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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)
_____)
)
)
)

REBUTTAL TESTIMONY OF CATHERINE COOPER FOR

VEOLIA WATER IDAHO, INC.

MARCH 8, 2023

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 Idaho,
3 Inc. (“Veolia” or “Company”). My business address is 8248 W. Victory Road, Boise,
4 Idaho 83709.

5 **Q. Are you the same Catherine Cooper that filed direct testimony in this proceeding?**

6 A. Yes.

7 **Q. What is the purpose of your rebuttal testimony?**

8 A. The purpose of my rebuttal testimony is to discuss:

- 9 • Pro forma adjustments to the historic test year (ending June 30, 2022). As actuals are
10 recorded through February 28, 2023, we have utilized the actual balances as of
11 February 28, 2023, and projected March 2023 resulting in amounts very close to the
12 original projection. My testimony will address plant in service, retirements, cost of
13 removal, and salvage amounts from January 1, 2023 to March 31, 2023.
- 14 • Schedule for Hidden Hollow Tank Painting and Ustick Tank Painting.

15 **Q. Which rebuttal exhibits are you sponsoring?**

16 A. I am sponsoring the following Exhibit:

- 17 • Exhibit No. 16 - Pro Forma Period Plant Additions and Retirements March 2023

18 **Q. Has the Company continued to invest in utility plant in service after December 31,**
19 **2022?**

20 A. Yes, the Company has invested a substantial amount between January 1, 2023 and
21 February 28, 2023 and will continue to invest through March 31, 2023. The Plant In
22 Service projections versus actuals (with an updated projection for March 2023) for time

1 periods between July 1, 2022 and February 28, 2023 as well as the amount projected to be
2 included through March 31, 2023 are shown below.

Plant In Service Summary (\$'s in 000's)				
Total	July 1 - December 31, 2022	January 1, 2023 - February 28, 2023	Mar-23	Total
Projected Amounts From Original Filing, Exhibit 3	\$ 22,652	\$ 2,238	\$ 6,914	\$ 31,803
Actuals (March is a Projection)	\$ 24,771	\$ 3,797	\$ 4,169	\$ 32,737
Difference	\$ 2,119	\$ 1,559	\$ (2,745)	\$ 933
			% Difference	2.9%

3
4 From this summary, it can be seen that the Company has and will continue to
5 make substantial investments (over \$7.9M) in utility plant in service from January 1,
6 2023 to March 31, 2023. Investments from January 1, 2023 to February 28, 2023 are
7 known and measurable, and the March projection is updated with current information.
8 You can see that the Company has done a good job with the projections and the overall
9 total comparison is very close to the original filing, within 3 percent. Staff has reviewed
10 detailed information for nearly every project included in the current utility plant in
11 service projections (Exhibit No. 16) through the Data Requests. Staff has not requested
12 any adjustments or flagged any issues with the Company's projects. We request that the
13 Idaho Public Utilities Commission allow capex investments through March 2023 to be
14 recovered in this rate case in order to encourage the Company to continue making capital
15 investments in the water system.

16 Please see the updated attached Exhibit No. 16 for the March projection of plant
17 in service, retirements, cost of removal, and salvage values.

1 Witness Njuguna has used the Actuals through February with projections for
2 March to update Plant in Service, Retirements, Cost of Removal, and Salvage values in
3 his Exhibit No. 21.

4 **Q. Will these plant in service additions between January 1, 2023 and March 31, 2023**
5 **be used and useful in providing service to the Company's customers?**

6 A. Yes, they will.

7 **Q. The January and February investments are actuals, can you discuss, in general**
8 **terms, the capital additions planned to be placed in service in March 2023?**

9 A. Yes. The March capital additions include pump upgrades, a water quality master plan for
10 East First Bench, upgrade of the programmable logic controllers at Columbia Surface
11 Water Treatment Plant, production roll-up improvements including replacement sodium
12 hypochlorite generators, pressure reducing valve station improvements, a new crew truck,
13 agency main replacements, replacement fire hydrants, short main repairs and
14 replacement, new and replacement services, and new and replacement customer meters.
15 These capital additions are shown on Exhibit No. 16.

16 **Q. Does the updated Exhibit No. 16 also show retirements, cost of removal and salvage**
17 **for March 2023?**

18 A. Yes, the retirements include piping and electrical equipment, control equipment,
19 disinfection equipment, pumps, distribution piping, service materials, and meters. The
20 cost of removal is included for additions that involve removing an existing asset. Salvage
21 value is included for assets that are anticipated to have an actual salvage value.

1 **Q. Will these plant additions be in service by the end of March 2023?**

2 A. Yes. These plant additions are underway, and mostly complete at the time of this update
3 in early March. They will be in service by March 31, 2023.

4 **Q. Please provide an update on the timing of the Hidden Hollow Tank interior painting
5 project.**

6 A. The Hidden Hollow tank interior painting project was included in the company's
7 proposed case as a regulatory asset for recovery over the life of the project (20 years).
8 Work on the project began in October 2022. While the project is progressing well,
9 additional repairs were needed to the roof rafters, causing a slight delay in the completion
10 of the project. Currently the project is scheduled to be completed on April 5th, 2023 and
11 will return to service in April 2023. This slight delay is unfortunate in that the
12 Company will now have to delay amortizing and recovering these costs through the
13 resolution of its next rate case filing.

14 **Q. Please describe the Ustick Tank interior tank painting project.**

15 A. The Ustick Tank interior tank painting project is a re-coating of the interior of Ustick
16 Tank. The project began in October 2022. Originally, the costs of the tank painting
17 project were not included in the Company's case as it was not planned to be complete
18 until April 2023. However, that project has progressed faster than originally planned and
19 will be complete before the end of March 2023. As a result, we are proposing to include
20 the Ustick Tank interior painting costs (total of \$430,100) as a part of rate base and
21 amortization expense (over a 20 year period).

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

23 A. Yes.