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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF VEOLIA WATER	)	
IDAHO, INC.'S APPLICATION FOR AN	)	CASE NO. VEO-W-26-02
ACCOUNTING ORDER FOR COSTS	)	
ASSOCIATED WITH LOAD STUDY	)	
	)	COMMENTS OF THE
	)	COMMISSION STAFF
	)	

COMMISSION STAFF ("STAFF") OF the Idaho Public Utilities Commission ("Commission"), by and through its attorney of record, Kelsea E. Ross, Deputy Attorney General, submits the following comments.

BACKGROUND

On July 31, 2026, Veolia Water Idaho, Inc. ("Company") applied to the Commission requesting an accounting order ("Application") for deferred accounting treatment of incremental costs related to a load study that the Company must complete pursuant to a stipulation and settlement approved by the Commission in Order No. 36624 ("Stipulation and Settlement"). Application at 1–2.

The Company represents that as of the date of the Application, it had incurred \$22,355 in costs associated with building the framework for the load study and that it expects to incur additional costs associated with developing and eventually conducting the load study. *Id.* at 2–3.

The Company requests authority to track and preserve for future ratemaking the incremental costs associated with developing and conducting the load study in a deferred account, instead of being required to expense the costs as they are incurred. *Id.* at 3. The Company

explained that if the Application is approved, it will track the incremental costs for the load study separately from its operating expenses. *Id.* at 5.

The Company represents that it is not asking the Commission to determine whether the deferred costs can be recovered in rates. *Id.* at 4. The Company also stated that if approved, the requested accounting treatment will not affect current customer rates. *Id.*

STAFF ANALYSIS

Staff reviewed the Application, responses to Staff Production Requests, and all relevant previous cases and Commission Orders. Based upon its review, Staff recommends that the Commission approve the Company's request for deferred accounting treatment for costs associated with the described load study.

Load Study Requirements and Costs

Order No. 36624 approved the Stipulation and Settlement agreed to by the Company, Staff, Micron Technology, and City of Boise ("Parties") in Case No. VEO-W-24-01. Order No. 36624 at 5. In the Stipulation and Settlement, the Parties agreed to the following terms:

- a. ...[H]old semi-annual workshops to discuss weather normalization methodology; a load study, addressed in more detail below; revenue-recovery mechanisms to address potential recovery of costs associated with these and other projects; and the Company's procurement and project management processes.
- b. Regarding a load study, the Parties agree to hold a workshop regarding the load study within six months of an order approving the Stipulation to set forth the framework for the study, including the study goal, definitions, appropriate criteria to use in a load study; the availability and sufficiency of AMI data to support an accurate and reliable load study; the possibility of using sampling techniques to support a load study; the potential classes to be included in a load study; costs associated with gathering additional data and potential necessary meter deployments; and other relevant topics. The Parties intend to discuss in good faith with the goal of having an agreed-upon framework for a load study within twelve months of the Commission's approval of this Stipulation. The Company agrees to collect data as necessary and to conduct a load study in accordance with any agreed-upon framework by June 2028

Stipulation and Settlement at 5–6.

The Company has held two semi-annual workshops and continues to collaborate with the Parties in developing the load study framework. Application at 2. The Company has incurred

costs related to internal labor and outside consultants to perform tasks related to the load study. *Id.* The Company expects to incur costs pertaining to, but not limited to, consultant costs associated with participation in the semi-annual workshops, development of the load study framework, performance of the load study, and other related activities necessary to comply with the Settlement and Stipulation requirements. *Id.* at 3. The Company received additional invoices from vendors after the Application was filed, bringing the total costs incurred to \$28,728 through July 2026. Response to Staff Production Request No. 1. The Company did not provide an estimate of the overall cost of the load study because it believes such an estimate would be highly speculative. Response to Staff Production Request No. 2. Staff believes the Company is incurring these costs to comply with the load study requirements established in the Stipulation and Settlement. The Company is not requesting ratemaking treatment in this case and intends to provide documentation to support any future request for ratemaking treatment in a future general rate case. *Id.*

Company Request for Deferral Account

The Company requests an accounting order to allow it to record the incremental load study expenses as a regulatory asset. Application at 4. Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 980-340-25-1¹ states:

Rate actions of a regulator can provide reasonable assurance of the existence of an asset. An entity shall capitalize all or part of an incurred cost that would otherwise be charged to expense if both of the following criteria are met:

- a. It is probable (as defined in Topic 450) that future revenue in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for rate-making purposes.
- b. Based on available evidence, the future revenue will be provided to permit recovery of the previously incurred cost rather than to provide for expected levels of similar future costs. If the revenue will be provided through an automatic rate-adjustment clause, this criterion requires that the regulator's intent clearly be to permit recovery of the previously incurred cost.

A cost that does not meet these asset recognition criteria at the date the cost is incurred shall be recognized as a regulatory asset when it does meet those criteria at a later date.

¹ Financial Accounting Standards Board, *Accounting Standards Codification—What You Get*, <https://asc.fasb.org/1943274/2147477711> (last visited September 22, 2026).

Although the load study costs did not meet the regulatory asset recognition criteria when initially incurred, this criteria would be satisfied upon Commission approval of the Company's request for deferred accounting treatment. The first criterion would be met because it would be probable, as defined in FASB ASC 450, that future revenues in an amount at least equal to the costs to be capitalized will result from the inclusion of those costs in allowable costs for ratemaking purposes. The second criterion would also be met because approval of the requested accounting order will allow for future revenues intended to recover the prudently incurred costs, rather than to provide recovery for expected levels of similar future costs. Accordingly, upon Commission approval of deferred accounting treatment, the previously incurred costs would meet the requirements for recognition as a regulatory asset under FASB ASC 980-340-25-1.

Establishment of a regulatory asset would allow the Company to track the incremental costs of the load study and seek future ratemaking treatment when final costs are known. Staff did not request invoices because Staff believes the prudence and appropriate ratemaking treatment of the costs should be determined in a future general rate case when costs are known and measurable. Staff and other parties would then be able to review the deferred costs and recommend the appropriate ratemaking treatment to the Commission. If the Commission approves deferred accounting treatment of the load study costs as requested, Staff believes such approval does not mean that the costs incurred are prudent or recoverable.

STAFF RECOMMENDATION

Staff recommends that the Commission issue an accounting order authorizing the Company to establish a regulatory asset to record the incremental costs associated with the required load study.

Respectfully submitted this 1st day of October 2026.



Kelsea E. Ross
Deputy Attorney General

Technical Staff: James Chandler

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 1st DAY OF OCTOBER 2026, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. VEO-W-26-02, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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