

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Aqua
Ohio, Wastewater, Inc. to Increase Its Rates Case No. 22-1096-ST-AIR
and Charges for Its Wastewater Service

**SUPPLEMENTAL DIRECT TESTIMONY OF
ROBERT L. DAVIS
ON BEHALF OF
AQUA OHIO WASTEWATER, 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. and Aqua
7 Wastewater, Inc. ("AWI" or the "Company"). 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 36 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, and was employed by the City for 28 years. I was
2 responsible for water, sewer, sanitation, and storm water utilities. My education includes the
3 following: Bachelor of Science Degree in Business Administration from West Virginia
4 University, Ohio Environmental Protection Agency Water Supply Class IV License, Ohio
5 Protection Agency Environmental Protection Agency Distribution System Class II License,
6 Hazardous Waste Management Certification, OSHA Regulatory Safety Training
7 Certification.

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

10 A. The purpose of my testimony is to support the Stipulation and Recommendation as
11 filed by the parties in this case on or about October 5, 2023 (“Stipulation”) and the revenue
12 requirement schedules attached to the Stipulation.

13
14 **Q6. Are the results of the Stipulations reasonable?**

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

19
20 **Q7. Is the settlement a product of serious bargaining among capable, knowledgeable**
21 **parties?**

22 A. Yes. The Stipulation is the product of an open process in which all parties were
23 represented by experienced counsel and technical staff that have participated in numerous

1 regulatory proceedings before the Commission. There were extensive negotiation among
2 the parties and the Stipulations represent a comprehensive compromise of the issues raised
3 by parties with diverse interests.

4
5 **Q8. Which parties have signed the Stipulations?**

6 A. The Stipulation is signed by AWI and PUCO Staff (“Staff”). The Office of the Ohio
7 Consumers’ Counsel (“OCC”) participated in negotiation of the Stipulation, and has
8 indicated that it will not oppose the Stipulation. There are no other parties to the
9 proceedings.

10
11 **Q9. In your opinion, does the Stipulation benefit ratepayers and the public interest?**

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

15 Settlement of this case benefits the ratepayers and public interest in myriad ways.
16 First, settlement avoids a hearing. Second, settlement reduces the requested \$4,227,831
17 revenue requirement to the stipulated increase of \$4,081,920. Third, the Stipulation
18 implements a rate of return of 6.78%, less than the requested 7.37% rate of return in AWI’s
19 Application.

20
21 **Q10. Does the settlement package violate any important regulatory principle or**
22 **practice?**

23 A. No.

1 **Q11. 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 **Q12. 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 11th day of October 2023:

Rhiannon Howard
Public Utilities Section
Office of Ohio Attorney General
30 East Broad Street, 16th Floor
Columbus, Ohio 43215
Rhiannon.Howard@OhioAGO.gov
Counsel for PUCO Staff

Angela D. O'Brien
Connor Semple
Donald Kral
Ohio Consumers' Counsel
65 E. State Street, 7th Fl.
Columbus, Ohio 43215
Angela.obrien@occ.ohio.gov
Connor.semple@occ.ohio.gov
Donald.kral@occ.ohio.gov
Counsel for the Ohio Consumers' Counsel

/s/ Nicole R. Woods
Nicole R. Woods
One of the Attorneys for Aqua Ohio
Wastewater, Inc.

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Case No(s). 22-1096-ST-AIR

Summary: Testimony - Supplemental Direct Testimony of Robert L. Davis in
Support of Stipulation and Recommendation electronically filed by Ms. Nicole R.
Woods on behalf of Aqua Ohio Wastewater, Inc..