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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE JOINT
APPLICATION OF SUEZ WATER IDAHO,
INC., TO ACQUIRE EAGLE WATER
COMPANY

Case Nos. SUZ-W-18-02
EAG-W-18-01

**CITY OF BOISE CITY'S
FORMAL COMMENTS**

The city of Boise City ("Boise City") submits these formal comments on the joint applications pursuant to Rule 202 of the Rules of Procedure of the Idaho Public Utilities Commission ("Commission") IDAPA 31.01.01.202, and pursuant to the Notice of Proposed Settlement, Notice of Amended Schedule, Order No. 35198, issued by the Commission on October 15, 2021.

1. Boise City has a direct and substantial interest in this matter as Suez Water Idaho, Inc. ("SUEZ") is Boise City's franchised potable water service provider. As SUEZ is Boise City's water service provider, Boise City desire to ensure its residents are not financially impacted by

this sale and acquisition and an interest in ensuring the level of service to Boise citizens will not be affected.

2. Boise City is strongly committed to the sustainability and resiliency of our regional water systems, as well as the open and transparent planning and operation of the water services provided to its community. Knowing that water supplies are facing increasing pressure from growth and climate change, Boise City continues to press for a coordinated approach to water supply protection and development. It is also clear from our citizens and from other Intervenors' Petitions that SUEZ customers expect open and transparent processes. While Boise City understands the individual roles of the Commission, the Idaho Department of Environmental Quality ("IDEQ") and the Idaho Department of Water Resources ("IDWR"), as well as SUEZ's accountability to these agencies, the City also asserts that understanding water supply and its use within SUEZ's system is absolutely necessary to evaluating benefits and risks of that water supply, both as to the affect other water users in the region and, ultimately, how the effects will be borne into costs to ratepayers, which is within the jurisdiction of the Commission.

3. It should be noted that Boise City generally supports the terms of the proposed Stipulation and Settlement ("Settlement"), filed on October 8, 2021. Specifically, Boise City supports the surcharge account refund, the longer seven-year phased rate increase, and the reduced Acquisition Adjustment Amount of \$10.475 million.

4. The Settlement, however, fails to address all issues at play in this matter.

5. SUEZ asserts the benefit of this acquisition to existing SUEZ customers is primarily in the form of avoided costs that approach or exceed \$11,000,000. A SUEZ press release indicated existing SUEZ customers would benefit from nearly 13 million gallons a day of additional water

supply from Eagle Water Company (“EWC”) water rights, which would increase reliability through redundant water supplies. In testimony provided by SUEZ to the Commission in support of this purchase, it appears this purchase is primarily intended to facilitate the expansion of the SUEZ customer base into the City of Eagle and unincorporated Ada County.

6. Further SUEZ testimony provides that the EWC water system does not currently meet IDEQ requirements for redundant fire pumping capacity and emergency operation, for redundant non-fire pumping capacity, and, under a power-outage scenario, the EWC system would not be able to meet average day plus fire flow demands or peak hour flow requirements. Further, SUEZ indicates that EWC’s current portfolio of municipal water rights does not include sufficient authorized flow rate to meet the system’s peak hour demands. While there is indication that existing SUEZ infrastructure may address the deficiencies in *system* requirements, the testimony and information fails to address the water supply concerns.

a. Apart from knowing flow rates are inadequate, there is little to no support to show that the acquired water supply portfolio is adequate to service the existing Company customer demand in peaks.

b. *If* and to the extent there is redundant or excess water supply with the Company’s rights to be acquired, SUEZ indicates the water supply will likely be used to serve the northwest portion of SUEZ’s service area. If the acquired Company water supply is insufficient to meet the capacity and flow requirements in the acquired Company system and any redundancy in the northwest service area, what does that do to existing SUEZ systems and reliability of supply?

7. The claim of \$11,000,000 in cost avoidance is based on acquiring additional sources of supply at a lower cost, rather than having to obtain those sources elsewhere. However, the testimony does not squarely address the EWC's system deficiencies (as noted above with flow) and significant improvements needed, as it relates to acquisition of supply overall in making those claims of cost avoidance.

8. Further, Boise City remains concerned that SUEZ expansion continues to delay addressing current system deficiencies. Boise City has continued to closely monitor the water quality issues experienced by Boise residents in an area referred to as the "Bench." Boise Bench customers are experiencing discolored water in their homes. SUEZ has outlined potential causes of the discolored water and noted that the long-term solutions are all expensive and may include main replacement and alternative treatment processes. SUEZ states the projects will be factored into the overall capital planning process and will be prioritized against projects for other high priority areas within SUEZ's entire system. With adding new capital projects to the SUEZ system, which need significant improvements over approximately three years after acquisition per SUEZ testimony, it is unclear how the Boise Bench issues will be prioritized and fully addressed.

9. Finally, Boise City is concerned about how and whether the purchase of SUEZ SA by Veolia Environmental SA is going to affect Idaho customers. Even updated testimony is wholly silent on whether and how the international asset purchase will affect the capital improvements projects, the costs of the SUEZ system in Idaho and future rates, the customer service in this area, as well as other matters.

10. Boise City respectfully requests the Commission direct SUEZ to report with more detailed explanation on how the reliability of water supply for current customers will not be

affected by this acquisition and how SUEZ will provide capital improvements and system adequacy in the existing service area.

a. Boise City requests that SUEZ be required to provide a forward-looking planning approach that includes consideration of future risks to supply and infrastructure, such as weather events and droughts.

b. SUEZ should be required to implement a public outreach process to discuss anticipated projects, operation and maintenance cost increases, regulatory changes, proposed water system expansions, cost of service studies and other issues that will likely impact rates and be included in future cases before the Commission.

c. SUEZ should provide an annual report to the Commission documenting SUEZ's groundwater and surface water diversions and point of deliveries. For future certificated service area expansions or acquisitions, SUEZ should have to demonstrate how new areas will be served and by what supply, whether through existing water rights or by newly acquired supply.

DATED this 27th day of October 2021.



Mary R. Grant
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CERTIFICATE OF SERVICE

I hereby certify that I have on this 27th day of October 2021, served the foregoing documents on all parties of counsel as follows:

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