

Water utility to ask for rate hike

Township trustees say 30% jump will hurt neighborhoods

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Almost 8,000 Ohio American Water customers in Franklin County face a rate increase of 30 percent for water and almost 37 percent for sewer service, according to the Ohio Consumers' Counsel.

American Water, which serves more than 50,000 customers across Ohio, will present its request for a rate increase to the Public Utilities Commission of Ohio on Wednesday at 1:30 p.m. at 180 E. Broad St. The commission could approve, deny, modify or table the request.

The requested increase varies from more than 11 percent for customers in Ashtabula, Lawrence, Marion, Morrow, Pike, Preble, Richland and Seneca counties to about 30 percent in Franklin and Portage counties.

Areas affected in Franklin County are the Blacklick neighborhood in Madison Township, Huber Ridge in Blendon Township, Lake Darby and Westpoint in Prairie Township, the Franklin County portion of Worthington Hills, the Timberbrook neighborhood in Norwich Township and a small portion of Truro Township.

Prairie and Blendon township trustees say the proposed increase will hurt neighborhoods.

"Ohio American Water is going to cause a lot more hardship on these homeowners and cause a lot more foreclosures among homeowners in this average-income community," said Jim Welch, president of the Huber Ridge Area Association.

New rates would raise monthly bills such as his from \$77 to \$111, he said.

"This will turn it into a rental community. There will be more vacancies," Welch said. "It will be bringing the blight right up to the southern edge of Westerville."

Prairie Township trustees warned PUCO Chairman Alan R. Schriber in a letter that the typical monthly bill in its Lake Darby service area will increase about \$30 to more than \$105. They said Franklin County system customers pay just over \$56 a month.

They also describe a "downward spiral" for the neighborhood.

Tom Schwing, American Water's network operations superintendent, said the company's costs are based on operating expenses. American Water demonstrated its costs to the PUCO and received the recommendation of the PUCO's staff, he said.

"Any rate increase is only based on actual experienced cost, not projected cost," Schwing said, citing rising gasoline, electricity and natural gas prices.

Gasoline and natural gas prices have fallen sharply in recent weeks. When the PUCO reviews American Water's case, it will be looking at the company's expenses between April 2007 to March 2008 before gas and natural gas prices spiked, said Anthony Dill, a spokesman for Ohio Consumers' Counsel.

David Little, president of Ohio American Water, testified in September to the PUCO that the company needs the increase because of rising labor, insurance and tax costs.

Still, state Rep. Jim McGregor said the playing field is tilted against consumers and it's not likely that any protests will stop the rate increase.

It's time to look at changing "decades-old" laws, the Republican from Gahanna said.

"The Consumers' Counsel believes that as soon as this rate increase is approved, the company will come back with another And that will continue until the law is changed," he said.

"I'm not saying the water company doesn't have a right to a fair profit, but ... the system is geared against the consumer," McGregor said. "This is a monopoly. We need a good law to make sure it's fair and just."

Legislation to do that could be completed before another rate increase is allowed to take effect, he said.

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