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*Attorneys for SUEZ Water Idaho Inc.*

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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 TIMOTHY MICHAELSON

SEPTEMBER 2020

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

2 A. My name is Timothy Michaelson, and my business address is 461 From Rd,  
3 Suite 400, Paramus, New Jersey 07652.

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

5 A. I am employed by SUEZ Water Management & Services ("SWM&S"), which  
6 I joined in November of 1994. During my employment, I have worked in the  
7 Corporate Accounting and Corporate Planning Departments as an  
8 Accountant, Planning Analyst, Planning Manager and Planning Director. I  
9 also worked as the Director of Finance for SUEZ Water's New Jersey  
10 Division and as the Director of Finance for SUEZ Water's Regulated  
11 Segment. In May of 2009, I joined the Regulatory Business Department  
12 where I currently work as Director.

13 **Q. Please summarize your educational background and qualifications.**

14 A. I graduated from St. Thomas Aquinas College with a Bachelor of Science  
15 degree in Accounting in 1990 and Iona College with an MBA in Finance in  
16 2000. I am currently the Treasurer of the New York Chapter of the National  
17 Association of Water Companies.

18 **Q. Before what regulatory agencies have you previously presented  
19 testimony?**

20 A. I have testified in several cases before the New York State Public Service  
21 Commission, the Connecticut Public Utilities Regulatory Authority, and the  
22 State of Rhode Island and Providence Plantations Public Utilities  
23 Commission.

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. My testimony supports the proof of revenue under present and proposed  
3 rates and the development of pro forma revenues.

4 **Q. What Exhibits are you sponsoring?**

5 A. I am sponsoring Exhibit No. 5, which presents the proof of revenue including  
6 the application of present and proposed rates to consumption analysis for  
7 the twelve months ending March 31, 2021, and pro forma revenue under  
8 present and proposed rates, including adjustments to revenue.

9 **Q. Have you prepared proof of revenue schedules under present and  
10 proposed rates?**

11 A. Yes. Schedules 1 through 9 in Exhibit 5 provide the proof of revenues from  
12 the application of present and proposed rates to the customer consumption  
13 analysis.

14 **Q. Please describe Schedule 1.**

15 A. Schedule 1 summarizes the application of proposed rates to the  
16 consumption analysis for the twelve months ended March 31, 2021 and the  
17 pro forma revenues under proposed rates for that same time period.  
18 Column 2 presents the pro forma revenues at present rates from column 9  
19 of Schedule 2. Column 3 presents the pro forma revenues at proposed  
20 rates by applying the proposed rates to the detailed consumption analysis  
21 by customer class provided in Schedule 3. Columns 4, 5 and 6 show the  
22 impact at proposed rates of the adjustments presented in Schedules 4A, 4B  
23 and 4C. Column 7 calculates the pro forma revenue at proposed rates,

1 column 8 shows the proposed increase by customer class and column 9  
2 provides the percentage increases by customer class.

3 **Q. Please describe Schedule 2.**

4 A. Schedule 2 summarizes the application of present rates to the consumption  
5 analysis and the pro forma revenues under present rates for the twelve  
6 months ending March 31, 2021. Column 2 presents the revenues per books  
7 by customer class. Column 3 removes surcharge revenue, the balance of  
8 unbilled revenue accrued at the end of the Test Year and other  
9 miscellaneous adjustments. Column 5 shows the revenues from the  
10 application of present rates to the detailed consumption analysis for the  
11 twelve months ended June 30, 2020, from Schedule 3. Columns 6, 7 and  
12 8 show the impact at current rates of the adjustments presented in  
13 Schedules 4A, 4B and 4C. Finally, Column 9 presents pro forma revenue  
14 at current rates.

15 **Q. Please describe Schedule 3.**

16 A. Schedule 3 provides the application of present and proposed rates to the  
17 detailed consumption analysis and billing determinants by customer class  
18 as of the end of the Test Year, June 30, 2020.

19 **Q. Please describe the Schedules 4 through 4C.**

20 A. Schedule 4 summarizes the impact on billing determinants associated with  
21 the three revenue adjustments shown on Schedules 4A, 4B and 4C.

22 Adjustment R1, detailed on Schedule 4A, adjusts revenues at  
23 present and proposed rates by annualizing for the gain or loss of customers

1 during the Test Year (12 months ended June 30, 2020). Adjustment R2,  
2 shown on Schedule 4B, adjusts revenues at current and proposed rates for  
3 the projected increase in the average number of customers through March  
4 31, 2021. Adjustment R3, shown on Schedule 4C, adjusts revenues at  
5 present and proposed rates due to the projected decline in customer usage  
6 for residential and commercial customers.

7 **Q. How did you determine the projected decline in customer usage for**  
8 **residential customers shown in Adjustment R3?**

9 A. For the residential customer usage adjustment, I performed a 30-year  
10 regression analysis of per-capita usage utilizing actual residential usage,  
11 calendar year and Palmer Z index as inputs. The Palmer Z index is a  
12 measure of short-term drought on a monthly scale. For the calculation of  
13 the customer usage projection, the Palmer Z index amounts were taken  
14 from NOAA National Centers for Environmental information, Climate at a  
15 glance: Divisional Time Series, published September 2020 from  
16 <https://www.ncdc.noaa.gov/cag/>. A "Predicted residential" usage amount  
17 was calculated (101.94 thousand gallons per customer) and compared to  
18 the actual (107.11 thousand gallons per customer) usage. The difference,  
19 (5.17 thousand gallons) was converted to CCFs to arrive at the (6.91) CCF  
20 adjustment per residential customer. Exhibit 5 Schedule 4D provides the  
21 calculation. I have attempted to utilize the methodology which the Company  
22 believes was used by Staff in the Company's last rate case filing, which  
23 utilizes a long-term period, to arrive at a reasonable volume adjustment for

1 customers.

2 **Q. How did you determine the projected decline in customer usage for**  
3 **commercial customers shown in Adjustment R3?**

4 A. For the commercial customer usage adjustment, I performed a 25-year  
5 regression analysis of per-customer usage utilizing actual commercial  
6 usage, calendar year and Palmer Z index as inputs. A "Predicted  
7 commercial" usage amount was calculated (486.55 thousand gallons per  
8 customer) and compared to the actual (500.77 thousand gallons per  
9 customer) usage. The difference, (14.22 thousand gallons) was converted  
10 to CCFs to arrive at the (19.01) CCF adjustment per commercial customer.  
11 Exhibit 5 Schedule 4E provides the calculation.

12 **Q. Please describe Schedules 5 and 6.**

13 A. Schedule 5 provides the average actual annual usage by residential  
14 customer in gallons as well as the predicted average annual usage.  
15 Schedule 6 plots the actual annual usage, predicted annual usage and  
16 includes a linear trend line of actual usage demonstrating the decline in  
17 average consumption. The table at the bottom of the graph compares  
18 actual total gallons and CCFs at the Test Year compared to the Test Period  
19 ending March 31, 2021.

20 **Q. Please describe Schedules 7 and 8.**

21 A. Schedule 7 provides the average actual annual usage by commercial  
22 customer in gallons as well as the predicted average annual usage.  
23 Schedule 8 plots the actual annual usage, predicted annual usage and

1 includes a linear trend line of actual usage demonstrating the decline in  
2 average consumption. The table at the bottom of the graph compares  
3 actual total gallons and CCFs at the Test Year compared to the Test Period  
4 ending March 31, 2021.

5 **Q. How did you develop proposed volumetric and fixed rates?**

6 A. The proposed volumetric and fixed rates were developed by applying the  
7 overall revenue requirement increase of 22.3% to each existing rate.  
8 Please see the testimony of Company witness Prettyman that describes the  
9 Cost of Service Study results and rationale for spreading the overall  
10 revenue increase evenly across all existing rates.

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

12 A. Yes.

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

EXHIBIT 5 TO ACCOMPANY THE

DIRECT TESTIMONY OF TIMOTHY MICHAELSON



SUEZ WATER IDAHO

SUMMARY OF REVENUES UNDER PRESENT RATES AND PRO FORMA REVENUES UNDER PRESENT RATES  
FOR THE TWELVE MONTHS ENDING MARCH 31, 2021

Customer Classification (1)	Pro Forma Revenues, (Schedule 2) (2)	Bill Analysis Revenues, Proposed Rates (Schedule 3) (3)	Adjustment R1 - Annualization of Test Year Growth (4)		Adjustment R2 - Customer Growth from 7/1/2020 - 3/31/2021 (5)		Adjustment R3 - Usage Adjustments (6)	Total Pro Forma Revenue Proposed Rates (7)	Proposed Increase (8)	(9)
			Revenues, Proposed Rates (Schedule 3) (3)	Annualization of Test Year Growth (4)	Customer Growth from 7/1/2020 - 3/31/2021 (5)	Adjustment R3 - Usage Adjustments (6)				
<b>METERED SALES</b>										
Residential	31,317,536	39,077,415	290,494	168,455	(1,244,073)	38,292,291	6,974,755	22.3%		
Commercial	12,997,379	16,151,615	40,665	86,416	(386,660)	15,892,036	2,894,657	22.3%		
Public Authority	140,164	169,793	(1,590)	3,180	-	171,383	31,219	22.3%		
<b>Total Metered Sales</b>	<b>44,455,079</b>	<b>55,398,822</b>	<b>329,570</b>	<b>258,051</b>	<b>(1,630,732)</b>	<b>54,355,710</b>	<b>9,900,632</b>	<b>22.3%</b>		
<b>UNMETERED SALES</b>										
Private Fire Protection	1,162,161	1,372,720	18,996	29,272	-	1,420,987	258,826	22.3%		
Public Fire Protection	3,384	4,138	-	-	-	4,138	754	22.3%		
<b>Total Unmetered Sales</b>	<b>1,165,545</b>	<b>1,376,857</b>	<b>18,996</b>	<b>29,272</b>	<b>-</b>	<b>1,425,125</b>	<b>259,580</b>	<b>22.3%</b>		
<b>Total Sales of Water</b>	<b>45,620,624</b>	<b>56,775,679</b>	<b>348,565</b>	<b>287,323</b>	<b>(1,630,732)</b>	<b>55,780,835</b>	<b>10,160,211</b>	<b>22.3%</b>		
Other Operating Revenue	37,810	37,810	-	-	-	37,810	-			
<b>Total</b>	<b>45,658,434</b>	<b>56,813,489</b>	<b>348,565</b>	<b>287,323</b>	<b>(1,630,732)</b>	<b>55,818,645</b>	<b>10,160,211</b>	<b>22.25%</b>		

SUEZ WATER IDAHO

SUMMARY OF REVENUES UNDER PRESENT RATES AND PRO FORMA REVENUES UNDER PRESENT RATES  
FOR THE TWELVE MONTHS ENDING MARCH 31, 2021

Customer Classification	(1)	(2)	(3)	(4) = (2) + (3)	(5)	(6)	(7)	(8)	(9) = (5) + (6) + (7) + (8)
	Per Books Revenues Test Year Rates 6/30/2020	Removal of Unbilled, Surcharges & Misc	Adjusted Test Year Book Revenue	Bill Analysis Revenues Test Year Rates (Schedule 3)	Adjustment 1 Annualization of Test Year Growth	Adjustment 2 Customer Growth from 7/1/20 - 3/31/21	Adjustment R3 weather usage adjustment	Total Pro Forma Revenue Present Rates	
METERED SALES									
Residential	31,957,231	2,422	31,959,653	31,959,653	237,582	137,772	(1,017,471)	31,317,536	
Commercial	13,209,703	(26)	13,209,677	13,209,677	33,258	70,675	(316,232)	12,997,379	
Public Authority	138,888	(25)	138,863	138,863	(1,300)	2,601	-	140,164	
Total Metered Sales	45,305,822	2,370	45,308,192	45,308,192	269,541	211,048	(1,333,702)	44,455,079	
UNMETERED SALES									
Private Fire Protection	1,122,459	226	1,122,685	1,122,685	15,536	23,940	-	1,162,161	
Public Fire Protection	3,536	(152)	3,384	3,384	-	-	-	3,384	
Total Unmetered Sales	1,125,995	74	1,126,069	1,126,069	15,536	23,940	-	1,165,545	
Total Sales of Water	46,431,817	2,444	46,434,262	46,434,262	285,076	234,988	(1,333,702)	45,620,624	
Other, Surcharge, Unbilled	(134,706)	172,516	37,810	37,810				37,810	
Total	46,297,112	174,960	46,472,072	46,472,072	285,076	234,988	(1,333,702)	45,658,434	

SUEZ WATER IDAHO INC.

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS  
WITH ADJUSTMENTS FOR THE TEST YEAR ENDED JUNE 30, 2020

Rate Block CCF	Number Of Bills	Total Consumption	Present Rate	Revenue	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Bi-Monthly</u>						
Customer Charge						
5/8	139,214	0	\$ 21.11	\$ 2,938,808	\$ 25.81	\$ 3,593,312
3/4	319,537	0	21.11	6,745,426	25.81	8,247,706
1	51,515	0	26.99	1,390,390	33.00	1,700,045
1 1/2	1,512	0	46.17	69,809	56.45	85,356
2	665	0	71.64	47,641	87.60	58,251
Subtotal	512,443	0		11,192,074		13,684,669
Winter Usage	0	4,253,062	1.4674	6,240,943	1.7942	7,630,869
Summer Usage						
Up to 3 CCF	0	618,557	1.4674	907,671	1.7942	1,109,819
Over 3 CCF	0	7,331,090	1.8577	13,618,966	2.2714	16,652,058
Subtotal	0	12,202,709		20,767,580		25,392,745
Subtotal	512,443	12,202,709		31,959,654		39,077,415
Total Class	512,443	12,202,709		31,959,654		39,077,415
<u>Commercial - Bi-Monthly</u>						
Customer Charge						
5/8	3,762	0	\$ 21.11	\$ 79,416	\$ 25.81	\$ 97,103
3/4	11,952	0	21.11	252,307	25.81	308,498
1	14,468	0	26.99	390,491	33.00	477,458
1 1/2	11,974	0	46.17	552,840	56.45	675,963
2	12,970	0	71.64	929,171	87.60	1,136,107
3	1,587	0	139.73	221,752	170.85	271,138
4	221	0	260.68	57,610	318.74	70,441
6	23	0	435.22	10,010	532.15	12,239
Hydrant Rent Flat	754	0	25.00	18,850	30.57	23,048
Subtotal	57,711	0		2,512,447		3,071,995
Winter Usage	0	2,490,080	1.4674	3,653,943	1.7942	4,467,716
Summer Usage						
Up to 3 CCF	0	65,913	1.4674	96,721	1.7942	118,261
Over 3 CCF	0	3,739,337	1.8577	6,946,566	2.2714	8,493,642
Subtotal	0	6,295,330		10,697,230		13,079,620
Total Class	57,711	6,295,330		\$ 13,209,677		\$ 16,151,615

SUEZ WATER IDAHO INC.

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS  
WITH ADJUSTMENTS FOR THE TEST YEAR ENDED JUNE 30, 2020

Rate Block CCF	Number Of Bills	Total Consumption	Present Rate	Revenue	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Other Public Authority - Bi-Monthly</u>						
Customer Charge						
5/8	29	0	\$ 21.11	\$ 612	\$ 25.81	\$ 749
3/4	59	0	21.11	1,245	25.81	1,523
1	163	0	26.99	4,399	33.00	5,379
1 1/2	125	0	46.17	5,771	56.45	7,057
2	233	0	71.64	16,692	87.60	20,410
3	6	0	139.73	838	170.85	1,025
Subtotal	615	0		29,557		36,143
Winter Usage	0	13,186	1.4674	19,349	1.7942	23,658
Summer Usage						
Up to 3 CCF	0	929	1.4674	1,363	1.7942	1,667
Over 3 CCF	0	47,690	1.8577	88,594	2.2714	108,324
Subtotal	0	61,805		109,306		133,650
Total Class	615	61,805		\$ 138,863		\$ 169,793
	570,769	18,559,844		45,308,194		
<u>Private Fire Lines - Bi-Monthly</u>						
Fire Line Size						
3" and smaller	4,672	0	\$ 37.22	\$ 173,892	\$ 45.51	\$ 212,619
4"	3,607	0	56.42	203,507	68.99	248,830
6"	3,246	0	140.12	454,830	171.33	556,125
8"	1,006	0	230.26	231,642	281.54	283,231
10"	60	0	359.08	21,545	439.05	26,343
12"	30	0	537.86	16,136	657.65	19,729
Hydrants	936	0	22.58	21,135	27.61	25,842
Total Private Fire	13,557	0		\$ 1,122,685		\$ 1,372,720
Public Fire	6		564.00	3,384	689.61	4,138
Total	584,326	18,559,844		\$ 46,434,263		\$ 56,775,679

SUEZ WATER IDAHO

SUMMARY OF BILLING DETERMINANTS FOR REVENUE ADJUSTMENTS

**ADJUSTMENT R1: ANNUALIZATION OF TEST YEAR GROWTH**

	Number of Customers		Gain/Loss	1/2 of Growth	Number of Bi-Monthly Bills	Average Usage per Bill CCF	Pro-Forma Annualization Adjustment CCF
	6/30/2019	6/30/2020					
Residential	84,819	86,102	1,283	642	3,849	23.87	91,857
Commercial	9,692	9,740	48	24	144	111.58	16,067
Public Authority	141	139	-2	-1	(6)	82.06	(492)
Private Fire	2,182	2,243	61	31	183	0.00	-

**ADJUSTMENT R2: WEIGHTED CUSTOMER GROWTH THROUGH 3/31/2021**

	Number of Customers		Gain/Loss	Number of Bi-Monthly Bills	Average Usage per Bill CCF	Pro-Forma Growth Adjustment CCF
	6/30/2020	3/31/2021				
Residential	86,102	86,474	372.0	2,232	23.87	53,267
Commercial	9,740	9,791	51.0	306	111.58	34,143
Public Authority	139	141	2.0	12	82.06	985
Private Fire	2,243	2,290	47.0	282	0	-

**ADJUSTMENT R3: WEATHER USAGE ADJUSTMENT**

	Pro-Forma No. Customers 3/31/2021	Adjustment per Customer CCF	Pro-Forma Weather Adjustment CCF
Residential	86,474	-6.91	(597,850)
Commercial	9,791	-19.01	(186,103)

**TOTAL OF PRO-FORMA ADJUSTMENTS (R1 + R2 + R3)**

	Pro-Forma No. Customers 3/31/2021	Total Pro-Forma Adjustment CCF
Residential	86,474	(452,726)
Commercial	9,791	(135,892)
Public Authority	141	493
Fire	2,290	-
		<b>(588,126)</b>

SUEZ WATER IDAHO INC.

R-1 APPLICATION OF PRESENT RATES AND PROPOSED RATES TO NUMBER OF CUSTOMERS ADDED IN TEST YEAR  
YEAR ENDED JUNE 30, 2020

Rate Block CCF	Number Of Bills	Total Consumption	Present Rate	Revenue	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Bi-Monthly</u>						
Customer Charge						
5/8	3,849	0	\$ 21.11	\$ 81,252	\$ 25.81	\$ 99,348
Subtotal	3,849	0		81,252		99,348
Winter Usage	0	32,015	1.4674	46,979	1.7942	57,442
Summer Usage						
Up to 3 CCF	0	4,656	1.4674	6,833	1.7942	8,354
Over 3 CCF	0	55,185	1.8577	102,518	2.2714	125,350
Subtotal	0	91,857		156,330		191,146
Total Class	3,849	91,857		237,582		290,494
<u>Commercial - Bi-Monthly</u>						
Customer Charge						
3/4	34	0	21.11	707	25.81	865
1	41	0	26.99	1,095	33.00	1,339
1 1/2	34	0	46.17	1,550	56.45	1,895
2	36	0	71.64	2,605	87.60	3,185
Subtotal	144	0		5,957		7,283
Winter Usage	0	6,355	1.4674	9,326	1.7942	11,403
Summer Usage						
Up to 3 CCF	0	168	1.4674	247	1.7942	302
Over 3 CCF	0	9,544	1.8577	17,729	2.2714	21,678
Subtotal	0	16,067		27,302		33,382
Total Class	144	16,067		\$ 33,259		\$ 40,665
<u>Other Public Authority - Bi-Monthly</u>						
Customer Charge						
2	(6)	0	71.64	(430)	87.60	(526)
Subtotal	(6)	0		(430)		(526)
Winter Usage	0	(105)	1.4674	(154)	1.7942	(188)
Summer Usage						
Up to 3 CCF	0	(7)	1.4674	(11)	1.7942	(13)
Over 3 CCF	0	(380)	1.8577	(705)	2.2714	(862)
Subtotal	0	(492)		(870)		(1,064)
Total Class	(6)	(492)		\$ (1,300)		\$ (1,590)
	3,987	107,432		269,540		
<u>Private Fire Lines - Bi-Monthly</u>						
Fire Line Size						
3" and smaller	68	0	\$ 37.22	\$ 2,539	\$ 45.51	\$ 3,105
4"	53	0	56.42	2,971	68.99	3,633
6"	47	0	140.12	6,641	171.33	8,120
8"	15	0	230.26	3,384	281.54	4,137
Total Class	183	0		\$ 15,536		\$ 18,996
Total	4,170	107,432		\$ 285,076		\$ 348,565

SUEZ WATER IDAHO INC.

R-2 APPLICATION OF PRESENT RATES AND PROPOSED RATES TO NUMBER OF CUSTOMERS ADDED IN FUTURE YEAR  
YEAR ENDED MARCH 31, 2021

Rate Block CCF	Number Of Bills	Total Consumption	Present Rate	Revenue	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Bi-Monthly</u>						
Customer Charge						
5/8		0	\$ 21.11	\$ 47,118	25.81	\$ 57,611
Subtotal	2,232	0		47,118		57,611
Winter Usage	0	18,565	1.4674	27,243	1.7942	33,310
Summer Usage						
Up to 3 CCF	0	2,700	1.4674	3,962	1.7942	4,845
Over 3 CCF	0	32,001	1.8577	59,449	2.2714	72,689
Subtotal	0	53,267		90,654		110,844
Total Class	2,232	53,267		137,772		168,455
<u>Commercial - Bi-Monthly</u>						
Customer Charge						
5/8	0	0	\$ 21.11	\$ -	25.81	\$ -
3/4	71	0	21.11	1,503	25.81	1,838
1	86	0	26.99	2,327	33.00	2,845
1 1/2	71	0	46.17	3,293	56.45	4,027
2	77	0	71.64	5,535	87.60	6,768
Subtotal	306	0		12,658		15,477
Winter Usage	0	13,505	1.4674	19,817	1.7942	24,231
Summer Usage						
Up to 3 CCF	0	357	1.4674	525	1.7942	641
Over 3 CCF	0	20,281	1.8577	37,675	2.2714	46,066
Subtotal	0	34,143		58,017		70,938
Total Class	306	34,143		\$ 70,675		\$ 86,416
<u>Other Public Authority - Bi-Monthly</u>						
Customer Charge						
2	12	0	71.64	860	87.60	1,051
Subtotal	12	0		860		1,051
Winter Usage	0	210	1.4674	308	1.7942	377
Summer Usage						
Up to 3 CCF	0	15	1.4674	22	1.7942	27
Over 3 CCF	0	760	1.8577	1,411	2.2714	1,726
Subtotal	0	985		1,741		2,129
Total Class	12	985		\$ 2,601		\$ 3,180
	2,550	88,395		211,049		
<u>Private Fire Lines - Bi-Monthly</u>						
Fire Line Size						
3" and smaller	105	0	\$ 37.22	\$ 3,913	45.51	\$ 4,784
4"	81	0	56.42	4,579	68.99	5,599
6"	73	0	140.12	10,234	171.33	12,513
8"	23	0	230.26	5,214	281.54	6,375
Total Class	282	0		\$ 23,940		\$ 29,272
Total	2,832	88,395		\$ 234,989		\$ 287,323

SUEZ WATER IDAHO INC.

R-3 APPLICATION OF PRESENT RATES AND PROPOSED RATES TO USAGE ADJUSTMENTS  
YEAR ENDED MARCH 31, 2021

Rate Block CCF	Number Of Bills	Total Consumption	Present Rate	Revenue	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Bi-Monthly</u>						
Customer Charge	0	0		0		0
Winter Usage	0	(208,371)	1.4674	(305,764)	1.7942	(373,861)
Summer Usage						
Up to 3 CCF	0	(30,305)	1.4674	(44,470)	1.7942	(54,374)
Over 3 CCF	0	(359,174)	1.8577	(667,237)	2.2714	(815,838)
Subtotal	0	(597,850)		(1,017,471)		(1,244,073)
Subtotal	0	(597,850)		(1,017,471)		(1,244,073)
Total Class	0	(597,850)		(1,017,471)		(1,244,073)
<u>Commercial - Bi-Monthly</u>						
Customer Charge	0	0		0		0
Winter Usage	0	(73,612)	1.4674	(108,018)	1.7942	(132,075)
Summer Usage						
Up to 3 CCF	0	(1,949)	1.4674	(2,859)	1.7942	(3,496)
Over 3 CCF	0	(110,542)	1.8577	(205,354)	2.2714	(251,089)
Subtotal	0	(186,103)		(316,232)		(386,660)
Total Class	0	(186,103)		\$ (316,232)		\$ (386,660)
Total	0	(783,953)		(1,333,702)		(1,630,732)



SUEZ Water Idaho  
Calculation of Predicted Residential Consumption (thousand gallons)

Year	(Yr-1990) <sup>2</sup>	Yr-1990	Palmer Z	Actual Residential	Predicted Residential
1990	0	0	(0.89)	168.35	181.58
1991	1	1	(0.52)	170.60	177.35
1992	4	2	(2.14)	180.29	182.10
1993	9	3	1.44	156.37	163.40
1994	16	4	(1.68)	184.18	174.92
1995	25	5	1.72	155.00	157.03
1996	36	6	1.07	163.26	157.40
1997	49	7	0.60	159.56	156.97
1998	64	8	2.28	153.51	146.84
1999	81	9	(0.60)	171.17	157.27
2000	100	10	(0.52)	162.30	154.35
2001	121	11	(1.51)	157.13	156.26
2002	144	12	(1.60)	157.19	154.11
2003	169	13	(0.56)	151.75	146.86
2004	196	14	(0.03)	144.39	141.92
2005	225	15	0.06	132.26	138.96
2006	256	16	(0.24)	135.56	137.75
2007	289	17	(1.48)	139.23	140.79
2008	324	18	(0.72)	130.28	134.81
2009	361	19	0.50	123.17	126.75
2010	400	20	1.35	116.70	120.36
2011	441	21	1.26	114.86	118.21
2012	484	22	(0.85)	122.77	125.17
2013	529	23	(1.34)	122.63	124.82
2014	576	24	(0.67)	119.24	119.25
2015	625	25	(1.22)	116.75	119.17
2016	676	26	(0.74)	115.21	114.45
2017	729	27	0.18	108.04	107.74
2018	784	28	(1.25)	111.26	111.64
2019	841	29	1.14	103.46	98.30
2020	900	30	(0.23)	107.11	101.94

Difference b/w Predicted / Actual Gallons

(5.17)  
(5,171)

CCF

(6.91)

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.971591246
R Square	0.943989549
Adjusted R Square	0.939840627
Standard Error	5.771478279
Observations	30

ANOVA					
	df	SS	MS	F	Significance F
Regression	2	15157.7944	7578.897202	227.5264472	1.26367E-17
Residual	27	899.3689611	33.30996152		
Total	29	16057.16336			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	177.5629843	2.060246891	86.18529417	1.69205E-34	173.3357069	181.7902618
Yr-1990	-2.555800834	0.121867906	-20.97189425	3.04894E-18	-2.805853122	-2.305748546
Palmer Z	-4.50932901	0.928745525	-4.855290163	4.49356E-05	-6.41495742	-2.6037006

SUEZ Water Idaho  
Calculation of Predicted Commercial Consumption (thousand gallons)

Test Year	(Yr-1995) <sup>2</sup>	Yr-1995	Palmer Z	Actual Commercial	Predicted Commercial
1995	0	0	1.72	657.65	682.70
1996	1	1	1.07	706.86	686.82
1997	4	2	0.60	700.32	687.20
1998	9	3	2.28	680.96	642.92
1999	16	4	(0.60)	705.63	693.37
2000	25	5	(0.52)	703.36	682.33
2001	36	6	(1.51)	738.84	693.52
2002	49	7	(1.60)	650.06	686.01
2003	64	8	(0.56)	634.28	655.02
2004	81	9	(0.03)	635.25	634.63
2005	100	10	0.06	596.61	623.38
2006	121	11	(0.24)	623.67	620.23
2007	144	12	(1.48)	634.36	636.61
2008	169	13	(0.72)	579.49	611.44
2009	196	14	0.50	541.89	576.71
2010	225	15	1.35	510.17	549.67
2011	256	16	1.26	520.94	542.16
2012	289	17	(0.85)	573.02	576.62
2013	324	18	(1.34)	571.54	577.42
2014	361	19	(0.67)	570.41	554.12
2015	400	20	(1.22)	554.90	556.16
2016	441	21	(0.74)	551.35	536.81
2017	484	22	0.18	526.50	508.32
2018	529	23	(1.25)	540.53	528.64
2019	576	24	1.14	503.83	469.61
2020	625	25	(0.13)	500.77	486.55

Difference b/w Predicted / Actual Gallons (14,22)  
(14,218)

CCF (19,01)

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.939369011
R Square	0.882414138
Adjusted R Square	0.871724514
Standard Error	25.3750821
Observations	25

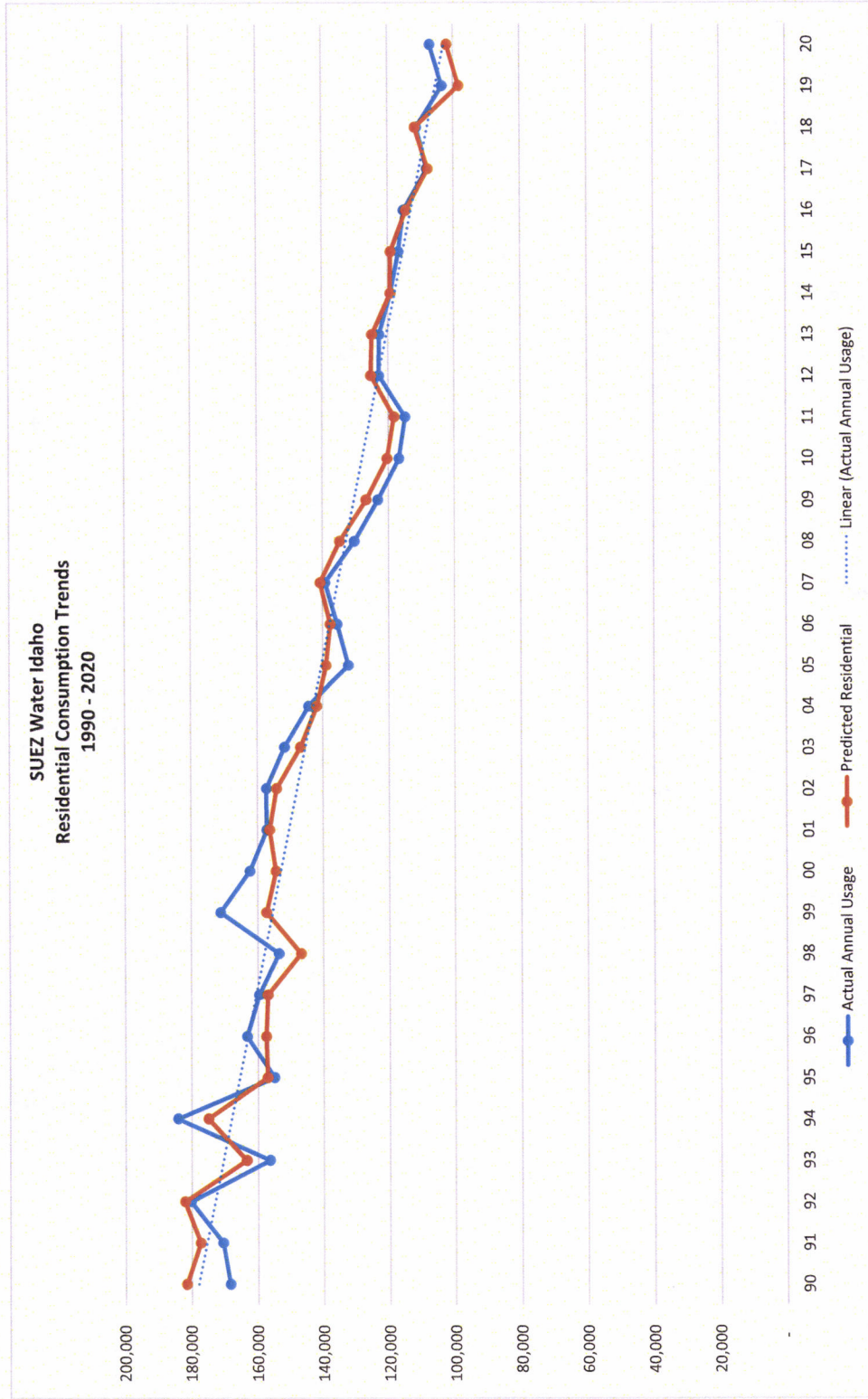
ANOVA	df	SS	MS	F	Significance F
Regression	2	106305.3065	53152.65323	82.54866154	5.94164E-11
Residual	22	14165.68542	643.8947917		
Total	24	120470.9919			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	718.4297044	10.01173729	71.75874512	1.39713E-27	697.6666321	739.1927768	697.6666321	739.1927768
Yr-1995	-9.380615246	0.731494377	-12.82390617	1.09917E-11	-10.89764173	-7.863588759	-10.89764173	-7.863588759
Palmer Z	-20.77552193	4.866462319	-4.269122119	0.000312674	-30.86794707	-10.68309679	-30.86794707	-10.68309679

**SUEZ Water Idaho**  
**Residential Consumption Trends 1990 -2020**  
(gallons per customer)

Year	Actual Annual Usage	Change from Previous Year	Percent	Predicted Residential
90	168,350			181,576
91	170,604	2,255	1.3%	177,352
92	180,289	9,685	5.7%	182,101
93	156,367	(23,922)	-13.3%	163,402
94	184,182	27,815	17.8%	174,915
95	155,001	(29,181)	-15.8%	157,028
96	163,263	8,262	5.3%	157,403
97	159,559	(3,704)	-2.3%	156,967
98	153,513	(6,046)	-3.8%	146,835
99	171,173	17,660	11.5%	157,266
00	162,303	(8,870)	-5.2%	154,350
01	157,127	(5,175)	-3.2%	156,258
02	157,190	63	0.0%	154,108
03	151,750	(5,440)	-3.5%	146,863
04	144,388	(7,362)	-4.9%	141,917
05	132,263	(12,125)	-8.4%	138,955
06	135,560	3,297	2.5%	137,752
07	139,231	3,671	2.7%	140,788
08	130,281	(8,949)	-6.4%	134,805
09	123,172	(7,109)	-5.5%	126,748
10	116,702	(6,471)	-5.3%	120,359
11	114,864	(1,837)	-1.6%	118,209
12	122,772	7,908	6.9%	125,168
13	122,630	(142)	-0.1%	124,822
14	119,242	(3,388)	-2.8%	119,245
15	116,753	(2,489)	-2.1%	119,169
16	115,214	(1,540)	-1.3%	114,449
17	108,042	(7,171)	-6.2%	107,745
18	111,257	3,215	3.0%	111,637
19	103,460	(7,798)	-7.0%	98,304
20	107,107	3,647	3.5%	101,935

**SUEZ Water Idaho  
Residential Consumption Trends  
1990 - 2020**



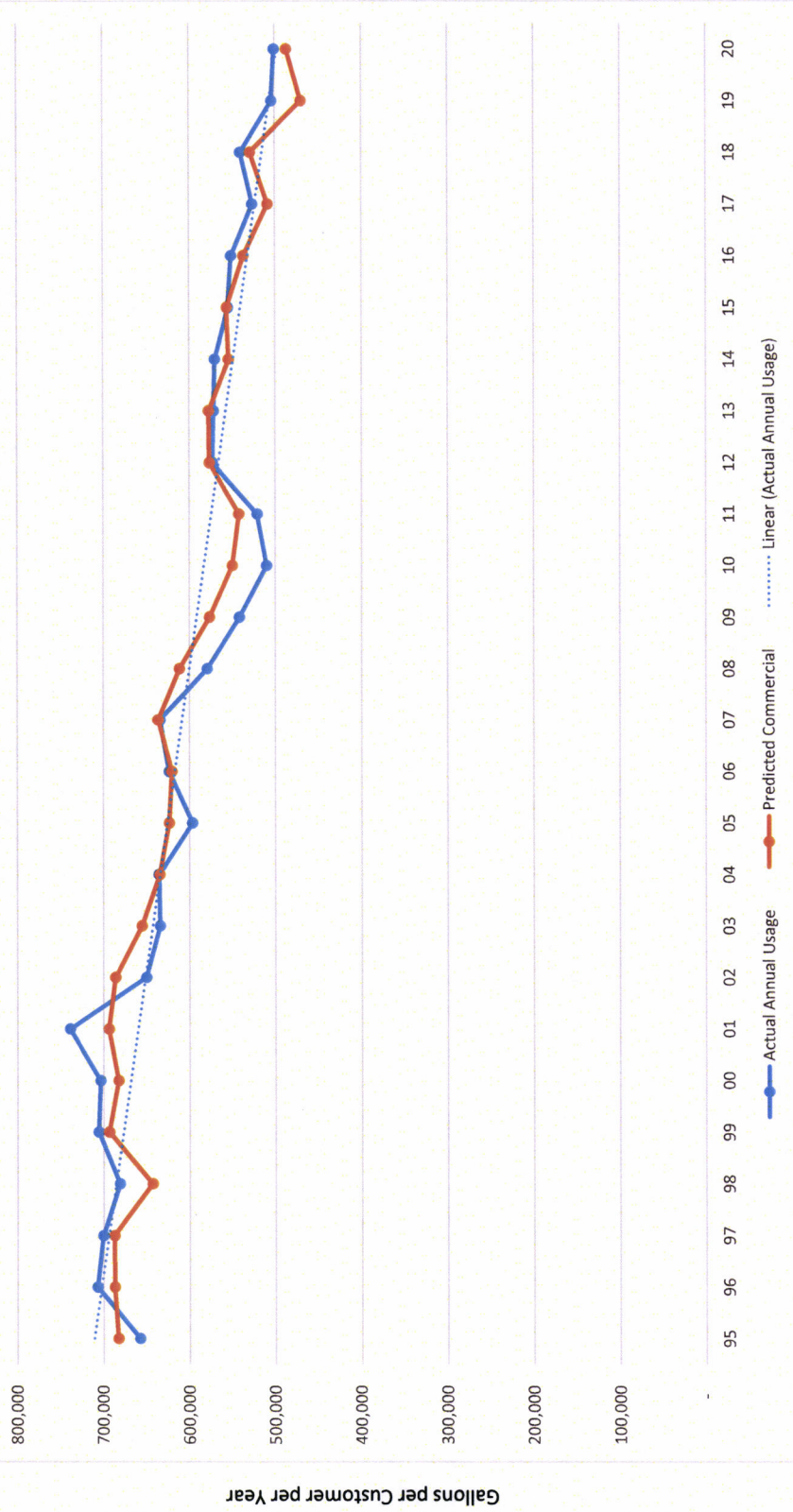
**Billed Test Year Consumption per customer**  
 107,107 gallons per year  
 143.2 CCF per year  
 293 gallons per customer per day

**Projected Future Year Consumption per customer**  
 101,935 gallons per year  
 136.3 CCF per year  
 279 gallons per customer per day

**SUEZ Water Idaho**  
**Commercial Consumption Trends 1990 -2020**  
**(gallons per customer)**

<b>Year</b>	<b>Actual Annual Usage</b>	<b>Change from Previous Year</b>	<b>Percent</b>	<b>Predicted Commercial</b>
95	657,648			682,696
96	706,860	49,212	7.5%	686,819
97	700,319	(6,541)	-0.9%	687,203
98	680,964	(19,354)	-2.8%	642,920
99	705,635	24,670	3.6%	693,373
00	703,356	(2,278)	-0.3%	682,330
01	738,845	35,488	5.0%	693,517
02	650,058	(88,787)	-12.0%	686,006
03	634,278	(15,780)	-2.4%	655,019
04	635,250	973	0.2%	634,627
05	596,606	(38,645)	-6.1%	623,377
06	623,667	27,062	4.5%	620,229
07	634,363	10,696	1.7%	636,610
08	579,490	(54,873)	-8.7%	611,440
09	541,893	(37,597)	-6.5%	576,713
10	510,165	(31,728)	-5.9%	549,674
11	520,941	10,775	2.1%	542,163
12	573,021	52,081	10.0%	576,618
13	571,537	(1,484)	-0.3%	577,418
14	570,415	(1,122)	-0.2%	554,118
15	554,895	(15,519)	-2.7%	556,164
16	551,347	(3,548)	-0.6%	536,811
17	526,498	(24,849)	-4.5%	508,317
18	540,532	14,034	2.7%	528,645
19	503,834	(36,698)	-6.8%	469,611
20	500,766	(3,068)	-0.6%	486,549

**SUEZ Water Idaho  
Commercial Consumption Trends  
1995 - 2020**



**Billed Test Year Consumption per customer**  
 500,766 gallons per year  
 669.5 CCF per year  
 1,372 gallons per customer per day

**Projected Future Year Consumption per customer**  
 486,549 gallons per year  
 650.5 CCF per year  
 1,333 gallons per customer per day

SUEZ WATER IDAHO  
COMPARISON OF PRESENT AND PROPOSED RATES

<u>Bi-Monthly Customer Charge</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percentage Increase</u>
5/8"	21.11	25.81	22.3%
3/4"	21.11	25.81	22.3%
1"	26.99	33.00	22.3%
1 1/2"	46.17	56.45	22.3%
2"	71.64	87.60	22.3%
3"	139.73	170.85	22.3%
4"	260.68	318.74	22.3%
6"	435.22	532.15	22.3%
8"	569.37	696.34	22.3%
10"	811.39	992.33	22.3%

<u>Consumption Charge</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percentage Increase</u>
<b>Winter Rates</b>			
Up to 3 CCF	1.4674	1.7942	22.3%
Over 3 CCF	1.4674	1.7942	22.3%
<b>Summer Rates</b>			
Up to 3 CCF	1.4674	1.7942	22.3%
Over 3 CCF	1.8577	2.2714	22.3%
Hydrant Rent Flat Rate	25.00	30.57	22.3%
Street Sprinkling Service	282.00	344.80	22.3%
Flat Rate Service	81.07	99.03	22.2%

<u>Private Fire</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percentage Increase</u>
3" and smaller	37.22	45.51	22.3%
4"	56.42	68.99	22.3%
6"	140.12	171.33	22.3%
8"	230.26	281.54	22.3%
10"	359.08	439.05	22.3%
12"	537.86	657.65	22.3%
Hydrants	22.58	27.61	22.3%