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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION
OF SUEZ WATER IDAHO INC. FOR
AUTHORITY TO INCREASE ITS RATES
AND CHARGES FOR WATER SERVICE
IN THE STATE OF IDAHO

Case No. SUZ-W-20-02

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF CATHERINE COOPER

SEPTEMBER 2020

1 **Q. Please state your name and business address.**

2 A. My name is Cathy Cooper, P.E. My business address is 8248 West Victory
3 Road, Boise, Idaho 83709.

4 **Q. By whom are you employed, and in what capacity?**

5 A. I am the Director of Engineering for SUEZ Water Idaho Inc. ("SUEZ" or
6 "Company").

7 **Q. Please summarize your professional experience and educational
8 background.**

9 A. I am a graduate of the University of Colorado at Boulder with a Bachelor of
10 Science in Civil Engineering. I completed my Master of Science in Civil
11 Engineering at the University of Washington in Seattle. I have been a
12 licensed Professional Engineer in the State of Idaho since 1999.

13 I have been employed as a civil engineer for 26 years. My work
14 experience includes 22 years at Boise area consulting firms where I focused
15 my work on water system engineering. My experience includes preparing
16 detailed hydraulic calculations; designs for storage tanks, pump stations,
17 pressure reducing stations, pipelines, and well houses; water system
18 Master Facility plans; hydraulic models; and project cost estimates. I was
19 an Owner and the Managing Partner at my last consulting firm.

20 I have been employed by SUEZ since July 2016 as the Director of
21 Engineering in Idaho.

22 **Q. Please describe your duties as Director of Engineering.**

1 A. I have oversight over the Company's capital expenditure budget and short
2 and long-term facility and water supply planning. In addition, I manage
3 selected engineering projects for the Company.

4 **Q. What is the purpose of your testimony?**

5 A. I will discuss these topics:

- 6 • Pro forma adjustments to the test year (ending June 30, 2020) to
7 recognize investments in plant in service through March 31, 2021.
- 8 • Explanation of the purchased water expense and adjustments thereto
9 as it relates to drought protection and weather conditions.
- 10 • Brian Subdivision Water Users Association connection.

11 **Q. Since the last proceeding has the Company continued to invest in
12 utility plant in service?**

13 A. Yes. Gross plant from the last proceeding test year ending November 30,
14 2015 has increased \$101.181 million. The pro forma additions (net of
15 retirements) for the period July 1, 2020 to March 31, 2021 total \$25.124
16 million. The total plant in service investment from November 30, 2015 to
17 March 31, 2021 is \$126.305 million, an increase of 32.0% over the
18 Company's Plant in Service at November 30, 2015 of \$394.267 million. The
19 Company continues to provide new and replacement utility plant in all areas
20 of the business including source of supply, water treatment, pumping,
21 transmission and distribution mains, distribution storage, customer service
22 lines, customer meters, information technology, and general plant.

1 **Q. Are these plant in service additions used and useful in providing**
2 **service to the Company's customers?**

3 A. Yes they are. Additionally, the projects included in pro forma Rate Base
4 from July 1, 2020 through March 31, 2021 will also be in service.

5 **Q. Can you now discuss, in general terms, the capital additions planned**
6 **to be placed in service from July 1, 2020 through March 31, 2021?**

7 A. Yes. The capital additions include meters and services, pumping
8 equipment, new and replacement mains, treatment equipment, control
9 equipment, facility improvements, an engineering master facility plan,
10 information technology systems, and security upgrades. The pro forma
11 plant additions for this time period are detailed in two locations with
12 associated exhibits. Plant in service additions for the period of July 1, 2020
13 to March 31, 2021 are summarized by account number in Exhibit 11,
14 Schedule 3 sponsored by Witness Cary, and are also listed by project name
15 on the attached Exhibit No. 3.

16 **Q. Does Exhibit 3 also show retirements, cost of removal and salvage for**
17 **the pro forma period?**

18 A. Yes. The retirements include service lines, meters, pumping equipment,
19 new and replacement mains, treatment equipment, control equipment,
20 information technology equipment, and facility improvements. The cost of
21 removal is included for additions that involve removing an existing asset. In
22 some cases there is no existing asset to remove with the plant addition.

1 Salvage value is included for assets that are anticipated to have an actual
2 salvage value.

3 **Q. Will these plant additions be in service by the end of the pro forma**
4 **period?**

5 A. Yes. These plant additions are underway and/or planned for completion by
6 the end of the pro forma period, March 31, 2021.

7 **Q. Will the plant additions shown on Exhibit No. 3 be used and useful in**
8 **providing service to the Company's customers?**

9 A. Yes they will.

10 **Q. Please discuss the basis for SUEZ Water Idaho's purchased water**
11 **expense in the pro forma amount of \$217,314 as shown on Exhibit 4.**

12 A. The annual cost of surface water is dependent on multiple factors including
13 snowpack, drought conditions, and summer high temperatures. Annual
14 purchased water costs have ranged from \$146,682 to \$198,234 from 2015
15 to 2020. SUEZ's surface water portfolio is diverse, balanced across natural
16 flow water rights, storage contracts, exchanges, irrigation district shares
17 both owned and leased, long term rental pool lease agreements, and short
18 term rental pool lease agreements. Short term (one season) rental pool
19 lease agreements are used to make up any shortfalls in surface water
20 supply for the year when necessary, which has been required for two years
21 in the period from 2015 to 2020.

22 SUEZ anticipates the available water market in the Valley will tighten
23 as growth continues over the coming decades. In addition, drought and

1 flood conditions may be exacerbated as an effect of climate change. With
2 this in mind, SUEZ is working towards more permanent surface water
3 arrangements to solidify surface water availability over the long-term for our
4 customers. Natural flow rights, where available, are favored over storage
5 rights that may be more susceptible to drought conditions. Purchases are
6 preferred over leases. This move towards more permanent surface water
7 use arrangements is reflected in the current slightly increased purchased
8 water costs over previous years.

9 **Q. Are the lease/contract costs generally known and measureable related**
10 **to purchased water expense?**

11 A. Yes the costs are generally known and measurable. These agreements
12 have been executed or are in planning/progress, and are shown on Exhibit
13 No. 4.

14 **Q. Can you clarify why purchased water expense proposed in the pro**
15 **forma period exceeds the test year expense by approximately**
16 **\$19,080?**

17 A. The test year purchased water expense is \$198,234. The purchased water
18 expense in the pro forma period is \$217,314. There were some minor
19 adjustments to the proportions of leased rental pool water that shifted costs
20 slightly. The majority of the difference, though, is due to a shift from 400
21 leased to 400 owned shares in Boise City Canal Company, increasing costs
22 by \$19,600.

23 **Q. Can you explain in detail the breakdown of this additional expense?**

1 A. Yes. SUEZ is finalizing an agreement with Boise City Canal Company to
2 purchase 400 shares. These shares have been previously leased by SUEZ
3 for 10 year terms. The purchase will ensure the long-term ability by SUEZ
4 to deliver these high priority natural flow rights to customers. This purchase
5 is part of SUEZ's efforts to shift to more permanent sources of surface
6 water.

7 **Q. Do you believe \$217,314, as depicted on Exhibit No. 4 is a reasonable**
8 **allowance for purchased water expense for rate making purposes?**

9 A. Yes.

10 **Q. Can you summarize the Company's decision to expand the certificated**
11 **area and install infrastructure to be able to serve the Brian**
12 **Subdivision?**

13 A. Yes. In accordance with the findings in IPUC Cases UWI-W-14-01 and
14 SUZ-W-18-01 the Company made the connection to Brian Subdivision, and
15 split the costs between Brian Subdivision residents and SUEZ ratepayers
16 in the manner ordered by the Commission. The Final Order in the case
17 finds that AFUDC is appropriately accrued on the SUEZ portion of
18 construction costs until included in rates at the conclusion of the next
19 general rate case. Order No. 34153 at 5. These Brian Subdivision costs
20 totaling \$2,130,200 have been included in this rate case and will be put into
21 service in March 2021 (plant account 331400).

22 **Q. Does this conclude your testimony?**

23 A. Yes.

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EXHIBITS 3 & 4 TO ACCOMPANY THE
DIRECT TESTIMONY OF CATHERINE COOPER

SUEZ Water Idaho
Pro Forma Period Plant Additions and Retirements
July 1, 2020 to March 31, 2021

Project ID	Project Title	In Service Date	Forecast Additions	Forecast Retirements	Forecast Cost of Removal	Forecast Salvage
	Source of Supply					
C17A101	IMAP	Mar-21	\$ 149,500	\$ -	\$ -	\$ -
C18A100	IMAP	Mar-21	\$ 141,400	\$ -	\$ -	\$ -
C18A100	Purchase Boise City Canal Shares	Feb-21	\$ 21,500	\$ -	\$ -	\$ -
C20A101	Water Rights	Various	\$ 51,500	\$ -	\$ -	\$ -
	Subtotals		\$ 363,900	\$ -	\$ -	\$ -
	Treatment					
C20B500	Replace Treatment Equipment	Various	\$ 111,900	\$ 41,600	\$ 800	\$ -
C20B503	Replace Valves, Meters, & Actuators at WTP's	Oct-20	\$ 31,000	\$ 11,500	\$ 1,000	\$ -
C20B504	Replace CWTP peristaltic pumps	Aug-20	\$ 51,500	\$ 11,500	\$ 500	\$ -
C20B505	Chlorination Equipment	Dec-20	\$ 137,400	\$ 46,500	\$ 3,000	\$ -
C20B506	MWTP General Rehab	Feb-21	\$ 114,500	\$ -	\$ -	\$ -
C20B509	Replace on-site chlorine generators	Mar-21	\$ 469,400	\$ 233,200	\$ 5,000	\$ -
C21B512	Rehab MWTP Collectors	Mar-21	\$ 1,525,400	\$ -	\$ -	\$ -
	Subtotals		\$ 2,441,100	\$ 344,300	\$ 10,300	\$ -
	Pumping Plant					
C19C100	Sunset West VFD	Jan-21	\$ 122,400	\$ 42,000	\$ 500	\$ -
C20C100	Pump Equip-Sources of Supply	Various	\$ 915,900	\$ 228,700	\$ 11,000	\$ -
C20C200	Replace Booster Pump Equipment	Various	\$ 103,900	\$ 36,500	\$ 800	\$ -
C20C503	Replace Control Equipment	Dec-20	\$ 94,200	\$ 42,200	\$ 1,000	\$ -
C20C522	System PRV re-builds	Dec-20	\$ 57,200	\$ 25,700	\$ 500	\$ -
C20C524	Sunset West Well - Motor and Electrical Upsizing	Jan-21	\$ 458,000	\$ 40,000	\$ 3,000	\$ -
C20C525	Facility Cooling	Aug-20	\$ 63,000	\$ 20,600	\$ 500	\$ -
C20C526	Reconstruct Pumping Facilities	Various	\$ 63,400	\$ -	\$ -	\$ -
C20C527	Landscaping Replacement - System Facilities	Nov-20	\$ 85,900	\$ -	\$ -	\$ -
C20C528	Floating Feather Rehab	Feb-21	\$ 171,700	\$ 17,900	\$ 500	\$ -
C20C529	Relocate Arctic/Fairview Booster	Sep-20	\$ 653,500	\$ 84,700	\$ 25,000	\$ -
	Subtotals		\$ 2,789,100	\$ 538,300	\$ 42,800	\$ -
	T & D Mains					
C15D101	90% Pipeline Costs - Brian W	Special Case	\$ 2,130,200	\$ -	\$ -	\$ -
C19D708	St Lukes Roadway Phase 2	Jul-20	\$ 212,700	\$ -	\$ -	\$ -
C20D300	Developer Extensions	Various	\$ 4,310,000	\$ -	\$ -	\$ -
C20D601	Spurwing Water Main Phase 2	Oct-20	\$ 2,846,200	\$ 177,800	\$ 28,000	\$ -
C20D631	East First Bench Main Replacements	Aug-20	\$ 494,900	\$ 2,000	\$ 500	\$ -
C20D632	Warm Springs Mesa Improvements	Dec-20	\$ 1,658,700	\$ 54,100	\$ 16,300	\$ -
C20D633	Second Round - East First Bench Main Repl	Feb-21	\$ 670,900	\$ 21,700	\$ 6,500	\$ -
C20D700	Agency Related Replacement Mains	Various	\$ 1,887,900	\$ 213,100	\$ 31,900	\$ -
C21D601	Lower Andy's PRV	Mar-21	\$ 57,200	\$ 2,500	\$ 200	\$ -
CYYD001	Fire Hydrants	Various	\$ 561,200	\$ -	\$ -	\$ -
CYYD002	New Short Mains & Valves	Various	\$ 224,000	\$ -	\$ -	\$ -
CYYD502	Replacement Short Mains & Valves	Various	\$ 204,100	\$ 1,200	\$ 200	\$ -
	Subtotals		\$ 15,258,000	\$ 472,400	\$ 83,600	\$ -
	Services					
C15F005	New Isolated Services	Jul-20	\$ 110,800	\$ -	\$ -	\$ -
CYYF003	New Fire Services	Various	\$ 250,300	\$ -	\$ -	\$ -
CYYF505	Domestic Services	Various	\$ 1,967,800	\$ 316,800	\$ 26,200	\$ 6,700
	Subtotals		\$ 2,328,900	\$ 316,800	\$ 26,200	\$ 6,700

SUEZ Water Idaho
Pro Forma Period Plant Additions and Retirements
July 1, 2020 to March 31, 2021

Project ID	Project Title	In Service Date	Forecast Additions	Forecast Retirements	Forecast Cost of Removal	Forecast Salvage
	Meters					
CYYG501	Customer Meters	Various	\$ 691,200	\$ 300,000	\$ 10,300	\$ 9,100
	Subtotals		\$ 691,200	\$ 300,000	\$ 10,300	\$ 9,100
	Information Technology (IT)					
C20J109	Power Monitoring	Oct-20	\$ 45,800	\$ -	\$ -	\$ -
C20J110	Cityworks to CCB Interface	Aug-20	\$ 40,100	\$ -	\$ -	\$ -
C20J502	Replace I&C Equipment	Dec-20	\$ 137,400	\$ 61,500	\$ 1,000	\$ -
C20J507	IT Equipment	Oct-20	\$ 25,200	\$ 11,200	\$ 500	\$ -
C20J508	SCADA System Implementation	Jan-21	\$ 599,700	\$ 256,700	\$ 6,000	\$ -
C20J509	Replace eOps	Jan-21	\$ 96,200	\$ -	\$ -	\$ -
C20J511	Bali Hai and Maple Hills PLC Replacement	Feb-21	\$ 178,500	\$ 77,200	\$ 1,500	\$ -
C20J550	Alligator Radios	Dec-20	\$ 74,400	\$ 33,200	\$ 1,000	\$ -
	Subtotals		\$ 1,197,300	\$ 439,800	\$ 10,000	\$ -
	General Plant					
C20K004	Hydraulic Model Updates	Nov-20	\$ 80,100	\$ -	\$ -	\$ -
C20K101	Well Master Plan	Jul-20	\$ 114,500	\$ -	\$ -	\$ -
C20K102	Safety/Security Upgrades	Nov-20	\$ 114,500	\$ -	\$ -	\$ -
C20K103	Surface Water Rights Analysis	Jan-21	\$ 85,900	\$ -	\$ -	\$ -
C20K501	New and Replacement Tools	Various	\$ 108,800	\$ -	\$ -	\$ -
C20K502	Victory Office Remodel / Warehouse Expansion	Dec-20	\$ 1,304,300	\$ -	\$ -	\$ -
C20K503	Master Facility Plan Update	Jan-21	\$ 458,000	\$ -	\$ -	\$ -
C20K504	Marden Plant Expansion Study	Sep-20	\$ 114,500	\$ -	\$ -	\$ -
C21K102	Columbia Area Analysis Study	Mar-21	\$ 85,900	\$ -	\$ -	\$ -
	Subtotals		\$ 2,466,500	\$ -	\$ -	\$ -
			\$ 27,536,000	\$ 2,411,600	\$ 183,200	\$ 15,800
	Gross Plant Adds, Retirements, COR & Salvage					
	CIAC		(\$5,018,600)			
	Gross Plant Less CIAC		\$22,517,400			
	Developer Refunds		\$47,800			

SUEZ Water Idaho - Purchased Water Exhibit 4

SHARES IN CANAL	ID#	UNITS	PRICE PER UNIT	MISC. FEES	ANNUAL TOTAL UNIT COST	COMMENT
THURMAN MILL (TM)	N/A	46.5	\$40.00		\$1,860.00	Points of diversion are in TM name at Marden WTP. Annual assessments required to activate. \$40.00/share x 46.5 shares.
BOISE CITY CANAL CO. (BCCC) - Owned Shares	N/A	45	\$98.00		\$4,410.00	Point of diversion are in BCCC name at Marden WTP. Annual assessments required to activate river intake. \$98/share x 45 shares. (.68cfsx2af/dx180d=245 af)
BOISE CITY CANAL CO. (BCCC) -2020 Owned Shares	N/A	400	\$147.00		\$58,800.00	Pipe line to Marden WTP from BCCC - Lateral #3. \$147/share x 400. (6.0cfsx2af/dx180d=2160af)
Boise City Canal Co (BCCC) - 200 leased shares (10 year, expires 2030)		200	\$98.00		\$19,600.00	Pipe line to Marden WTP from BCCC - Lateral #3. \$98/share x 200. (3.0cfsx2af/dx180d=1080af)
BOISE VALLEY IRRIGATION DISTRICT (BVID)	N/A	89.29	\$35.00	\$35.00	\$3,160.15	Point of diversion in BVID name at Marden WTP. Annual assessments required to activate.
CONTRACT/LEASE/STORAGE						
ANDERSON RANCH RESERVOIR B.O.R. (1000 af)	13205638	1000	\$24.36		\$24,360.00	Annual payment same even if not used. Held in Anderson RSVR for drought protection & collector mitigation
LUCKY PEAK RESERVOIR B.O.R. Repayment (1100 af)	059D101468	1100	\$15.16		\$16,674.00	Fixed Rate: Hold for drought. 40 yr Repayment Contract (Ends 12/31/2046)
LUCKY PEAK RESERVOIR B.O.R. Maintenance (1100 af)		1100	\$6.00		\$6,600.00	B.O.R.estimates O&M yearly & updates costs.
BASIN 63 RENTAL POOL						
ANNUAL BASIN 63 RENTAL POOL	Rex Barrie	3500	\$20.00		\$70,000.00	Volume rented varies with snow pack and ability to get commitments from other space holders.
INCENTIVE PAYMENTS TO BASIN 63 SPACE HOLDERS						
Pay space holders that put water into the rental pool	N/A	1000	\$10.00		\$10,000.00	Boise Valley Irrigation Ditch Company
OTHER						
Garden City - Joplin					\$1,850.00	3 SUEZ Water Idaho customers on Joplin Street get their water from the GC system

\$217,314.15