four districts, Ashtabula, Lawrence County, Marion and Tiffin, it has such an employee (associate) assigned to this task. Monthly reports from these associates document their activities using electric sounding equipment to test the service lines of the homes and businesses in the districts. For example, during the months of April and May, the associates in Marion and Tiffin each tested service lines at 300 structures with the electronic sounding equipment. They attach the electronic sounding equipment to the service lines which picks up leak problems, not only in the service lines, but problems in the mains. Ohio-American is sounding approximately 1,000 service connections per month. In addition, Ohio-American associates conduct an annual inspection of each valve in each district and a twice a year they inspect each hydrant in each district.

Recently, Ohio-American has purchased two additional electronic sounding instruments to assist the associates. The company has also increased the leak detection surveillance activity by having more associates directly involved in the process. With the exception of Lawrence County that is far less populated than the other districts, Ohio-American's associates in each of the districts of Ashtabula, Marion and Tiffin spend between 15 and 20 days per month on leak detection activities.

Since the end of 1999, Ohio-American has effected a reduction of unaccounted for water on a company-wide basis from 14.7% to 14.5%. For the Tiffin district, the average gallons lost per customer has been reduced from 18.9% to 17.3%, a decrease of more than 9% during a six month period. Tiffin's thousand gallons lost per customer (19.20) also is below the company-wide average of 20.02.

Ohio-American intends to continue with this level of activity (the current activity has increased beyond the activity in 1999 when some of these associates were diverted to construction projects due to considerably more construction work than normal).

Attached is a comparative summary of statistics for unaccounted for water based on the 12 months ended December 31, 1999, with a 12 month period ending June 30, 2000. It shows that the overall unaccounted for water has been reduced by .2% as a company-wide average. (Ohio-American notes the increase in Lawrence County and will investigate, but on a preliminary basis, believes that the difference may be due to a mismatch of billing cycles.)

COMPARATIVE SUMMARY OF STATISTICS FOR UNACCOUNTED FOR WATER (UFW)

12-month period ending 12/31/99	Ashtabula	Marion	Tiffin	Lawrence County	Total Company
<i>Overall % UFW</i>	14.5%	14.2%	18.9%	7.9%	14.7%
<i>UFW -per 1,000 gallons</i>	347,802	330,096	158,695	20,241	856,834
<i>Average gallons per minute lost</i>	662	628	302	38	1,630
<i>Number of customers</i>	13,018	18,166	7,384	3,296	41,864
<i>Average 1,000 gallons per customer per year</i>	26.71	18.17	21.49	6.14	20.47

12-month period ending 6/30/00	Ashtabula	Marion	Tiffin	Lawrence County	Total Company
<i>Overall % UFW</i>	14.7%	13.7%	17.3%	10.8%	14.5%
<i>UFW -per 1,000 gallons</i>	352,605	324,237	142,317	27,790	846,949
<i>Average gallons per minute lost</i>	670	617	270	52	1,609
<i>Number of customers</i>	13,070	18,491	7,417	3,323	42,301
<i>Average 1,000 gallons per customer per year</i>	26.70	17.50	19.20	8.36	20.02