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IDAHO PUBLIC
UTILITIES COMMISSION

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Attorneys for SUEZ Water Idaho Inc.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF
SUEZ WATER IDAHO, INC. FOR
AUTHORIZATION TO ELIMINATE
COLLECTION OF GROSS-UP PAYMENTS
ASSOCIATED WITH CONTRIBUTIONS IN
AID OF CONSTRUCTION

Case No. SUZ-W-20-01

**SUEZ WATER IDAHO INC.'S
REPLY COMMENTS**

SUEZ Water Idaho Inc. (“SUEZ”) submits these comments in response to the comments filed in this case by Idaho Public Utility Commission Staff (“Staff Comments”), the City of Boise (“City Comments”), and members of the public.

SUEZ appreciates Staff’s thorough review of the facts and data that underlie the Petition in this case. As Staff notes, and as confirmed by the numerous public comments, the income tax obligation associated with CIAC has become a barrier to growth on the Company’s system. The revenue *from the new growth* that will flow from no longer grossing up these taxes “is more than sufficient to cover the incremental operating cost of serving those customers and also the revenue requirement of the CIAC tax gross-up amount.” *Id.* at 4. This avoids adverse impacts to existing customers, and will indeed confer a benefit by broadening the number of customers over which future costs will be spread. *Id.* at 3-4. SUEZ looks forward to working with Staff to implement the changes proposed in the Petition.

The City does not oppose the Petition or propose modifications to SUEZ's proposal. The City does pose questions about how SUEZ will raise and account for the "income tax collection solely from new customers within the new development," City Comments at 2-3, and states that it is not clear what outreach SUEZ conducted to its general customers, *id.* at 4.

The Staff Comments explain how SUEZ will raise and account for the CIAC income-tax obligation: the additional revenue generated from new customers will cover the tax through SUEZ's approved rates, and the income tax effect will be recorded in the ADIT account and will be amortized over 25 years. Staff Comments at 3-4. Regarding outreach to ratepayers, SUEZ processed this application in full compliance with the Commission's procedural rules and order on modified procedure.

Several members of the public filed comments in support of the application. These comments provide additional factual support for adopting the Company's proposal in this proceeding.

In light of the Petition, the supporting information, and the comments received in the case, SUEZ respectfully requests that the Commission issue an order granting the relief sought in the Petition.

Respectfully submitted this 22nd day of September, 2020.

SUEZ Water Idaho Inc.

By: 

Michael C. Creamer

Preston N. Carter

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Attorneys for Petitioner

I HEREBY CERTIFY that on this 22nd day of September, 2020, the foregoing was filed, served, and copied as shown below.

DOCUMENT FILED:

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