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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
VEOLIA WATER IDAHO, INC. FOR)
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER SERVICE IN)
THE STATE OF IDAHO)
)
)
)**

CASE NO. VEO-W-22-02

**REBUTTAL TESTIMONY OF MARSHALL THOMPSON FOR
VEOLIA WATER IDAHO, INC.**

MARCH 8, 2023

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

2 A. My name is Marshall Thompson. I am the Vice President and General Manager for
3 Veolia Water Idaho, Inc. (“Veolia” or “Company”). My business address is 8248 W.
4 Victory Road, Boise, Idaho 83709.

5 **Q. Are you the same Marshall Thompson 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 the Direct Testimony of PUC Staff as
9 listed below:

- 10 ● J. Bossard - Customer Notice and Press Release for this Rate Case Application.
- 11 ● J. Bossard - Company communication with the Commission regarding trends in
12 customer billing concerns.
- 13 ● J. Bossard - The Company’s Cross Connection Control Program
- 14 ● T. Johnson - rejection of 2023 increase to stand-by pay, overtime pay, and
15 employee incentives.
- 16 ● M Eldredge - Regarding AMI implementation
- 17 ● M. Eldredge - Suggested workshop
- 18 ● J York - Potential Special Contract

19 **Q. Please provide a response to J. Bossard’s stated concerns that the Company’s notice**
20 **to customers failed to identify the case number, and that the Company’s press**
21 **release failed to notify customers that they could file comments on the case.**

22 A. The Company makes every effort to prefile notices to the extent possible. However,
23 details such as the case number were not officially known at the time of the Company’s

1 rate case application filing. (The case number is assigned upon filing of the application.)

2 Future press releases from the Company will include clear public notice on the ability to
3 file comments in this rate case, as was offered to customers individually in bill messaging
4 about this case.

5 **Q. Please provide a response to J. Bossard’s recommendation that the company notify**
6 **staff as soon as they recognize a potential large-scale issue that will affect customers.**

7 A. The Company feels that it was prompt and open with PUC consumer staff in addressing
8 these late 2022 rebilling concerns. The Company directly coordinated with staff on
9 individual complaints as early as December 2022 in initial efforts that jointly identified
10 this trend as a potentially large-scale billing issue. The Company provided further
11 clarifying information to PUC consumer staff on the rebilling situation through the
12 following month leading up to a joint meeting on this topic held January 25th.

13 **Q. What are the state of Idaho’s water purveyor requirements and responsibilities**
14 **concerning cross connection control programs?**

15 A. Idaho rules for cross connection control program administration can be found under the
16 Department of Environmental Quality Rules for Public Drinking Water Systems (IDAPA
17 58.01.08). These regulations outline requirements for state water purveyors - public or
18 private - to implement a cross connection control program that takes reasonable and
19 prudent measures to protect the water system against contamination and pollution from
20 cross connections.

1 **Q. Does the company have a cross connection control program that has been reviewed**
2 **by Idaho DEQ?**

3 A. Yes it does. While Idaho DEQ does not formally “approve” cross connection control
4 programs for any water purveyor, the agency has reviewed the company’s program and
5 provided comments and guidance on its structure.

6 **Q. Is J. Bossard’s description of the Company’s cross connection control requirements,**
7 **tracking, and notification practices accurate?**

8 A. No, unfortunately J. Bossard’s testimony was informed by misstatements in the
9 Company’s response to commission production requests: No. 141 (DATABASE), 142
10 (TEST REPORTS, DISCONNECTIONS). Clarification on these points will be offered
11 later in my rebuttal testimony.

12 **Q. Should the Company follow staff’s recommendations to adopt new digital tools for**
13 **cross connection control program administration?**

14 A. No, updating the company’s response to Request No. 141, Veolia Water Idaho does in
15 fact maintain a digital database of cross connection program field activities.

16 The following table shows specific cross connection control program activities
17 tracked in the company’s work management system. This table does not include
18 additional cross connection assignments conducted as part of all new in-fill and
19 development projects.

1 **Cross Connection Control Program Field Activities by Type by Year**

Cross Connection Prog.	2020	2021	2022*	2023 (YTD)
Cross Conn Inspection	27	33	293	62
Fire Service Connect/Disconnect	50	23	219	11
Water Truck Hydrant Inspection	20	4	0	0
Fire Hydrant Meter Request	0	32	74	9
Total Program Activities	97	92	586	82

2 *Notes: Addition of +1 FTE Cross Connection Control Specialist and notable field inspection workload following the company's acquisition of
 3 EWC.

4 **Q. Would you like to update the Company's response to item (c) from Request No.**
 5 **142?**

6 A. Yes. The following table shows total backflow test reports (PUC Staff 'Certificates')
 7 received by the Company per year from private testing groups since 2020. Testing has
 8 remained balanced around an annual average of 4,378 test reports per year since 2020.
 9 The Company is seeking to increase testing numbers with the hard-copy backflow
 10 awareness mailers and new communication efforts initiated in 2022.

11 **Backflow Test Reports**

Received by the Company	2020	2021	2022	2023 (YTD)
Email	2,716	3,050	3,368	667
Postal Mail	1,759	1,228	1,015	27
Total	4,475	4,278	4,383	694

12 **Q. In light of the Company's miscommunication on these production requests, how**
 13 **will you ensure program details are better shared and understood in future**
 14 **commission proceedings?**

1 A. The Company regrets omission of digital records on these two production responses, and
2 has already taken steps to ensure greater care is taken in knowledge transfer efforts
3 between departing and newly hired staff members. In the period from 2020-2022, the
4 Company's Cross Connection Control Program staff underwent 100% turn-over in all
5 roles from field support to program management. While new staff members did their best
6 to respond to the commission's production requests with the information they had access
7 to, they lacked full awareness of the Company's digital systems for program
8 management. Contributing to this were the large number of production requests in the
9 case and the request to respond within an expedited timeframe, sometimes as quickly as
10 one week after the request was filed despite the 21-day timeframe for responses allowed
11 under the Commission rules.

12 In 2022, the Company initiated an internal review of its Cross Connection Control
13 Program and will continue with that effort in 2023. The purpose of this review is to
14 educate new managers and program staff on the State of Idaho's Cross Connection
15 Control program requirements, and to fully detail the Company's program specifics and
16 field reporting workflows for clarity. At the completion of this review, the Company
17 would like to present an overview of its program to DEQ and PUC staff for clarity and
18 alignment.

19 **Q. Please provide the Company's response to M. Eldred's comments regarding AMI**
20 **implementation.**

21 A. M. Eldred, in his testimony, states "the Company's rollout of AMI meters across their
22 service territory could have been altered to collect the necessary data". M. Eldred's
23 statement is contrary to the work and intent of the Company's AMI roll out. AMI meters

1 are installed to remotely collect volumetric readings for the purpose of volumetric billing
2 and customer leak detection. While this system does provide valuable information to the
3 Company for planning purposes, it is not deployed as a planning tool, nor should it be.
4 Company AMI meters will be found on all new service connections, or as phased in
5 replacements targeting meters based on service age or operational necessity in any given
6 area of the service territory. The system's current population of AMI meters (34% of all
7 meters) was shown by experts at Black and Veatch to be well above the required number
8 for a statistically significant sample set needed for the Company's load study assessment.
9 The Company's AMI rollout has been in progress since 2016 and will continue until
10 around 2035. Like many routine investments in the company distribution infrastructure,
11 AMI deployment is now considered customary and routine. Such investments would be
12 bolstered and enhanced with consideration from the commission on treating them as
13 eligible for DSIC style recovery mechanisms found in other state commissions.

14 **Q. Please provide the Company's response to M. Eldred's comments regarding a new**
15 **load study and cost of service study and suggested workshop.**

16 A. As always, the Company is happy to discuss issues with Staff, including a future load
17 study and cost of service study. Any such discussion would evaluate the practicality of a
18 study's approach, as well the cost benefit to customers. As described in the testimony of
19 Ann Bui, many of M. Eldred's suggestions were considered and found to be unworkable
20 from either the standpoint of available billing data for analysis or effective justification
21 for the substantial cost associated with developing new data-sets for such an effort. If the
22 Commission were to include such requirements in its Order, the Company would request

1 that any associated costs from currently unspecified data gathering and analysis efforts be
2 deferred for future rate recovery.

3 **Q. Please provide the Company's response to J. York regarding a potential special**
4 **contract.**

5 A. No relevant information regarding Micron's future plans are included in this case. As a
6 result, there is no feasible way to determine the information necessary to determine rates
7 based upon Micron's growth which is slated to begin in 2025. When such information is
8 available, the costs associated with such plans can be determined, and incorporated into a
9 filing to be made before the Commission addressing reasonably known factors. The
10 Company is happy to discuss a potential special contract when such information is known
11 and measurable. However, without such information, the Company believes this case is
12 not the venue to develop speculative rates.

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

14 A. Yes.