

Water

Overview

Improved water quality and reasonable rates were two of the main issues for advocacy by the Office of the Ohio Consumers' Counsel (OCC) on behalf of Ohio's residential customers of investor-owned water and sewer utilities.

Most water utilities in Ohio are publicly owned. However, there are some investor-owned water utilities that operate in Ohio. The Public Utilities Commission of Ohio (PUCO) only regulates investor-owned water and sewer utilities. In 2012, Aqua Ohio, Inc. (Aqua) purchased Ohio American Water Co. (OAW). These companies were the two largest investor-owned water utilities in Ohio. A settlement of the purchase was negotiated between OCC, the water utilities and the PUCO staff, which the PUCO then approved. Also, OAW obtained an increase in the rates it charges customers, in a separate rate increase application that was approved by the PUCO.

OCC also actively advocated for water and sewer customers at the Ohio General Assembly during 2012.

Ohio American Water purchased by Aqua Ohio, Inc.

Aqua and OAW requested approval for Aqua to purchase OAW's operations. The PUCO approved the request in February 2012, after the companies and other stakeholders, including OCC, agreed to a settlement. As part of the settlement, Aqua and OAW agreed to reduce expenses by about \$2.3 million in the then-pending OAW rate case. The two companies also agreed to forgo seeking to collect from customers an estimated \$225,000 in costs related to the purchase. The effective date of the purchase was May 1, 2012.

Aqua now serves approximately 140,000 water customers and 6,500 sewer customers. Prior to the purchase agreement, Aqua served approximately 88,000 water customers in Ohio.

Case Nos. 11-5102-WS-ATR, 11-5103-WS-AAM

Former Ohio American Water customers see rates increase

Following a 2011 request to increase water and sewer rates, the former water utility OAW (now known as Aqua) gained PUCO approval for part of its request in June 2012. The reduced rate increases were part

of a settlement that also included a requirement that the water quality in the Blacklick service area of Central Ohio would be studied and monitored. OCC did not support or oppose the settlement. However, as part of a separate settlement (that OCC supported in the case involving the purchase of OAW) the utility agreed to reduce its requested rate increase by about \$2.3 million.

OAW originally requested to raise its rates by \$8.3 million. If the request had been approved as filed, it would have increased customers' water rates between 19 percent and 26 percent, depending upon where they live, and sewer rates by almost 12 percent. In the PUCO's decision, Aqua (formerly OAW) received an increase of approximately \$4.2 million, about half the amount originally requested.

Case No. 11-4161-WS-AIR

Water legislation passes

In November 2011, House Bill 379 was introduced in the Ohio General Assembly. The Bill allowed water and sewer utilities more flexibility in how they collect certain costs from their customers. In 2012, OCC worked with legislators and other stakeholders to improve the bill for consumers.

The introduced version of the bill would have allowed water and sewer utilities to seek collection of more costs in rate cases, establish a surcharge on customers' bills to collect state and federal taxes, and increase other charges on customers' bills. OCC's efforts helped protect consumers by preventing a tax surcharge on customers' bills and by reducing some other potential charges.

The bill passed through the legislature in December and will take effect in early 2013.