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Attorneys for Veolia Water Idaho, Inc.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	Case No. VEO-W-22-02
OF VEOLIA WATER IDAHO, INC. FOR)	
AUTHORITY TO INCREASE ITS RATES)	
AND CHARGES FOR WATER SERVICE)	
IN THE STATE OF IDAHO)	
)	
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DIRECT TESTIMONY OF CATHERINE COOPER
FOR VEOLIA WATER IDAHO, INC.

SEPTEMBER 2022

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

2 A. My name is Catherine Cooper. I am the Director of Engineering for Veolia Water
3 Idaho, Inc. (“Veolia” or “Company”). My business address is 8248 W. Victory
4 Road, Boise, Idaho 83709.

5 **Q. Please summarize your educational background and professional experience.**

6 A. I am a graduate of the University of Colorado at Boulder with a Bachelor of Science
7 in Civil Engineering. I completed my Master of Science in Civil Engineering at
8 the University of Washington in Seattle. I have been a licensed Professional
9 Engineer in the State of Idaho since 1999.
10 I have been employed as a civil engineer for 28 years. My work experience includes
11 22 years at Boise area consulting firms where I focused on water system
12 engineering. My experience includes preparing detailed hydraulic calculations;
13 designs for storage tanks, pump stations, pressure reducing stations, pipelines, and
14 well houses; water system Master Facility plans; hydraulic models; and project cost
15 estimates. I was an Owner and Managing Partner at my last consulting firm.
16 I have been employed by Veolia (formerly Suez) since July 2016 as the Director of
17 Engineering in Idaho.

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

19 A. I have oversight over the Company’s capital expenditure budget and short and long-
20 term facility and water supply planning. In addition, I manage selected engineering
21 projects for the Company.

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

23 A. The purpose of my testimony is to discuss:

- 1 ● Pro forma adjustments to the historic test year (ending June 30, 2022) to
2 recognize investments in plant in service through March 31, 2023.
- 3 ● Explanation of the purchased water expense and adjustments thereto as it
4 relates to drought protection and weather conditions.

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

6 A. I am sponsoring the following Exhibits:

- 7 1. Exhibit No. 3 - Test Year Period Plant Additions and Retirements
- 8 2. Exhibit No. 4 - Purchased Water

9 **Q. Since the last general rate case, has the Company continued to invest in utility**
10 **plant in service?**

11 A. Yes. The total plant in service investment net of CIAC from January 1, 2021 to
12 March 31, 2023 is approximately \$70 million, an increase of about 14% over the
13 Company's Plant in Service at January 1, 2021 of approximately \$512 million. The
14 Company continues to provide new and replacement utility plant in all areas of the
15 business including source of supply, water treatment, pumping, transmission and
16 distribution mains, distribution storage, customer service lines, customer meters,
17 information technology, and general plant.

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

20 A. Yes, they are. Additionally, the projects included in the test year rate base from
21 July 1, 2022 through March 31, 2023 will also be in service before the time new
22 rates that reflect these investments go into effect.

1 **Q. Can you discuss, in general terms, the capital additions planned to be placed**
2 **in service from July 1, 2022 through March 31, 2023?**

3 A. Yes. The capital additions include meters and services, pumping equipment, new
4 and replacement mains, a new storage tank, treatment equipment, control
5 equipment, facility improvements, engineering studies, information technology
6 systems, and security upgrades. The test year plant additions for this time period
7 are detailed in two locations with associated exhibits. Plant in service additions for
8 the period of July 1, 2022 to March 31, 2023 are summarized by account number
9 in Exhibit No. 11, Schedule 3 sponsored by witness Njuguna, and are also listed by
10 project name on the attached Exhibit No. 3.

11 **Q. Does Exhibit No. 3 also show retirements, cost of removal and salvage for the**
12 **pro forma period?**

13 A. Yes. The retirements include service lines, meters, pumping equipment, new and
14 replacement mains, treatment equipment, control equipment, information
15 technology equipment, and facility improvements. The cost of removal is included
16 for additions that involve removing an existing asset. In some cases there is no
17 existing asset to remove with the plant addition. Salvage value is included for
18 assets that are anticipated to have an actual salvage value.

19 **Q. Will these plant additions be in service by the end of the test year?**

20 A. Yes. These plant additions are underway and/or planned for completion by the end
21 of the test year, March 31, 2023.

1 Veolia is working towards more permanent surface water arrangements to solidify
2 surface water availability over the long-term for our customers. Natural flow
3 rights, where available, are favored over storage rights that may be more
4 susceptible to drought conditions. Purchases are preferred over leases.

5 The test year amount is lower than the historic test year for two reasons
6 1) there is only one natural flow water bank rental included, and 2) to reflect a shift
7 towards more storage water rental than natural flow rental.

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

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

12 **Q. Can you clarify why the purchased water expense proposed in the test year**
13 **period is less than the historic test year expense by \$61,608?**

14 A. Yes. In the historic test year, there were two charges for natural flow water bank
15 rentals, one in 2021 and one in 2022. It is not expected to be typical that two
16 charges like this would occur in the same year, so the best estimate of this total cost
17 was made for the test year period, which caused the majority of the decrease.

18 **Q. Do you believe \$316,694 as depicted on Exhibit No. 4 is a reasonable allowance**
19 **for purchased water expense for rate making purposes?**

20 A. Yes.

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

22 A. Yes.

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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

Veolia Water Idaho
Test Year Plant Additions and Retirements
July 1, 2022 to March 31, 2023

Project ID	Project Title	In Service Date	Forecast Additions	Forecast Retirements	Forecast Cost of Removal	Forecast Salvage
	Source of Supply					
C22A101	Water Rights	Various	\$ 121,338	\$ -	\$ -	\$ -
C22A104	EWC Water Right Transfers	Dec-22	\$ 11,235	\$ -	\$ -	\$ -
	Subtotals		\$ 132,573	\$ -	\$ -	\$ -
	Treatment					
C20B511	Taggart Wells Treatment	Jun-22	\$ 56,175	\$ -	\$ -	\$ -
C22B501	Replace Treatment Equipment	Various	\$ 100,215	\$ 25,200	\$ 900	\$ -
C22B503	Replace Valves, Meters, & Actuators at WTP's	Various	\$ 50,258	\$ 7,200	\$ 300	\$ -
C22B504	Chlorination Equipment	Various	\$ 228,318	\$ 29,500	\$ 2,000	\$ -
C22B505	CWTP PLC Upgrade	Mar-23	\$ 428,165	\$ 173,000	\$ 10,000	\$ -
C22B506	Surface Treatment Plant Roll-Up	Various	\$ 698,805	\$ 108,000	\$ 9,000	\$ -
C22B507	CL2 Generator Replacement	Various	\$ 759,528	\$ 24,300	\$ 5,000	\$ -
	Subtotals		\$ 2,321,463	\$ 367,200	\$ 27,200	\$ -
	Pumping Plant					
C20C531	Redwood Creek Pump and Pipe Replacement	Mar-23	\$ 617,290	\$ 168,288	\$ 1,500	\$ -
C22C101	Pump Equip-Sources of Supply	Various	\$ 746,205	\$ 52,200	\$ 1,800	\$ -
C22C102	Replace Booster Pump Equipment	Various	\$ 98,115	\$ 18,000	\$ 3,000	\$ -
C22C501	Reconstruct Pumping Facilities and Tank Roads	Various	\$ 191,819	\$ 2,500	\$ 300	\$ -
C22C503	Replace Control Equipment	Various	\$ 59,469	\$ 7,200	\$ 1,200	\$ -
C22C506	Facility Cooling / HVAC Replacement	Various	\$ 71,228	\$ 19,000	\$ 1,800	\$ -
C22C507	Landscaping Replacement - System Facilities	Various	\$ 111,950	\$ 4,000	\$ 400	\$ -
C22C512	Sage Acres Booster Pump Improvements/Generator	Mar-23	\$ 786,305	\$ 2,000	\$ 1,000	\$ -
C22C513	VFD Replacement - key well sources	Dec-22	\$ 133,820	\$ 5,000	\$ 1,000	\$ -
C22C514	EWC Production Roll-up	Various	\$ 284,489	\$ 2,000	\$ 500	\$ -
C22C515	EWC Well 8 and PRV	Mar-23	\$ 280,875	\$ -	\$ -	\$ -
	Subtotals		\$ 3,381,564	\$ 280,188	\$ 12,500	\$ -
	Storage					
C21E105	Whistle Pig Tank	Nov-22	\$ 6,191,545	\$ -	\$ -	\$ -
	Subtotals		\$ 6,191,545	\$ -	\$ -	\$ -
	T & D Mains					
C21D103	Maple Grove Bore to Maple Hills PZ	Sep-22	\$ 1,693,767	\$ -	\$ -	\$ -
C21D104	Gowen Road Main Extension	Jul-22	\$ 2,213,799	\$ -	\$ -	\$ -
C22C509	System PRV re-builds	Various	\$ 44,940	\$ -	\$ -	\$ -
C22C510	Replace PRV Stations	Various	\$ 89,180	\$ 3,000	\$ 700	\$ -
C22D101	Five Mile - Seneca to Sandpiper	Mar-23	\$ 786,450	\$ -	\$ -	\$ -
C22D300	Developer Extensions	Various	\$ 2,117,200	\$ -	\$ -	\$ -
C22D609	T&D Main Replacements	Mar-23	\$ 461,253	\$ 30,000	\$ 5,000	\$ -
C22D611	EWC TD Main Replacements	Sep-22	\$ 87,880	\$ 4,400	\$ 2,000	\$ -
C22D701	Agency Mains	Various	\$ 3,601,413	\$ 105,050	\$ 20,500	\$ -
C22D901	Master Meter New/Replacement	Dec-22	\$ 67,410	\$ -	\$ -	\$ -
CYYD001	Fire Hydrants	Various	\$ 719,939	\$ -	\$ -	\$ -
CYYD002	New Short Mains & Valves	Various	\$ 83,925	\$ -	\$ -	\$ -
CYYD502	Replace Short Mains & Valves	Various	\$ 555,833	\$ 2,970	\$ 300	\$ -
	Subtotals		\$ 12,522,988	\$ 145,420	\$ 28,500	\$ -
	Services					
CYYF003	New Fire Services	Various	\$ 303,345	\$ -	\$ -	\$ -
CYYF505	Services	Various	\$ 2,400,660	\$ 108,000	\$ 26,100	\$ 6,300
	Subtotals		\$ 2,704,005	\$ 108,000	\$ 26,100	\$ 6,300

Veolia Water Idaho
Test Year Plant Additions and Retirements
July 1, 2022 to March 31, 2023

Project ID	Project Title	In Service Date	Forecast Additions	Forecast Retirements	Forecast Cost of Removal	Forecast Salvage
	Meters					
CYYG501	Customer Meters	Various	\$ 1,122,588	\$ 270,000	\$ 9,900	\$ 9,000
	Subtotals		\$ 1,122,588	\$ 270,000	\$ 9,900	\$ 9,000
	Information Technology (IT)					
C10J959	Computer Software CCB (Lighthouse)	Sep-22	\$ -	\$ 5,225,079	\$ -	\$ -
C21J553	Computer Refresh	Aug-22	\$ 206,872	\$ 56,500	\$ 2,000	\$ -
C22J101	IT Equipment	Dec-22	\$ 82,263	\$ 12,000	\$ 2,000	\$ -
C22J501	Replace I&C Equipment	Dec-22	\$ 44,688	\$ 6,000	\$ 1,000	\$ -
C22J503	SCADA System Implementation	Various	\$ 790,668	\$ 100,000	\$ 19,000	\$ -
C22J504	Power Monitoring	Dec-22	\$ 47,811	\$ 4,000	\$ 500	\$ -
C22J505	Replace SCADA Equipment	Dec-22	\$ 65,587	\$ 5,000	\$ 700	\$ -
C22J507	GPS Unit Replacement	Dec-22	\$ 44,440	\$ 4,000	\$ 500	\$ -
	Subtotals		\$ 1,282,327	\$ 5,412,579	\$ 25,700	\$ -
	General Plant					
C20A101	Water Supply Study	Dec-22	\$ 84,667	\$ -	\$ -	\$ -
C20K502	File Relocation Plan	Dec-22	\$ 179,760	\$ -	\$ -	\$ -
C21K106	Well Profiling WQ Study	Mar-23	\$ 325,478	\$ -	\$ -	\$ -
C21K108	GIS Asset Tracking	Nov-22	\$ 47,187	\$ -	\$ -	\$ -
C21K502	Tools - VHF Radios	Jul-22	\$ 20,111	\$ -	\$ -	\$ -
C22K001	Safety/Security Upgrades	Various	\$ 140,438	\$ -	\$ -	\$ -
C22K002	Hydraulic Model Updates / UDF Plans	Oct-22	\$ 56,175	\$ -	\$ -	\$ -
C22K101	Fleet Vehicles	Dec-22	\$ 724,658	\$ -	\$ -	\$ -
C22K103	Map EWC System	Nov-22	\$ 67,410	\$ -	\$ -	\$ -
C22K104	Utility Network GIS and Hydraulic Study	Mar-23	\$ 224,700	\$ -	\$ -	\$ -
C22K106	Snake River Study	Dec-22	\$ 140,438	\$ -	\$ -	\$ -
C22K108	Service Area Studies	Jul-22	\$ 31,907	\$ -	\$ -	\$ -
C22K501	New and Replacement Tools	Various	\$ 101,115	\$ -	\$ -	\$ -
	Subtotals		\$ 2,144,042	\$ -	\$ -	\$ -
Gross Plant Adds, Retirements, COR & Salvage			\$ 31,803,095	\$ 6,583,387	\$ 129,900	\$ 15,300
CIAC			(\$2,405,000)			
Gross Plant Less CIAC			\$29,398,095			
Developer Refunds			\$43,600			

Veolia Water Idaho - Purchased Water Exhibit 4

	ID#	UNITS	PRICE PER UNIT	MISC. FEES	ANNUAL TOTAL UNIT COST	COMMENT
SHARES IN CANAL						
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)	N/A	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	\$16.85	\$35.00	\$1,540.00	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	\$8.00		\$8,800.00	B.O.R.estimates O&M yearly & updates costs.
BASIN 63 RENTAL POOL / WATER BANK						
ANNUAL BASIN 63 RENTAL POOL	Mike Myers	3500	\$20.00		\$140,000.00	Volume rented varies with snow pack and ability to get commitments from other space holders.
WATER BANK	IDWR				\$28,800.00	Water Bank natural flow rental.
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 Veolia Water Idaho customers on Joplin Street get their water from the GC system

\$316,694.00