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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

DIRECT TESTIMONY OF MARSHALL THOMPSON IN SUPPORT OF
STIPULATION AND SETTLEMENT

MARCH 17, 2021

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

2 A. My name is Marshall Thompson. I am the Vice President and General Manager of
3 SUEZ Water Idaho, Inc. (“SUEZ,” “SUEZ Water,” or “Company”). My business address
4 is 8248 West Victory Road, Boise Idaho.

5 **Q. Please describe your involvement in this proceeding.**

6 A. I have been deeply involved in all aspects of this proceeding. I filed direct testimony
7 in support of SUEZ Water’s Application. I reviewed and assisted in responding to the
8 numerous discovery requests filed by Commission Staff and the intervenors in this case. I
9 attended and participated in each of the four settlement conferences, as well as informal
10 phone and video calls with various combinations of the parties to this case, and am familiar
11 with the negotiations, communications, and agreement reached by the parties.

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

13 A. The purpose of my testimony is to describe the Stipulation and Settlement that
14 was signed by the parties to the case, and to recommend that the Commission approve the
15 settlement without change.

16 **Q. While maintaining confidentiality, please describe the process that resulted**
17 **in the Settlement.**

18 A. Of course, all statements made in the course of settlement are confidential, and I
19 will respect that confidentiality. After exchanging extensive discovery, staff scheduled
20 three settlement conferences. Following the third conference, the parties agreed to
21 schedule a fourth conference. To my recollection, every intervenor in this case attended
22 at least a substantial portion of each settlement conference. Simply stated, the parties to

1 the settlement devoted considerable time, effort, and resources for the purposes of
2 reaching settlement in this case.

3 **Q. Did all parties join the Settlement?**

4 A. All intervenors that have expressed the intent to remain parties in this proceeding
5 have joined the settlement. As the Commission knows, this case involved a relatively
6 large number of intervenors representing a number of different perspectives. At the
7 conclusion of the settlement conferences and what I understand to be additional
8 discussions, two intervenors agreed to withdraw from the case. The remaining parties –
9 Commission Staff, Micron Technologies, Inc. (“Micron”), the City of Boise, Ada
10 County, Community Action Partnership Association of Idaho (“CAPAI”), and the Suez
11 Water Customer Group (“SWCG”) – have joined the Settlement.

12 **Q. Please describe the Settlement.**

13 A. The Settlement contains several components, each described in the Settlement
14 itself. I would like to briefly describe revenue requirement; rate design and further study;
15 public outreach; public workshops; and low-income assistance program.

16 As can be expected, revenue requirement was vigorously negotiated. The parties
17 eventually agreed that the Company would be allowed to implement revised tariff
18 schedules designed to recover \$3,996,00. This reflects an overall increase of 8.75%,
19 implemented over two years. As I understand it, based on calculations conducted by the
20 SUEZ team, for the average residential customer using 11.36 ccf, the Settlement would
21 result in an increase of approximately \$1.05 per month for the first year and an additional
22 \$1.54 per month beginning in the second year. The implementation over two years
23 reflects certain tax amortizations, and confers the greatest benefit to customers in the first

1 year, when the benefit may be needed most due to lingering effects of the pandemic. The
2 remaining increase would go into effect in the second year, as described in the
3 Settlement. The Settlement describes in detail several components of revenue
4 requirement. These components, as well as the overall revenue requirement, reflect
5 reasonable compromises reached through intensive negotiations and are consistent with
6 traditional rate-making principles.

7 SUEZ also has agreed to undertake a load study, as described in the Settlement,
8 and to present the results to the Commission in the Company's next rate case. This
9 commitment is designed to ensure that the Company continues to evaluate and improve
10 its understanding of how customers use the water system, and how use drives costs.

11 SUEZ also agreed to expand public outreach efforts to members of the public
12 within its service area, and to conduct public workshops that involve the Company's
13 regulators and members of the public. In the Company's view, these commitments reflect
14 a creative resolution to issues presented in this case that may not have been possible if the
15 case were fully litigated.

16 Finally, SUEZ agreed to work with CAPAI to examine and consider opportunities
17 to expand SUEZ's program for low-income customers.

18 **Q. Do you believe that the Settlement is in the public interest?**

19 A. Yes, I do. All remaining parties in the case have agreed to the Settlement,
20 indicating their satisfaction with the outcome. The Settlement addresses a number of
21 important issues and reflects a reasonable resolution of the issues currently presented, as
22 well as a number of issues on a going-forward basis. From SUEZ's perspective, the
23 Settlement provides the Company with a reasonable opportunity to update its rates to

1 better reflect current costs, to economically finance new investments, and to better serve
2 its Idaho customers. In addition, the Settlement reflects a commitment by SUEZ to
3 engage in outreach and other efforts with several of the parties as well as the public.
4 Accordingly, the Settlement reflects an outcome on a number of issues that could not
5 have been achieved if the proceeding were fully litigated. Overall, I believe the
6 Settlement is fair, just, and reasonable and reflects a balance between the interests of the
7 Company, the parties, and the public.

8 **Q. Does this conclude your direct testimony?**

9 **A.** Yes it does.

10

CERTIFICATE OF SERVICE

I certify that on March 17, 2021, a true and correct copy of the foregoing was served upon all parties of record in this proceeding via electronic mail as indicated below:

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