

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Aqua Ohio Wastewater, Inc. for a Certificate)	Case No. 16-1848-ST-ACE
of Public Convenience and Necessity.)	
)	
In the Matter of the Application of)	
Aqua Ohio, Inc. and Aqua Ohio Wastewater)	Case Co. 16-1849-ST-ATC
Inc. for Approval for the Transfer Certificate)	
of Public Convenience and Necessity No. 1.)	

**DIRECT TESTIMONY OF
ROBERT A. KOPAS, CPA
ON BEHALF OF AQUA OHIO, INC.
AND AQUA OHIO WASTEWATER, INC.**

1 **Direct Testimony of**
2 **Robert A. Kopas**

3 **I. INTRODUCTION AND SUMMARY**

4 **Q1. Please introduce yourself.**

5 A. My name is Robert A. Kopas. I am employed by Aqua Services as Regional Controller.
6 My business address is 6650 South Avenue, Boardman, Ohio 44512.

7 **Q2. By whom are you employed and in what capacity?**

8 A. I am employed by Aqua Services as Regional Controller. I provide financial supervision
9 and guidance to Aqua Ohio, Inc. as well as Aqua North Carolina, Inc., Aqua Indiana,
10 Inc., Aqua Texas, Inc., Aqua Illinois, Inc., and Aqua Virginia, Inc.

11 **Q3. Please discuss your educational background.**

12 A. I am a graduate of Pennsylvania State University with a Bachelor of Science degree in
13 Finance. I later attended Youngstown State University part time to secure additional
14 accounting credit hours. I am a member of the American Institute of Certified Public
15 Accountants and I am registered in Ohio as a Certified Public Accountant.

16 **Q4. Please briefly describe your business experience.**

17 A. I joined the company in 1984 as an Accountant for Consumers Pennsylvania Water
18 Company - Shenango Valley Division. I served as Vice-President of Finance for all of
19 Consumers Pennsylvania's Divisions from 1988 until 1998. In October 1998, I
20 transferred to Consumers Ohio Water Company and served as Vice President of Finance
21 until assuming my present position of Regional Controller for Aqua Midwest and
22 Southern Regions. Prior to joining Aqua, I was employed by General American
23 Transportation Corporation where I held various accounting positions, including
24 Accounting Supervisor and Cost Analyst.

Q5. On whose behalf are you testifying?

A. Aqua Ohio, Inc. (Aqua) and Aqua Ohio Wastewater, Inc. (AWI) (collectively, the Companies).

Q6. What is the purpose of your direct testimony?

A. My testimony supports the Stipulation that is being filed today between Staff and the Companies, and addresses facts relevant to its compliance with the Commission's standards for stipulations.

II. THE STIPULATION

Q7. Briefly describe the Stipulation.

A. Since the filing of the application in this case, Staff and the Companies have engaged in a number of discussions to address Staff's questions regarding the Companies' plans for the accounting and financing of AWI and its operations. The stipulation confirms those discussions and further clarifies the Companies' intentions. Regarding accounting, the stipulation explains that AWI will be treated as a new and separate company within the existing accounting systems, and that the accounting for AWI will be handled as an intercompany account. It also clarifies that AWI's books and records will continue to roll up to Aqua's. Regarding the financing of AWI, the stipulation explains that the Companies shall execute a series of four long-term intercompany notes (collectively, Notes) to recognize the liabilities associated with the sewer assets being contributed from Aqua Ohio to AWI, and it discusses how the amounts of these notes will be determined and other terms and particulars. The form of the notes is to match the notes attached to the stipulation.

1 **Q8. Is the Stipulation a product of serious bargaining among knowledgeable parties?**

2 A. Yes. The Stipulation is the result of a serious and open review process, in which the
3 parties were represented by able, experienced counsel and had access to technical experts.
4 The Stipulation is the outcome of a lengthy process of investigation, discovery,
5 discussion, and negotiation. As a result of these negotiations, the Companies made
6 additional commitments to those set forth in its original application. In short, the
7 Stipulation represents a comprehensive, reasonable resolution of the issues in this case by
8 informed parties with diverse interests.

9 **Q9. Does the Stipulation benefit ratepayers and is it in the public interest?**

10 A. Yes. The Stipulation clarifies how AWI's business operations will be accounted for and
11 provides additional clarification regarding Aqua's plans for financing AWI. These
12 confirmations that AWI will be properly accounted for and financed can only benefit
13 ratepayers and serve the public interest.

14 **Q10. Does the Stipulation violate any important regulatory principle or practice?**

15 A. No. In light of the foregoing, I do not believe that the Stipulation violates any important
16 regulatory principle or practice.

17 **Q11. What is your recommendation to the Commission?**

18 A. I recommend that the Commission approve the Stipulation. The Stipulation represents a
19 fair, balanced, and reasonable compromise of diverse interests and provides a fair result
20 for customers, thereby meeting the Commission's criteria for adopting settlements.

21 **III. CONCLUSION**

22 **Q12. Does this conclude your supplemental direct testimony?**

23 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Direct Testimony was served by electronic mail, to the following on this 17th day of October, 2017:

Steven Beeler
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/s/ Rebekah J. Glover

One of the Attorneys for Aqua Ohio, Inc.

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Commission of Ohio Docketing Information System on

10/17/2017 4:38:24 PM

in

Case No(s). 16-1848-ST-ACE, 16-1849-ST-ATC

Summary: Text Direct Testimony of Robert A. Kopas, CPA electronically filed by Ms. Rebekah J. Glover on behalf of Aqua Ohio, Inc. and Aqua Ohio Wastewater, Inc.