



Idaho Public Utilities Commission

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Case No. SUZ-W-18-02

Case No. EAG-W-18-01

Order No. 35247

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NEWS RELEASE: Commission approves proposed settlement agreement allowing SUEZ Water Idaho to acquire Eagle Water Company

BOISE (Dec. 10, 2021) – The Idaho Public Utilities Commission has approved a settlement agreement that spells out the terms allowing SUEZ Water Idaho to acquire the assets of Eagle Water Company.

The commission found that the asset acquisition and settlement are in the public interest, and that customers of both utilities will benefit from the acquisition. For SUEZ customers, the acquisition allows SUEZ to prospectively avoid about \$11.2 million in future water supply and other expenses. For Eagle Water customers, SUEZ represents a capable system operator with access to capital that can be invested in much-needed system upgrades.

SUEZ said it plans to make \$14.6 million in capital improvements in the Eagle Water system during the next five years. Improvements include interconnecting to the Redwood Creek pipeline, building a new two-million-gallon water storage tank, adding a supervisory control and data acquisition system to allow 24-hour monitoring of the Eagle Water system to better control pumping operations, addressing delayed investment in safety upgrades, security investments, well cleaning, and distribution piping replacements.

SUEZ will be entitled to an acquisition adjustment amount of \$10,475,000 to be amortized over 40 years beginning at the implementation of rates in its next rate case. The approved settlement agreement also directs Eagle Water to refund approximately \$592,020 to existing customers of the utility. The refund is intended to offset all or part of a first-year rate increase for existing Eagle Water customers who were customers on the day the acquisition was approved by the commission, Dec. 9.

The commission approved a seven-year phased increase in rates for existing Eagle Water customers. Beginning Jan. 1, 2022, existing Eagle Water customers' rates will be set at 50 percent of SUEZ's approved rates. Each year thereafter on Jan. 1, existing customers' phase-in rates will increase by approximately 8.33 percent until their rates are 100 percent of SUEZ's approved rates.

The rate increase for existing Eagle Water customers will follow this progression:

Jan. 1, 2022 – 50 percent
Jan. 1, 2023 – 58.33 percent
Jan. 1, 2024 – 66.67 percent
Jan. 1, 2025 – 75 percent
Jan. 1, 2026 – 83.33 percent
Jan. 1, 2027 – 91.67 percent
Jan. 1, 2028 – 100 percent

The seven-year phase-in is only available to existing Eagle Water customers. New customers starting service or connecting to service in the present Eagle Water service territory will pay current SUEZ rates when beginning service.

The commission found the rates across the seven-year schedule to be just, reasonable and in the public interest. Because of the transaction, Eagle Water customers will receive water service that meets standards set by state regulatory agencies and enhanced customer service.

SUEZ, Eagle Water, and commission staff signed the settlement agreement that was approved by the commission. Other parties involved in settlement negotiations did not sign on to the agreement.

For additional information on the approved settlement and the case, please visit:
puc.idaho.gov/case/Details/3610.