

# Water

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## Overview

The Office of the Ohio Consumers' Counsel (OCC) participated in a Public Utilities Commission of Ohio (PUCO) case where the state's largest water utility filed for a rate increase.

The case was the first rate increase sought by Aqua Ohio since it acquired Ohio American Water Company. The Utility described the rate increase as needed to fund water plant investments, as well as to create more uniform rates between customers in different areas of its service territory.

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## Participating on behalf of consumers

Aqua Ohio initially sought to increase rates to customers by \$6.65 million or approximately 11.75 percent. Residential customers were asked to pay \$4.34 million of the total rate increase. The utility described the increase as needed to pay for water plant investments it made during the past several years. The increase affected 86,000 residential customers in portions of Ashtabula, Franklin, Lake, Lawrence, Mahoning, Marion, Pike, Portage, Preble, Richland, Seneca, Stark, Summit, Trumbull, and Williams counties.

Aqua proposed this rate increase as the first step in merging its Lake Erie, Masury, and Aqua Ohio Water divisions, by establishing more uniformity in rates among these areas. OCC analyzed the application and sought ways to reduce the rate impact on residential customers.

Aqua, the PUCO Staff, and other intervening parties filed a settlement agreement that decreased the proposed revenue increase from \$6,659,718 (11.76 percent increase) to \$3,820,000 (6.74 percent increase), in July 2014. OCC initially opposed the settlement. However, OCC later chose to not oppose the settlement given, among other things, the opportunity to moderate litigation costs. (Utilities typically are allowed to charge customers for litigation costs in rate cases, and those charges can be more of a consideration for customer protection when the utility is relatively small, such as Aqua.) Furthermore, at the local public hearings there were fewer customer complaints about water quality and the proposed rate increase compared to customer concerns in recent years. The PUCO approved the settlement in September.

*Aqua, Case No. 13-2124-WW-AIR*