



Commission Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

August 25, 2020

Re: SUZ-W-20-01

Dear PUC Commissioners:

We are submitting this letter on behalf of the over 400 member companies of the Building Contractors Association of Southwestern Idaho (BCASWI) that work in the local home building industry in Ada County and the surrounding area. We appreciate the collaborative efforts of government and industry working together to solve community challenges.

Recently, we learned that the IPUC is considering a petition to cease charging the Contributions in Aid of Construction (CIAC) that SUEZ charges and was implemented about 2 years ago in 2018. Since the CIAC tax was implemented, some of the impacts of this new charge include:

1. The new CIAC fee creates a distinct competitive disadvantage to private systems. Since the CIAC charges only apply to private water systems, the increased costs are unfairly and inequitably charged to new development depending on its water provider. If a new development is served by a private water system like SUEZ, the CIAC applies; however, if it is served by a public or government owned water system, the CIAC fee is not charged.
2. Many developers were required to pay unbudgeted and unanticipated payments to Suez in order to begin long planned developments.
3. The CIAC fee charged to new homes and customers is an added burden to the new homeowners and customers in many new developments, which raises the cost of housing making housing less affordable.
4. Based on feedback from the local home building community, some estimate the cost increase on a new development served by SUEZ could range between \$800 and \$2,000 or more per home. We are aware of one development where it would cost a development nearly \$100,000 in new fees for a 36-lot subdivision, which equates to about \$2,700 per home!

Based on a recent study of housing in the Ada County, a \$2,500 increase in the cost of housing will cause approximately 1,000 potential local homebuyers to be priced out of the market and no longer able to afford a home.

We appreciate your consideration to eliminate the CIAC fee charged by SUEZ. Eliminating the fee will help to keep costs more consistent regardless if the water system is owned by a private company or a government entity, reduce the disincentive to use a private water system in new developments, and help make housing more affordable.

Sincerely,

Heather T. Hering  
BCASWI President

W.V. "Bill" Rauer  
Executive Officer