

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Aqua
Ohio, Inc. to Increase Its Rates and Charges Case No. 21-0595-WW-AIR
for Its Waterworks Service

**SUPPLEMENTAL DIRECT TESTIMONY OF
ROBERT L. DAVIS
ON BEHALF OF
AQUA OHIO, INC.**

1 **SUPPLEMENTAL DIRECT TESTIMONY OF**
2 **ROBERT L. DAVIS**

3
4 **I. BACKGROUND AND PURPOSE**

5 **Q1. Please introduce yourself.**

6 A. My name is Robert L. Davis. I am the President of Aqua Ohio, Inc. (“Aqua” or the
7 “Company”) and Aqua Wastewater, Inc. My business address is 6650 South Ave.,
8 Boardman, Ohio 44512.

9 **Q2. What are your job responsibilities as President?**

10 A. My responsibilities include management and oversight over all aspects of the
11 Company’s water and wastewater operations. I am responsible for the personnel employed
12 by the Company as well as the development and maintenance of a competent and engaged
13 workforce. I interact with government officials, business representatives and civic
14 organizations. I also direct the development, implementation and monitoring of annual
15 budgets for capital investments and operation and maintenance expenditures. I am
16 responsible for controlling expenditures, overseeing inventory control, water production,
17 distribution procedures, and wastewater collection system procedures.

18 **Q3. Apart from your current position, do you have any other experience in public**
19 **utility management?**

20 A. Yes. I have 35 years’ experience in public utility management in the utility industry.
21 A summary of my experience, academic and professional affiliation is below: For six years,
22 I served as Director of Public Utilities for the City of Cleveland and was responsible for the
23 management and oversight of more than 1,700 employees, a budget of more than \$660
24 million and all operations within the Divisions of Cleveland Water, Cleveland Water
25 Pollution Control and Cleveland Public Power. Prior to that, I served as Director of

1 Utilities for the City of Warren for 28 years. I was responsible for water, sewer, sanitation,
2 and storm water utilities. My education includes the following: Bachelor of Science Degree
3 in Business Administration from West Virginia University, Ohio Environmental Protection
4 Agency Water Supply Class IV License, Ohio Protection Agency Environmental Protection
5 Agency Distribution System Class II License, Hazardous Waste Management Certification,
6 OSHA Regulatory Safety Training Certification.

7
8 **Q4. What is the purpose of your supplemental testimony?**

9 A. The purpose of my testimony is to support the Joint Stipulation and
10 Recommendation as filed by the parties in this case on or about June 16, 2022
11 (“Stipulation”) and the revenue requirement schedules attached to the Stipulation.

12
13 **Q5. Are the results of the Stipulations reasonable?**

14 A. Yes. The results are reasonable for three basic reasons: (1) the settlement was a
15 product of serious bargaining among capable, knowledgeable parties, (2) the settlement, as a
16 package, benefits ratepayers and is in the public interest; and (3) the settlement package does
17 not violate any important regulatory principle or practice.

18
19 **Q6. Is the settlement a product of serious bargaining among capable, knowledgeable**
20 **parties?**

21 A. Yes. The Stipulation is the product of an open process in which all parties were
22 represented by experienced counsel that have participated in numerous regulatory
23 proceedings before the Commission. There were extensive negotiation among the parties

1 and the Stipulations represent a comprehensive compromise of the issues raised by parties
2 with diverse interests.

3
4 **Q7. Which parties have signed the Stipulations?**

5 A. The Stipulation is signed by Aqua, PUCO Staff (“Staff”), The Office of the Ohio
6 Consumers’ Counsel (“OCC”), and the City of Marion. There are no other parties to the
7 proceedings.

8
9 **Q8. In your opinion, does the Stipulation benefit ratepayers and the public interest?**

10 A. Yes. The stipulated settlement results in a just and reasonable revenue requirement
11 that benefits ratepayers by recognizing some of the objections to the Staff Report of
12 Investigation, rejecting some of the objections, and considering alternative approaches.

13 Settlement of this case benefits the ratepayers and public interest in myriad ways.
14 First, settlement avoids a hearing. Second, settlement reduces the requested \$77,296,379
15 revenue requirement to the stipulated increase of \$73,296,028. Third, the Stipulation
16 implements a rate of return of 6.78%, less than the requested 7.42% rate of return in Aqua’s
17 Application. Fourth, the Stipulation establishes a shareholder funded program to provide
18 bill-payment assistance to low-income customers throughout its service territory, among
19 other provisions.

20
21 **Q9. Does the settlement package violate any important regulatory principle or**
22 **practice?**

23 A. No.

1 **Q10. Are you recommending that the Commission approve the Settlement?**

2 A. Yes. In my opinion, the Stipulation represents a fair, balanced, and reasonable
3 compromise of the issues in this proceeding. I believe that the Stipulation meets all of the
4 Commission's criteria for adoption of settlements, and it is my recommendation that the
5 Commission issue an order approving the Stipulation.

6

7 **Q11. Does this conclude your testimony?**

8 A. Yes. However, I reserve the right to submit supplemental testimony as new
9 information becomes available or in response to positions taken by other parties.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail upon the following parties this 21st day of June, 2022:

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Summary: Testimony Supplemental Testimony of Robert L. Davis electronically filed
by Ms. Nicole R. Woods on behalf of Aqua Ohio, Inc.