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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

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF JARMILA CARY

SEPTEMBER 2020

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

2 A. Jarmila M. Cary, 8248 West Victory Road, Boise, Idaho 83709.

3 **Q. By whom are you employed and in what capacity?**

4 A. I am employed by SUEZ Water Idaho Inc. ("SUEZ", "SUEZ Water Idaho" or
5 "Company") in the capacity of Director of Finance and Customer Service.

6 **Q. How long have you been employed by SUEZ Water Idaho?**

7 A. I have been employed by SUEZ Water Idaho since June 1997.

8 **Q. Briefly describe your responsibilities during your tenure.**

9 A. As Director of Finance and Customer Service, I have oversight over the
10 Company's financial activities including planning, variance analysis,
11 operational reporting, payroll, accounts payable, and development and
12 monitoring of business metrics. I participate in rate filings, monitor capital
13 expenditure investment, and define and implement changes in
14 management initiatives. I am also the contact person within SUEZ Water
15 Idaho for centralized functions such as Accounting, Audit, Tax, Treasury
16 and Procurement. In March 2018, my role expanded to include oversight of
17 the Customer Service department, including billing functions, call center,
18 meter reading, customer service field work activities, cashiering, etc.
19 Additionally, I provided testimony before the Idaho Public Utilities
20 Commission in the Company's 2011 and 2015 general rate cases, 2018
21 filing for approval of sale and acquisition of Eagle Water Company, and
22 2019 filing for exemption from Utility Customer Relation Rules 311(4) and
23 (5) related to customer contact requirements, accepting payments during

disconnection, and eliminating customer convenience fees. In 2020 I provided testimony in Case SUZ-W-20-01 requesting authorization for SUEZ to eliminate collection of tax gross-up payments associated with contributions in aid of construction.

During April 2013, accounting functions transitioned to the SUEZ Corporate office. From January 2003 until April 2013, I was in a supervisory role, as Manager of Accounting. I assisted Company Witness Healy in formulating rate increase requests and operating expense adjustments in the 2006, 2009 and 2011 general rate cases. From 1997 until January 2003, I was in a Senior Accountant role, performing general ledger accounting, planning functions, variance analysis, etc. In that role I also prepared annual reports to the Idaho Public Utilities Commission and the Idaho State Tax Commission.

Q. What is your educational background?

A. I was granted a Bachelor of Science in Business, with a major in Accounting, from the University of Idaho in December 1996 and attended NARUC Utility Rate School.

Q. In connection with the Company's present application for an increase in rates and charges, what is the scope of your participation and testimony?

A. My participation and testimony concerns operating expenses of the Company as well as the calculation of rate base for the test year ended June 30, 2020 with pro forma adjustments through March 31, 2021.

1 Additionally I am sponsoring the calculation of the Company's Depreciation
2 Expense. I analyzed the Company's books and records, determined where
3 it was prudent to make adjustments to test year results, and prepared
4 necessary exhibits to reflect the adjustments.

5 **Q. What exhibit numbers are you using for your adjustments?**

6 A. Exhibits accompanying my testimony:

- 7 ▪ Exhibit 7 - Balance Sheet
- 8 ▪ Exhibit 8 - Income Statement
- 9 ▪ Exhibit 10, Schedule 1 - Operating expense adjustments
- 10 ▪ Exhibit 10, Schedule 2 - Adjustment to depreciation expense and
11 amortization of utility plant acquisition adjustments
- 12 ▪ Exhibit 10, Schedule 3 - Adjustment to Operating taxes
- 13 ▪ Exhibit 11, Schedule 1 - Rate Base Summary
- 14 ▪ Exhibit 11, Schedule 2 - 13 Month Average worksheet
- 15 ▪ Exhibit 11, Schedule 3 - Plant in service with forecast additions and
16 retirements
- 17 ▪ Exhibit 11, Schedule 4 - Accumulated Depreciation and Accumulated CIAC
18 amortization
- 19 ▪ Exhibit 11, Schedule 5 - Developer Advances
- 20 ▪ Exhibit 11, Schedule 6 - Contributions in Aid of Construction
- 21 ▪ Exhibit 11, Schedule 7 - Summary of Net Utility Plant Acquisition
22 Adjustments
- 23 ▪ Exhibit 11, Schedule 8 - Accumulated Deferred Income Taxes
- 24 ▪ Exhibit 11, Schedule 9 - Deferred Debits Balance Included in Rate Base

- 1 ▪ Exhibit 11, Schedule 10 - Working Capital Calculation
- 2 ▪ Exhibit 11, Schedule 11 - Regulatory Liability (TCJA) Tax

3 Q. Please describe the approach you have taken in preparing the exhibits
4 for operation expenses.

5 A. I have relied on information and data produced within the Company, and
6 my own investigation thereof, as the basis for adjustments.

7 **Q. Please describe the various normalizing and annualizing adjustments,**
8 **as well as known and measurable adjustments, made to operating**
9 **expenses Exhibit 10, Schedule 1.**

10 A. Adjustment No. 1 Payroll increases payroll to Operations and
11 Maintenance expense by \$1,020,817. Test year Operations & Maintenance
12 payroll expense is \$5,258,779 and the pro forma amount is \$6,279,596.
13 Test year gross payroll is \$7,721,909 and pro forma gross payroll is
14 \$9,220,860. The components of this adjustment are:

15 **Number of positions:** The test year consisted of 110 filled full-time
16 employees (63 Bargaining Unit and 47 non-bargaining). In the pro forma
17 year, the Company work force is 120 full time employees (65 Bargaining
18 Unit and 55 non-bargaining).

19 **Wage adjustments:** The adjustment includes the impact of the April
20 1, 2021 contractually obligated actual pay increase (2.875%) for Bargaining
21 Unit employees. For all Bargaining Unit employees, pay rates are applied
22 to 2,080 hours in the pro forma year. For Non-Bargaining employees, pay
23 rates reflect March/April 2021 anticipated wages subject to true-up.

1 reflecting a 2.5% change over 2020 and applied to 1,950 hours. The pro
2 forma labor to Operations & Maintenance amount is calculated using the
3 test year ratio of 68.10% of opex payroll to gross payroll.

4 **Standby-by Pay, Shift Pay and Overtime Pay:** The pro forma
5 adjustment includes standby pay and shift pay at pro forma pay rates for
6 Bargaining Unit employees as well as shift pay for Customer Service
7 Representatives for rotational duties performed related to cashiering,
8 bankruptcy and billing functions. Overtime is included at test year level, in
9 line with the three-year average, adjusted by 2.875% for the bargaining unit
10 contractually obligated wage increase.

11 **Incentive Programs:** Incentive bonuses for exempt and non-exempt
12 employees are based on the test year award level percentage, adjusted to
13 pro forma wages and for employee position changes. Exempt employees
14 may be eligible to participate in the Company's Short Term Incentive Plan
15 (STIP) if they meet goal targets and criteria requirements. A target award,
16 based upon their job/salary grade, is established as a percentage of base
17 pay. Broadly, the incentive is based on achievement in two goal categories:
18 personal goals and Company goals. Non-exempt, non-bargaining
19 employees are eligible to participate in the Non-Exempt Incentive Program.
20 This plan is based upon meeting Safety and Compliance Training goals.
21 Bargaining Unit employees are not eligible for incentive pay programs per
22 bargaining contract provisions.

1 **Q. Please identify and explain the increase in staffing from the**
2 **Company's Test Year level of staffing.**

3 A. The net increase of 10 positions from the test year is due to the filling of
4 vacancies and accounted for by the hiring of an Engineering Admin,
5 Customer Service Representative, Environmental Health & Safety
6 Manager, Engineering Design Technician, Operator, Utility Worker,
7 Inventory Control Specialist, Operations Supervisor, Operations Manager
8 and Project Manager.

9 **Q. Please continue describing the remaining normalizing and**
10 **annualizing adjustments, as well as known and measurable**
11 **adjustments made to operating expenses.**

12 A. Adjustment No. 2 Workers Compensation increases workers
13 compensation insurance by \$126,777 from the test year amount of \$55,534.
14 It is adjusted to exclude IBNR (incurred but not reported) reserves that were
15 reflected in test year and prior years. The pro forma amount is based upon
16 the three year average of workers compensation percentage as a ratio of
17 gross payroll. A pro forma adjustment of \$22,259 is added as an annualized
18 amount of worker's compensation claim deductible expenses incurred for
19 the first half of 2020, but not reflected in the test year amount due to their
20 semi-annual booking. The average for the last three calendar years (2017
21 through 2019), produces a ratio of 1.736% of workers compensation
22 expense to gross payroll. Applying this ratio to the pro forma level of gross

1 payroll \$9,220,860, along with the above mentioned adjustments results in
2 pro forma expense of \$182,311.

3 Adjustment No. 3 Pension Expense – Cash Contributions increases
4 pension expense by \$1,024,351, over the test year pension expense
5 (service cost and interest component) of \$1,052,798. The Company is
6 required to apply FAS 87 in determining book expense. In Order No. 29838,
7 UWI-W-04-04, the Commission found that it was not appropriate, for the
8 purposes of determining rate recovery, to use the FAS 87 pension expense
9 accrual. The Commission determined that, for rate making purposes, cash
10 contributed to the pension plan is the appropriate level to be recovered in
11 rates. Pension cash contributions from plan year 2017 through 2019
12 averages at \$2,077,148. This three year average replaces the accrual
13 method in this filing. The current threshold established in Case No. UWI-W-
14 15-01 was \$1,521,508. The Company is proposing raising the deferral
15 threshold of pension cash contributions to \$2,077,148 to reflect the current
16 level of cash contributions.

17 Adjustment No. 4 PBOP decreases test year pro forma expense by
18 \$50,529 for PBOP (Post Retirement Benefits Other Than Pension). The test
19 year amount is (\$302,898). The 20 year amortization of the transition
20 obligation of \$40,560 ended and there is no amortization reflected in the
21 test year nor in the pro forma. The pro forma level of expense represents
22 the FAS 106 expense of (\$353,156) as contained in the Towers Watson
23 actuarial valuation dated March, 2020, a service cost of \$207,049 and

1 interest component of (\$560,205). The total pro forma expense is
2 (\$353,156).

3 Adjustment No. 5 Employee Healthcare, Group Term Life and Long
4 Term Disability increases the cost of providing medical, dental, group term
5 life insurance, and long term disability coverage to employees who choose
6 to be covered by SUEZ benefits, by \$556,654. Vision insurance is entirely
7 funded by employees. Employees contribute approximately 9% toward the
8 cost of health care. The test year excludes \$25,388 of IBNR - incurred but
9 not reported claims reserve for a net Test Year expense of \$1,312,385. The
10 pro forma is based on test year expense, employee elections, adjusted to
11 the pro forma employee count of 120. Pro forma includes an adjustment for
12 the average annual increase in healthcare costs using year end 2017
13 through the projected 2020 year end costs, or a 3.36% increase, subject to
14 true up. The pro forma Company expense is \$1,869,039.

15 Adjustment No. 6 401k increases test year 401k Company matching
16 expense by \$53,282. The test year amount is \$274,485 and pro forma
17 amount is \$327,768. The test year level of participation as a percentage of
18 401k expense to gross payroll is 3.55%. This rate is applied to the pro forma
19 level of gross payroll of \$9,220,860.

20 Adjustment No. 7 Other Employee Benefits increases test year
21 expense by \$831 for tuition assistance. The test year expense is \$9,143
22 and 110 employees and pro forma amount is \$9,974 based test year ratio
23 of expense to employees and applied to 120 pro forma employees.

1 Adjustment No. 8 Payroll Overheads normalizes fringe benefit costs
2 chargeable to other than Operations and Maintenance expense and
3 reduces test year O&M expense by (\$465,680). The test year credit is
4 (\$905,112) and the pro forma credit is (\$1,370,792). The Company uses a
5 fringe benefit allocation (FBA) method to ensure employee benefits follow
6 labor charges. A portion of fringe benefit costs are therefore transferred off
7 the income statement to the balance sheet, primarily following labor
8 charged to capital projects. The test year relationship of capitalized payroll
9 to gross payroll dollars is 31.90%. This same rate is applied to pro forma
10 benefit costs.

11 Adjustment No. 9 Purchased Water increases purchased water
12 expense by \$19,080 from the test year level of \$198,234, to a pro forma
13 level of \$217,314. This adjustment reflects an incremental increase in the
14 annual expense of purchased water due to the expired contract leasing of
15 shares from Boise City Canal Co. to meet water supply needs. Company
16 Witness Cooper provides an explanation of the Company's leased water
17 program in her testimony.

18 Adjustment No. 10 Energy increases the pro forma cost of purchased
19 power by \$127,255 from the test year amount of \$2,379,951 to the pro
20 forma amount of \$2,507,206. The pro forma expense reflects test year
21 billing determinants priced at current Idaho Power Company tariff base
22 rates and does not anticipate any additional price increases. Power
23 expense is reduced by (\$20,000) the anticipated proceeds from SUEZ's

1 participation in the Idaho Power demand response program previously
2 administered by EnerNOC. Pro forma expense also includes the test level
3 expense of other power, diesel fuel for generators, natural gas and other
4 utility costs.

5 **Q. Does the company defer any portion of Idaho Power Company**
6 **billings?**

7 A. Yes, the Company follows Commission Accounting Order No. 28800 in
8 Case No. UWI-W-01-02 which allowed the Company to defer Idaho Power
9 Company's PCA and FCA charges and present the accumulated deferral
10 for amortization recovery in subsequent rate filings.

11 **Q Briefly, how was pro forma power expense calculated?**

12 A. Pro forma power expense is based on twelve months of Idaho Power
13 Company's invoices for pumping and distribution costs. SUEZ consumed
14 34,037,030 kWh in the test year and the same kWh and billing determinants
15 are used in the projection for the pro forma period. These units were priced
16 out at Idaho Power Company tariff rates in effect on June 2020 for
17 schedules 7, 9S and 9P and Power Cost Adjustment rates per tariff
18 Schedule 55. Added to this electricity expense is the test year level of
19 generator fuel, other power and other utility costs.

20 **Q. How is power expense normalized to match Company Witness**
21 **Michaelson's pro forma revenue adjustments?**

22 A. In Adjustment 33, the test year revenue adjustments made by Company
23 Witness Michaelson's Exhibit 5 Schedules 2 and 4 (annualized and pro

forma growth, weather and other pro forma usage adjustments) result in a pro forma reduction to both energy and chemical costs of (\$87,662) combined.

Q. Please proceed with your next adjustment.

A. Adjustment No. 11 Chemicals increases test year chemical expense of \$386,445 by \$35,658, to a pro forma expense of \$422,103. Treatment chemicals are utilized in the water treatment process to disinfect drinking water, to otherwise make water safe to consume, or to improve water aesthetically. Test year quantities for each chemical agent were totaled and priced out at the most recent test year actual invoice price.

Adjustment No. 12 Materials increases by \$16,845 based on a three year average level of costs to a pro forma amount of \$207,430.

Adjustment No. 13 Rent Expense increases test year of \$9,749 by \$1,725 to adjust for an annual Harris Ranch facilities lease not included in the test year due to delay in payment processing for a pro forma amount of \$11,474.

Adjustment No. 14 Subcontractor Expenses includes certain costs for field contractors, water quality testing fees and location services and increases them by \$6,078 from a test year expense of \$343,120 to a pro forma amount of \$349,198. The test year total does not reflect \$4,995 of Badger Daylighting vac truck charges that were not received or paid until August due to a vendor invoicing issue. Water quality testing is also increased by \$20,000 required for a Synthetic Organic Chemicals (SOC)

1 monitoring requirement enforcement change. There is also a \$18,917
2 reduction of the pro forma expense by reducing Digline location service
3 costs that were higher than normal during the test year due to SUEZ's
4 Cityworks system integration. These costs are not expected to re-occur and
5 should not be reflected in the normal level of expense.

6 Adjustment No 15. Customer Billing increases test year expense for
7 customer billing related services by \$179,376 from the test year level of
8 \$344,385, to the pro forma amount of \$523,762. The pro forma amount is
9 based on a three year average level of bill generation and postage costs
10 and eBilling services from 2017 through 2019 and includes a 1.4% customer
11 growth from test year for an adjustment of \$5,459.

12 The pro forma amount also includes a projection of monthly customer
13 payment convenience fees of \$11,500 based on the average monthly
14 deferred amount from Dec. 8, 2019 through June 2020. The deferral was
15 authorized by Commission Order 34405 Case No. SUZ-W-19-01 in which
16 SUEZ requested and was granted exemption from Utility Customer Relation
17 Rules 311.04 and .05 and to waive all customer payment processing fees.

18 The Company negotiated a 65% reduction in payment processing
19 costs going from \$1.99 per credit card or ATM payment down to \$1.20 per
20 transaction. This fee reduction was only possible because the fee is being
21 absorbed by SUEZ. Based on 135,000 Western Union payments from Sept.
22 2019 to August 2020, this reduced the annual cost by more than \$106,000.
23 With a 20% increase in number of payment processed since the fee was

1 absorbed compared to the previous 6 months, it's not reasonable to expect
2 savings to be more than \$125,000 per year. The associated amortization
3 expense of the deferred convenience fee amount is addressed in
4 Adjustment No. 31.

5 Adjustment No. 16 Office Expenses increases certain costs by
6 \$96,776 from the test year amount of \$207,787 to \$304,563 pro forma to
7 adjust for new costs \$23,434 related to the Notify customer notification
8 system, which allows the company to contact customers in emergency
9 situations. This is possible by utilizing the Company's GIS system which
10 contains the company's infrastructure data, including fire hydrant locations,
11 valves, main lines and customer service pipes, in conjunction with customer
12 information housed in the Customer Contact & Billing system (CC&B) in
13 order to quickly reach out to customers who may be impacted in an
14 emergency situation, for planned and unplanned outages, etc.

15 Additionally the test year does not include \$43,905 of Cityworks
16 licensing cost increases per contract and additional licenses needed for new
17 employees. The final adjustment for office expenses is the addition of
18 \$29,438 for the new SAMS Water Quality management software cost. This
19 software enables the Company to manage water quality testing
20 requirements and record results electronically with direct input from the
21 laboratory performing the water quality testing.

22 Adjustment No. 17 Sludge Removal increase the cost due to well
23 cleaning and hazardous waste removal by \$6,614 going from a test year

1 amount of \$13,824 to \$20,437. The adjustment is based on a three year
2 average level of costs. This expense varies based on the level of sediment
3 in water treatment settling ponds and from the Company's well rehabilitation
4 work.

5 Adjustment No.18 Bad Debt increases test year bad debt expense
6 by \$336,407 from the test year level of \$249,976 to a pro forma amount of
7 \$586,383. Adjustments to the allowance for uncollectible reserves are
8 removed from the uncollectible expense calculation. The pro forma amount
9 is based on a three year ratio 2017 through 2019 of bad debt expense to
10 revenue 0.567% applied to the pro forma revenue at current rates of
11 \$45,620,624.

12 In response to the COVID-19 pandemic and the financial hardships
13 experienced by some customers, the Company along with other Idaho
14 utilities postponed collections activities from March through September
15 2020. While the full impact of the economic downturn is yet unknown, the
16 Company recorded an incremental adjustment of \$327,930 to its bad debt
17 reserve to reflect the expected credit losses associated with the effect of the
18 COVID-19 pandemic. The same adjustment is reflected in the pro forma
19 bad debt amount.

20 The adjustment is based on a combination of the results of two
21 financial models. The accounts receivable aging model is reflecting the
22 effect of the increase in the aging buckets year over year, and the second
23 model is using the methodology from the American Water Works

1 Association ("AWWA") COVID-19 financial impact report on water utilities.
2 The AWWA model incorporates the impact of the unemployment rate factor
3 before and after the pandemic to determine the expected incremental
4 delinquencies. This adjustment is subject to true up.

5 Adjustment No. 19 Management & Service Fees are increased by
6 \$109,776 from a test year amount of \$3,631,870 to \$3,741,646. This
7 adjustment captures shared costs for various corporate office support,
8 service and management functions. Company Witness Cagle's testimony
9 and his Exhibit 2 Schedules 1-3 will address Management and Services
10 fees. Shared costs are generally allocated based on a three factor
11 approach. The projected expense is based on six months of actual costs
12 ending June 2020, excludes depreciation expense of \$371,210 and is then
13 annualized. An adjustment of 2.5% is included as a wage adjustment factor.
14 Insurance premiums are increased based on a projected 10.8% change or
15 \$14,722.

16 Shared assets are allocated to the Company as operating expenses,
17 rather than capitalizing portions of shared assets individually as a past
18 practice. The pro forma expense is adjusted to include shared asset
19 expenses, including related depreciation expense. Please see testimony of
20 Company Witness Cagle for an explanation of the shared assets expense
21 allocated to SUEZ Water Idaho.

22 Adjustment No. 20 General Business Insurance increases test year
23 expense for business insurance, including liability and property coverage of

\$444 and excludes \$327,913 of IBNR (incurred but not reported reserves).

The test year amount is increased by \$75,803 to the pro forma amount of \$76,247. General insurance premiums are captured in Management and Service fees as of 2016, however the deductibles for claims paid will be captured in general insurance expense from 2020 forward. The deductibles claims costs are not reflected in the test year amount due to the semi-annual recording of this expense. The pro forma amount is based on actual claim deductibles incurred from January through June 2020 and annualized.

Adjustment No. 21 Transportation increases transportation expense by \$189,686 from the test year level of \$483,399 to a pro forma amount of \$673,084. The Company uses a vehicle allocation process to distribute transportation costs to the applicable income statement or balance sheet accounts. All components of vehicle costs such as lease payments, fuel, maintenance materials and outside contractors, mechanic payroll and benefits, insurance, GPS and others are coded to a clearing account on the Company's balance sheet. On a monthly basis, these costs are cleared to expense or construction costs based upon the time allocation of departments with assigned vehicles.

Pro forma costs are based on 2021 budgeted amounts using the test-year 59.5% allocation to operations and maintenance expense. Lease costs are increasing in the pro forma year by \$370,115. The increase is driven by the addition of four vehicles for new staff and replacement of 8 old vehicles

1 whose paid-off lease cost was just \$13 monthly. These vehicles were being
2 replaced due to wear and tear, high mileage and maintenance issues.

3 As lease agreements expire vehicles are ultimately disposed of, any
4 proceeds flow back into the vehicle allocation process and reduce gross
5 costs to be allocated. The level of proceeds varies from year to year. Based
6 on the age and condition of vehicles to be replaced, the Company projects
7 that the proceeds will result in an amount of \$12,500.

8 Fuel prices are \$2.35 per gallon for gasoline and \$2.13 per gallon for
9 diesel. Test year average prices were \$2.50 and \$2.75 per gallon,
10 respectively. Fuel consumption is projected to be 50,500 gallons of gasoline
11 and 10,000 gallons of diesel fuel. Fuel prices account for a decrease in
12 costs of approximately \$13,700 in the pro forma year. Insurance costs are
13 expected to increase by \$16,755 and other categories of costs are going
14 down by \$32,651.

15 Adjustment No. 22 Advertising Expense is being adjusted by
16 \$92,072 from a test year amount of \$106,161 to a pro forma of \$198,233.
17 The level of costs is based on a three year average and includes an
18 adjustment for a new customer confidence report (CCR) requirement for
19 twice yearly customer notifications starting in 2021. The \$46,200 pro forma
20 adjustment includes the cost to produce, place an ad for, and postage to
21 deliver the CCR notification to each customer. Pro forma also includes a
22 \$32,904 adjustment for SUEZ Web Marketing Campaigns used to inform
23 customers of enhancements made to the Company's website and other

1 important changes that were delayed due to the onset of the COVID-19
2 pandemic but will take place late 2020 and \$7,000 of conservation related
3 support activities such as the Wine for Water filter building expense which
4 was also impacted by the pandemic but will take place going forward.

5 Adjustment No. 23 IPUC Assessment decreases test year IPUC
6 Annual Assessment expense by \$2,494 from the test year expense of
7 \$120,788 to the pro forma level of \$118,294. The pro forma amount is based
8 on the Commission's 2020 utility assessment rate of 0.2593% per invoice
9 dated April 20, 2020 instructing SUEZ to make a payment of \$119,439. This
10 rate is applied to the pro forma projected revenues as of March 2021 at
11 current rates of \$45,620,624, and is subject to true up.

12 Adjustment No. 24 Safety Expense increases by \$22,413 from a test
13 year amount of \$124,344 to a pro forma amount of \$145,756. The
14 adjustment includes 50% of the cost of a two-year rotational asbestos
15 training requirement of \$3,750 and \$8,000 for asbestos and chemical
16 exposure assessment annual requirement which was not captured in the
17 test year. The adjustment also includes \$10,663 of personal protection
18 expenses and uniform costs for 10 new employees based on a cost of
19 \$1,066 per year per employee.

20 Adjustment No. 25 Rate Case Amortization increases test year
21 expense by \$69,913 for deferred rate case expense amortization. The test
22 year amount of rate case expense amortization is \$0. The prior amortization
23 expired in December, 2018. The Company seeks recovery of the current

1 rate case costs, estimated to be \$209,738. The Company seeks a three-
2 year recovery of this expense.

3 Adjustment No. 26 Relocation Amortization decrease test year
4 expense of \$11,726 by \$11,726, to a pro forma level of \$0 for amortization
5 of deferred relocation costs. In the Company's 2015 rate case, the
6 Company received permission to amortize relocation costs of \$58,629 over
7 five years for the Senior Engineer position hired in March 2013. That
8 amortization period has run out and the test year level of expense needs to
9 be removed from pro forma.

10 Adjustment No. 27 Tank Painting Amortization increases test year
11 tank painting expense of \$55,769 by \$89,442 to a pro forma amount of
12 \$145,210. Since the 2014 case, the Company has painted the Barber tank
13 interior for \$338,037, Hulls Gulch interior for \$1,135,161, Hulls Gulch
14 exterior for \$213,330 and Hidden Hollow exterior for \$102,317. The
15 Company is requesting a twenty year amortization period, consistent with
16 recent SUEZ rate case and stipulation agreements. Amortization expense
17 has been adjusted to reflect the addition of the new amortization amounts.

18 Adjustment No. 28 Pension Amortization increases test year
19 expense by \$891,360 for the amortization of Deferred Pension. In Case
20 UWI-W-15-01 Order No. 32443, the Commission approved the Settlement
21 Stipulation agreed to by the Company and IPUC staff. In the Stipulation, it
22 was agreed that actual pension plan contributions were \$1,521,508. This
23 amount was adopted as the benchmark from which future cash

1 contributions would be compared. Payments over or under the \$1,521,508
2 benchmark were authorized to be deferred for future consideration. Actual
3 cash contributions in 2017 were \$2,533,785, \$2,307,812 in 2018 and
4 \$1,389,848 in 2019 and will be an estimated \$2,077,148 from January 2020
5 through March 2021. The Company has exceeded the benchmark in plan
6 years 2016, 2017 and 2018 by \$2,129,402 and was below the threshold in
7 2019 by \$131,660.

8 Through June 2020, two payments have been made for a total of
9 \$128,804 and additional payments projected through March 2021 of
10 \$1,948,344 and the exceedance is expected to be \$555,640. The total
11 deferred cash payments balance is expected to be \$2,553,382 plus accrued
12 interest applied through March 2021 of \$120,699, equals \$2,674,081.
13 Amortized over a three year period, the expense will be \$891,360.

14 Adjustment No. 29 Power Amortization increases the test year by
15 \$269,173 for deferred power amortization expense, over the test year
16 amount of \$0. The Company seeks recovery of the deferred PCA (annual
17 adjustment mechanism) approved in Case UWI-W-01-02, for cost incurred
18 since the last rate case through June 2020 of \$679,825 including
19 accumulated interest. The pro forma period projects deferred power from
20 July 2020 through March 2021 at an additional \$116,306 cost with \$11,387
21 of interest for a total pro forma deferred balance of \$807,518. The pro forma
22 PCA deferral is based on Idaho Power Company's June 2020 tariff rates
23 and projected kWh's per the budget of 23,921,382 kWh priced at \$0.004862

1 per kWh. The total projected deferral of \$807,518 amortized over three
2 years, results in an annual expense of \$269,173.

3 Adjustment No. 30 AFUDC Equity Gross Up Amortization increases
4 amortization of AFUDC Equity Gross Up by \$11,128 from the test year level
5 of \$38,684 to a pro forma level of \$49,812. The IPUC authorized the deferral
6 treatment of that portion of AFUDC in Case No. UWI-W-04-04 Order 29838
7 (Page 13) and authorized its amortization in Case UWI-W-15-01.

8 Adjustment No. 31 Deferred Customer Convenience Fee
9 amortization is increasing by \$61,718 from a test year amount of \$0 to a pro
10 forma of \$61,718. The Company received approval to defer customer
11 payment convenience fees in Case No. SUZ-19-01 Order 34405. From
12 December 2019 through June 2020 the Company deferred \$70,155 of fees
13 incurred through May 2020. The average monthly cost is projected as
14 \$11,500 for 10 months of costs from June 2020 through March 2021 activity,
15 for a pro forma amount of \$185,155. The Company is requesting these
16 costs be included in rates. Based on a proposed three year amortization
17 period, the annual expense would be \$61,718.

18 Adjustment No. 32 Amortization of Excess Deferred Income Taxes
19 is being reduced by \$363,372 for the ARAM (Average Rate Assumption
20 Method) Excess Accumulated Deferred Income Taxes (EADIT) - Protected
21 amount amortization of \$203,000 and EADIT Unprotected amount
22 amortized over 10 years of \$160,372 that occurred as result of the 2018
23 Tax Cuts and Jobs Act which reduced corporate income tax rates. This

1 adjustment is further explained in Company Witness Kahn's testimony,
2 Exhibit 12 Schedule 1.

3 Adjustment No. 33 Variable Expense Volume Normalization reduces
4 test year operating expenses for Power & Chemicals by \$87,662 to coincide
5 with the revenue reduction adjustment made by Company Witness
6 Michaelson based on his review & analysis of the downward consumption
7 trend of SUEZ customers. The ratio of variable test year operating expenses
8 (Power \$2,379,951 and Chemicals \$386,445) totaling \$2,766,397 to
9 variable consumptive revenue \$31,574,116 is 8.762%. Company Witness
10 Michaelson makes revenue adjustments to include the annualization of test
11 year growth of \$182,761, post test year growth of \$150,413, a weather &
12 usage adjustment to consumptive revenue of \$1,333,702 for a net revenue
13 adjustment of \$1,000,528 per his Exhibit 5 schedule 4. Since this
14 consumptive revenue decline must logically impact power and chemical
15 expense, they will decrease by 8.228% of \$1,000,528 or \$87,662.

16 **Q. Please explain Exhibit No. 10, Schedule 2.**

17 A. Exhibit No. 10, Schedule 2 consists of two pages indicating the depreciable
18 basis of Utility Plant in Service by primary utility account, net of contributions
19 and advances, the depreciation rate for each plant account and the annual
20 depreciation expense by primary utility account indicating a pro forma
21 depreciation amount of \$10,794,161 along with the amortization of utility
22 plant acquisition adjustment which remains unchanged at \$20,710. The
23 depreciation rates utilized are further described in Company Witness

1 Watson's testimony, who prepared an analysis of the Company's assets
2 and recommended several changes to asset depreciation rates. Using
3 current depreciation rates, the expense would have been \$124,700 higher.
4 As provided by Company Witness Watson, the depreciation reserve
5 balance difference of \$909,827 is proposed to be amortized over 10 years
6 per Exhibit No. 13, Schedule 2, Appendix A-2.

7 **Q. Please explain Exhibit No. 10, Schedule 3, Pages 1, 2, 3 and 4.**

8 A. Exhibit No 10, Schedule No 3, Adjustment No 1, Page 1 of 4
9 Property Taxes reflect the test year level of Ada County Property Tax as
10 \$1,814,918 and will be subject to true up when the current levy rate
11 becomes known and 2020 year-end results are available. For reference
12 purposes the assessed value per Idaho State Tax Commission letter dated
13 June 10, 2020 is \$168,709,373 for year ended 2019. Using the last actual
14 levy rate per the November 12, 2019 property tax bill of 1.2289% and
15 \$2,166 of irrigation district taxes produces \$2,075,518 anticipated 2020
16 property tax expense.

17 For the pro forma calculation using a 2020 year ended anticipated
18 valuation of \$173,590,595 is based on the same calculation methodology
19 utilized by the Idaho State Tax Commission. The pro forma calculation
20 utilizes the same November 12, 2019 levy rate, which produces a pro forma
21 property tax expense of \$2,135,524.

22 The test year book amount of \$1,814,918 is increased by \$320,606
23 to the pro forma expense of \$2,135,524. No levy rate increase is included

1 in the pro forma adjustment. The pro forma adjustment is based on a mix of
2 known and measurable information, the actual 2019 levy rate of 1.2289%,
3 projected 2020 Operating Income and projected 2020 plant balances based
4 on anticipated year end results.

5 **Q. Why do you anticipate an increase in Property Tax expense?**

6 A. The Company filed its annual Operator Statement for the calendar year
7 ending December 31, 2019, with the Idaho State Tax Commission (ISTC)
8 in April 2020 and will file the 2020 year-end report in early 2021. The
9 Operator Statement contains financial information that allows the ISTC
10 appraiser to value the Company based on the capitalization of net operating
11 income (NOI). The NOI Weighted indicator of value is anticipated to
12 increase in the 2020 appraisal as compared to the 2019 appraisal, by
13 approximately \$2.5M. The financial information in the Operator Statement
14 also allows the appraiser to calculate the cost indicator of value in a process
15 that mimics the rate base calculation used in this case. The cost indicator
16 is expected to increase by approximately \$10.5M based on the utility plant
17 investment balance. The Operator Statement provides substantiation of
18 property tax exemptions for which the Company qualifies. The value of the
19 exemptions is expected to increase by \$328k. The ISTC has a process for
20 determining the appropriate capitalization rate to apply to the net operating
21 income. The June 10, 2020 valuation indicated a 7.11% capitalization rate.
22 At the end of the process, the ISTC certifies the Company's value to Ada
23 County for the actual calculation of taxes based on approved levy rates. The

1 Company has taken a conservative approach to the applicable levy rate and
2 capitalization rate by using the test year amounts.

3 **Q. Please explain Exhibit No. 10, Schedule 3, Pages 2, 3 and 4 Payroll**
4 **Taxes**

5 A. Exhibit No. 10, Schedule 3, Pages 2, 3 and 4 increases the test year level
6 of payroll taxes by \$122,644 combined. Page 2 indicates an increase in
7 FICA taxes of \$121,014. Page 3 reflects a decrease of (\$51) in Federal
8 unemployment taxes. Page 4 shows an increase of \$1,167 in Idaho State
9 unemployment taxes. All payroll taxes have been adjusted based on
10 anticipated 2021 statutory limits and rates in effect for 2020.

11 **Q. Please address your testimony regarding rate base.**

12 A. The Company was directed by the Commission in Case UWI-W-04-04,
13 Orders 29838 and 29871 to file future rate cases utilizing a thirteen-month
14 average rate base methodology. Major elements of rate base, namely plant
15 in service, accumulated depreciation, contributions in aid of construction,
16 advances for construction and utility plant acquisition adjustments are all
17 thirteen-month averaged.

18 The cost of the Brian Subdivision connection is included in rate base
19 without thirteen-month averaging and accumulates post-closing AFUDC.
20 The Idaho Department of Environmental Quality required Brian Subdivision
21 to eliminate contaminants from its domestic water system after Nitrate levels
22 were detected, posing a serious health risk. After evaluating potential
23 solutions, the most feasible way to accomplish this was to connect its

1 system to SUEZ and have SUEZ make the necessary improvements to
2 ensure access to safe drinking water and provide fire protection.
3 Commission Order No. 33195 in the UWI-W-14-01 case approved SUEZ to
4 serve the 46 Brian Subdivision customers. A follow-up Order No. 34153
5 from the SUZ-W-18-01 case approved the project constructions costs and
6 required Brian Subdivision customers be responsible for 10% of the pipeline
7 costs and full costs for services and meter installations via a customer
8 surcharge.

9 Continuing with the other components of rate base, working capital
10 is computed as of the Company's June 30, 2020 balance sheet using the
11 one eighth of operating expenses methodology. Deferred debits are not
12 averaged but are included in rate base at their anticipated March 31, 2021
13 balance at the end of the pro forma period.

14 **Q. What is the level of rate base the Company is requesting in this**
15 **proceeding?**

16 A. The thirteen-month average rate base is \$218,358,831. Company Witness
17 Cooper discusses the plant in service additions that are a part of the reason
18 for the increase in her direct testimony.

19 **Q. Please explain Exhibit 11, Schedule 1.**

20 A. Exhibit 11, Schedule 1, Page 1 of 1, Rate Base Summary, shows the
21 elements of the Company's rate base as of March 31, 2021, using the
22 thirteen-month average methodology. The elements of rate base are as
23 follows: Utility Plant in Service; Accumulated Depreciation; Customer

1 Advances for Construction; Contributions In Aid of Construction; Net Utility
2 Plant Acquisition Adjustments; Accumulated Deferred Income Taxes;
3 Deferred Charges; Working Capital and a Regulatory Liability as a result of
4 the Tax Cuts and Jobs Act.

5 **Q. Please explain Exhibit 11, Schedule 2.**

6 A. Exhibit 11, Schedule 2, Page 1 of 1, Thirteen-Month Average Worksheet,
7 shows the monthly balances from March 31, 2020 to March 31, 2021 for
8 those rate base components that are thirteen-month averaged. Monthly
9 balances are carried forward to this schedule from the supporting schedules
10 for Plant in Service (Schedule 3), Accumulated Depreciation and
11 Amortization (Schedule 4), Customer Advances for Construction (Schedule
12 5), Contributions in Aid of Construction (Schedule 6), Utility Plant
13 Acquisition Adjustment (Schedule 7). Schedule 2 shows the thirteen-month
14 average calculation of the balances from the respective schedules.

15 **Q. Please explain Exhibit 11, Schedule 3, Pages 1 through 3.**

16 A. Exhibit 11, Schedule 3, Pages 1 through 3 shows the Company's Utility
17 Plant balance as of June 30, 2020 by plant account. Schedule 3 then
18 summarizes the forecast plant additions and retirements by plant account
19 from July 2020 through March 2021. Company Witness Cooper's Exhibit 3
20 forms the basis for the plant activity shown on this schedule. The thirteen-
21 month average of Utility Plant in Service is \$502,722,323 and includes the
22 Brian Subdivision project reflected at full cost.

23 **Q. Please explain Exhibit 11, Schedule 4, Page 1 of 1.**

1 A. Exhibit 11, Schedule 4, Page 1 of 1 shows the Company's Accumulated
2 Depreciation and CIAC Amortization. The schedule shows the recorded
3 amounts for these rate base components for the months of March 2020
4 through June 2020. For the months beginning in July 2020, we calculated
5 a monthly incremental amount for both accumulated depreciation and
6 amortization of CIAC. To these monthly amounts, we added any retirement,
7 cost of removal or salvage information provided by Company Witness
8 Cooper, forming a balance for accumulated depreciation and amortization
9 of CIAC for the months of July 2021 through March 2021. The thirteen-
10 month average of accumulated depreciation is \$134,427,651, while the
11 thirteen-month average for amortization of CIAC is \$43,831,601, for a
12 combined total of \$178,259,251.

13 **Q. Please explain Exhibit 11, Schedule 5, Page 1 of 1.**

14 A. Exhibit 11, Schedule 5, Page 1 of 1 summarizes change to advances for
15 construction for the test year. Since the issuance of Order No. 28505 in
16 case UWI-W-00-1, the Company does not depreciate advanced property.
17 This requires the Company to accurately track, by associated plant account,
18 all additions and refunds impacting the advance account. The thirteen-
19 month average balance of advances for construction is \$4,032,785.

20 **Q. Please explain Exhibit 11, Schedule 6, Page 1 of 1.**

21 A. Exhibit 11, Schedule 6, Page 1 of 1 indicates activity in Contributions in Aid
22 of Construction (CIAC) during the test period. Like advances for
23 construction, CIAC funded assets are not depreciated for rate-making

1 purposes. The thirteen-month average balance of net CIAC is
2 \$100,937,086.

3 **Q. Please explain Exhibit 11, Schedule 7, Page 1 of 1.**

4 A. Exhibit 11, Schedule 7, Page 1 of 1 indicates the net change to the balance
5 of Utility Plant Acquisition Adjustment (UPAA). The UPAA gross balance is
6 comprised of both debit and credit balances. The gross value of the six
7 individual UPAA items, all approved by the Commission in various
8 proceedings, is a positive \$600,762. As of March 31, 2021 the net balance
9 will be \$359,336; the thirteen-month average balance is \$369,691.

10 **Q. Please explain Exhibit 11, Schedule 8, Page 1 of 1.**

11 A. Exhibit 11, Schedule 8, Page 1 of 1 indicates the composition of
12 Accumulated Deferred Income Taxes (ADIT) at the end of the test period.
13 The tax depreciation portion of this account was adjusted for assets in
14 service as of March 31, 2021. The balance of ADIT excludable from rate
15 base for rate-making purposes is (\$3,404,986).

16 **Q. Please explain Exhibit 11, Schedule 9, Page 1 of 1.**

17 A. Exhibit 11, Schedule 9, Page 1 of 1 identifies the deferred items the
18 Company has included in rate base. The total balance is \$4,809,940. Of this
19 balance, \$1,676,786 is the net unamortized balance of deferred items as of
20 June 30, 2020 included in rate base from the Company's five previous rate
21 cases. The \$3,213,064 of new deferred charges requested for inclusion in
22 rate base in this proceeding is comprised of eight line items. The Company
23 is requesting a twenty year amortization of tank painting expenditures, in

1 line with the amortization of tank paintings granted in case UWI-W-04-04 as
2 well as in the stipulations for the 2006, 2009, 2011 and 2015 rate cases.
3 The Company is also requesting a 3-year amortization period of rate case
4 expense, deferred power costs consistent with prior SUEZ rate cases and
5 the same 3-year amortization for deferred customer convenience fees.

6 The first new tank painting amount incurred by the Company is the
7 cost to paint the interior of the Barber tank. The cost of this project was
8 \$338,037. Next is the cost of painting the inside of Hulls Gulch tank at a
9 cost of \$1,135,161 and painting of the tank's exterior for an additional
10 \$213,330. The Hidden Hollow tank was painted at a cost of \$102,317. The
11 estimated cost of preparing and presenting the current case is \$209,738.

12 Also included is the Company's request are costs incurred for
13 customer convenience fees approved for deferral in Order No. 34405 at a
14 projected amount of \$185,155 amortized at an annual amount of \$61,618.
15 The Company is reflecting a \$221,809 increase to its deferred debit account
16 that represents additional AFUDC equity income requested to be amortized
17 over 30 years at \$7,394 annually. The final amount is for deferred power
18 costs of \$807,518 requested to be amortized over three years at \$269,173
19 per year. The deferred debit balance at March 31, 2021 is projected to be
20 \$4,809,940.

21 **Q. Please explain Exhibit 11, Schedule 10, Page 1 of 1.**

22 A. Exhibit 11, Schedule 10, Page 1 of 1, indicates the calculation of the
23 allowance for working capital prepared by the Company using the 1/8 of

1 Operating Expenses method. This is a departure from the methodology
2 used in previous rate cases, and is a simpler calculation which has been
3 utilized in other jurisdictions. The working capital allowance included in rate
4 base is \$3,205,725.

5 **Q. Please explain Exhibit 11, Schedule 11, Page 1 of 1.**

6 A. Exhibit 11, Schedule 11, Page 1 of 1, reflects the regulatory liability balance
7 projected at March 31, 2021 of (\$6,114,738) and is the result of the Tax
8 Cuts and Job Act which reduced corporate income taxes. This is further
9 explained in Company Witness Kahn's testimony and included in his Exhibit
10 12 Schedule 1.

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

12 A. Yes.

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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

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

EXHIBITS 7, 8, 10 (Schedules 1-3) & 11 TO ACCOMPANY THE

DIRECT TESTIMONY OF JARMILA CARY

Suez Water Idaho
Balance Sheet Per Books
June 30, 2020
Case No. SUZ-W-20-02

Line No.	Assets	
	Utility Plant	
1	Water Plant in Service	\$ 495,448,438
2	Retirement Work in Progress	
3	Plant Held for Future Use	0
4	Construction Work in Progress	12,253,713
5	Utility Plant Acquisition Adjustment	374,868
6	Less: Accumulated Depreciation and Amortization	(175,352,619)
7	Net Utility Plant	<u>332,724,400</u>
	Investments	
8	Other Investments	7,554
9	Total Investments	<u>7,554</u>
	Current Assets	
10	Cash	41,000
11	Accts/Notes Receivable - Customers	1,038,882
12	Other Receivables	0
13	Provision for Uncollectable Accounts	(550,655)
14	Accounts Receivable (Associated Companies)	(6,577,312)
15	Material & Supplies Inventory	619,340
16	Prepaid Expenses	30,750
17	Accrued Utility Revenue	6,642,663
18	Total Current Assets	<u>1,244,667</u>
	Deferred Debits	
19	Deferred Rate Case Expense	5,863
20	Other Deferred Charges	6,754,616
21	Total Deferred Debits	<u>6,760,479</u>
22	Total Assets	<u>\$ 340,737,100</u>
	Capitalization and Liabilities	
	Capital	
23	Common Stock Issued	\$ 1,261,750
24	Additional Paid-in Capital	82,687,659
25	Retained Earnings	120,044,263
26	Accumulated Other Comprehensive Income	(6,184,912)
27	Total Equity Capital	<u>197,808,760</u>
	Liabilities	
28	Accounts Payable	2,856,355
29	Accounts Payable (Associated Companies)	637,116
30	Notes Payable	0
31	Customer Deposits	0
32	Accrued Other Taxes Payable	1,207,376.05
33	Accrued Income Taxes Payable	10,335,650
34	Misc Current & Accrued Liabilities	2,050,858
35	Advances for Construction	4,048,334
36	Other Deferred Liabilities	6,638
37	Regulatory Liabilities	6,981,747
38	Operating Reserves (Pension & Benefits)	10,018,201
39	Contributions in Aid of Construction	143,051,221
40	Accumulated Amortization of CIAC	(43,082,413)
41	Accumulated Deferred Income Tax	4,817,256
42	Total Liabilities	<u>142,928,340</u>
43	Total Liabilities & Capital	<u>\$ 340,737,100</u>

Suez Water Idaho
Statement of Income
For the Twelve Months Ended June 30, 2020
Case No. SUZ-W-20-02

Line No.			
1	Operating Revenues	\$	46,297,112
	Operating Expenses		
2	Operation and Maintenance Expense		16,997,416
3	Depreciation Expense		9,661,810
4	Amortization, Utility Plant Acquisition Adjustment		20,712
5	Taxes Other Than Income Taxes		2,408,312
6	Income Taxes		4,028,925
7	Total Operating Expenses		<u>33,117,175</u>
8	Net Operating Revenues		<u>13,179,937</u>
9	Gains (Losses) from Disposition of Utility Plant		0
10	Utility Operating Income		<u>\$13,179,937</u>

Case No. SUZ-W-20-02
Exhibit No. 8
J.Cary
Page 1 of 1

SUEZ WATER IDAHO INC.
Details of Adjustments to Operating and Maintenance Expenses At Present Rates
SUMMARY - Exhibit 10, Schedule 1

Test Year Ending June 30, 2020				(1)	(2)	(3)
Line No.	Description	Schedule Adjustment No.	Account Reference	Test Year Ended 06/30/2020	Adjustments	Pro-Forma 03/31/2021
EXHIBIT 10, Schedule 1						
1	Payroll to Operations & Maintenance	1	50100 to 50125	\$ 5,258,779	\$ 1,020,817	\$ 6,279,596
2	Workers Compensation (excludes reserves)	2	91460	\$ 55,534	\$ 126,777	\$ 182,311
3	Employee Pension Cash Contribution Costs	3	91500, 71257 & 23610	\$ 1,052,798	\$ 1,024,351	\$ 2,077,148
4	Post Retirement Health Care Accrual (PEBOP) & Amortization	4	91550, 71258 & 92056	\$ (302,898)	\$ (50,259)	\$ (353,156)
5	Employee Group Health, Dental, Vision & Life (excludes reserves)	5	91700	\$ 1,312,385	\$ 556,654	\$ 1,869,039
6	Company Employee 401k Match	6	91800	\$ 274,485	\$ 53,282	\$ 327,768
7	Other Employee Benefits - Tuition	7	91850	\$ 9,143	\$ 831	\$ 9,974
8	Fringe Benefits Transferred to Capital	8	90950 & 90953	\$ (905,112)	\$ (465,680)	\$ (1,370,792)
9	Purchased Water	9	50605	\$ 198,234	\$ 19,080	\$ 217,314
10	Energy: Purchased Power, Natural Gas, Other Utilities	10	50610 & 50620	\$ 2,379,951	\$ 127,255	\$ 2,507,206
11	Chemicals	11	50635	\$ 386,445	\$ 35,658	\$ 422,103
12	Materials	12	50300	\$ 190,585	\$ 16,845	\$ 207,430
13	Rents	13	50310	\$ 9,749	\$ 1,725	\$ 11,474
14	Subcontractors Costs	14	50400 Partial (CE 641015, CE 641016, CE 641019)	\$ 343,120	\$ 6,078	\$ 349,198
15	Customer Billing (CC&B)	15	50400 Partial (CE 641044, CE 641045) & 50405	\$ 344,385	\$ 179,376	\$ 523,762
16	Office Expense	16	50650 Partial (CE 701016, CE 701003)	\$ 207,787	\$ 96,776	\$ 304,563
17	Waste Disposal - Sludge	17	50625	\$ 13,824	\$ 6,614	\$ 20,437
18	Bad Debts: Write Offs (excludes reserves)	18	90400 (not 90405)	\$ 249,976	\$ 336,407	\$ 586,383
19	Management & Service Fees	19	90850	\$ 3,631,870	\$ 109,776	\$ 3,741,646
20	General Corporate & Property Insurance (excludes reserves)	20	91400 & 91450	\$ 444	\$ 75,803	\$ 76,247
21	Transportation Expense	21	50645 & 50646	\$ 483,399	\$ 189,686	\$ 673,084
22	Advertising Expense	22	50651	\$ 106,161	\$ 92,072	\$ 198,233
23	IPUC Annual Assessment	23	91900	\$ 120,788	\$ (2,494)	\$ 118,294
24	Safety Expense	24	92200	\$ 123,344	\$ 22,413	\$ 145,756
25	Amortization Expense - Deferred Rate Case	25	92000	\$ -	\$ 69,913	\$ 69,913
26	Amortization Expense - Deferred Relocation	26	92052	\$ 11,726	\$ (11,726)	\$ -
27	Amortization Expense - Deferred Tanking	27	92053	\$ 55,769	\$ 89,442	\$ 145,210
28	Amortization Expense - Deferred Pension	28	92056	\$ -	\$ 891,360	\$ 891,360
29	Amortization Expense - Deferred Power	29	92061	\$ -	\$ 269,173	\$ 269,173
30	Amortization Expense - AFUDC Equity Gross Up	30	92064	\$ 38,684	\$ 11,128	\$ 49,812
31	Amortization Expense - Deferred Customer Payment Convenience Fees	31	18699 (Partial) & 92050 (Partial)	\$ -	\$ 61,718	\$ 61,718
32	Amortization Expense - Deferred Taxes - TCJA	32	92059	\$ -	\$ (363,372)	\$ (363,372)
33	Adjustment to Variable Expenses Due to Volume Normalization	33		\$ -	\$ (87,662)	\$ (87,662)
34	Total Adjusted Operating & Maintenance Expenses			\$ 15,851,355	\$ 4,509,817	\$ 20,161,172
35	Unadjusted Operating & Maintenance Expenses:					
36	Other Operation and Maintenance Expense		Various	\$ 1,407,723	\$ -	\$ 1,407,723
37	Total Unadjusted Operating & Maintenance Expenses			\$ 17,059,078	\$ 4,509,817	\$ 21,568,895
EXHIBIT 10, Schedule 2						
38	Depreciation		70100	\$ 9,661,810	\$ 1,132,351	\$ 10,794,161
39	Amortization of Utility Plant Acquisition Adjustments		71255	\$ 20,712	\$ -	\$ 20,712
40	Total Depreciation and Amortization			\$ 9,682,522	\$ 1,132,351	\$ 10,814,873
EXHIBIT 10, Schedule 3						
41	Ad Valorem Taxes (Property)	1	70203	\$ 1,814,918	\$ 320,606	\$ 2,135,524
42	Payroll Taxes (combined FICA, FUI, SUI)	Pages 2, 3 & 4	70250	\$ 593,393	\$ 122,644	\$ 716,038
43	Total Taxes Other			\$ 2,408,312	\$ 443,250	\$ 2,851,562
44	Total Operating Expenses			\$ 29,149,911	\$ 6,085,418	\$ 35,235,330

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 1
Adjustment of Payroll Expense
Account 50100 - 50125

<u>Line No.</u>	<u>Description</u>	<u>Dept. ID</u>	<u>Employee Count</u>	<u>Amount</u>	<u>Total Payroll</u>	<u>Adjustment Amount</u>
1	To adjust labor chargeable to operation and maintenance expense based upon bargaining unit, salaried and non-exempt pay rates at April 1, 2021 and level of employees at that time.					
2	Production	100	27	\$ 1,963,017		
3	Transmission and Distribution	113	36	\$ 2,418,273		
4	Engineering	205	14	\$ 1,215,073		
5	Customer Service Field	301	4	\$ 236,427		
6	Customer Service Office	304	18	\$ 722,269		
7	Meter Reading	305	6	\$ 315,262		
8	Administrative	400	9	\$ 870,972		
9	Communication	405	2	\$ 148,973		
10	Human Resources	415	1	\$ 80,030		
11	Finance	530	3	\$ 259,034		
12	Subtotal Regular Pay		120		\$ 8,229,329	\$ 1,020,817
13	Stand By Pay Per Bargaining Unit Contract			\$ 39,917		
14	Shift Pay Per Bargaining Unit Contract & Customer Service Rotation			\$ 12,812		
15	Seasonal Temporary Employees & Summer Interns			\$ -		
16	Incentive Pay - Adjusted for employee changes, proforma wages			\$ 542,474		
17	Overtime per test year - Adjusted to proforma wages			\$ 396,328		
18	Subtotal Other Pay				\$ 991,531	
19	Pro Forma Payroll @ Pro Forma Rates				\$ 9,220,860	
20	Test Year % Applicable to O&M Expense				68.10%	
21	Pro Forma O&M Payroll @ Pro Forma Rates				\$ 6,279,596	
22	Test Year Expense				\$ 5,258,779	
23	Adjustment				\$ 1,020,817	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 2
Workers Compensation expense
Account 91460

Line No.	Description	Gross Payroll (50100 & 50105)	WC Reserves	Workers Compensation w/o reserves	Ratio	Amount	Adjustment Amount
1	To normalize employee Workers Compensation expense based on a three year average of gross payroll. Adjustments to eliminate workers compensation costs reserves.						
2	2017	\$ 6,404,403		\$ 93,261	1.456%		
3	2018	\$ 6,737,399		\$ 122,150	1.813%		
4	2019	\$ 7,163,625	\$ (176,454)	\$ 137,043	1.913%		
5	Total	\$ 20,305,427		\$ 352,454			\$ 126,777
6	Average of last three years (excludes reserves)				1.736%		
7	2020 Proforma Gross Payroll	\$ 9,220,860			1.736%	\$ 160,052	
8	Workers Compensation Deductible Claims for Q1 & Q2 2020 recorded semi-annually not reflected in test year amount annualized for proforma					\$ 22,259	
9	Pro forma Workers Compensation expense					\$ 182,311	
10	Test Year Expense (without reserves)		\$ 87,766	\$ 55,534		\$ 55,534	
11	Adjustment					\$ 126,777	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 3

Pension expense - Cash Contributions
Account 91500, 71257, 23610

<u>Line No.</u>	<u>Description</u>	<u>Year</u>	<u>Ratio</u>	<u>Pension Cash Contributions</u>	<u>Amount</u>	<u>Adjustment Amount</u>
1	To adjust employee Pension expense based on three year average cash contribution amounts					\$ 1,024,351
2	Baseline established in UW-W-15-01 Order 33436 to establish deferral			\$ 1,521,508		
3	Pension Cash Contributions	2017		\$ 2,533,785		
4		2018		\$ 2,307,812		
5		2019		\$ 1,389,848		
6	Subtotal			\$ 6,231,445		
7	Average of prior 3 years cash contributions			divided by 3 =	\$ 2,077,148	
8	Projected Pension service cost based on test year ratio below			\$ 1,007,513		
9	Projected Pension interest component based on test year ratio below			\$ 1,069,635		
10	Pro forma Pension Cash Contribution and updated proposed deferral threshold				\$ 2,077,148	
11	Test Year Expense per books (91500) Pension service cost		48.5%	\$ 510,656		
12	Test Year Expense per books (71257) Pension interest component		51.5%	\$ 542,142		
13	Test Year Pension Expense				\$ 1,052,798	
14	Adjustment				\$ 1,024,351	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 4
 Post Retirement Health Care Accrual (PEBOP) & Amortization expense
 Account 91550, 71258 and 92056

Line No.	<u>Description</u>	<u>Amount</u>	<u>Total</u>	<u>Adjustment Amount</u>
1	To adjust employee PEBOP (post retirement benefits other than pension) amount based on 2020 Budget Projection. Subject to true up based on Towers Watson projection expected Oct. 2020 for 2021.			\$ (50,259)
2	Projected PEBOP expense	\$ (353,156)		
3	PEBOP Expense Service cost - based on ratio below	\$ 207,049		
4	PEBOP Expense Interest component - based on ratio below	\$ (560,205)		
5	FAS 106 20 year amortization	\$ -		
6	Pro Forma PEBOP expense	\$ (353,156)		
5	Test Year PEBOP expense	\$ (302,898)		
6	PEBOP Expense Service cost	-58.6% \$ 177,583		
7	PEBOP Expense Interest component	158.6% \$ (480,481)		
8	FAS 106 20 year amortization	\$ -		
9	Test Year Expense	\$ (302,898)		
10	Adjustment	\$ (50,259)		

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 5
Employee Health Care Expense and Group Term Life Insurance
Account 91700

<u>Line No.</u>	<u>Description</u>	<u>Change</u>	<u>Amount</u>	<u>Total</u>	<u>Adjustment Amount</u>
1	To adjust employee health care expense (medical, dental & vision), and group term life insurance to pro forma costs and to the pro forma number of 120 employees. Excludes IBNR (incurred but not reported) reserves. Includes projection of proforma costs based on a three year average of company cost increases.				\$ 556,654
2	Gross Test Year Health Care Expense		\$ 1,700,306		
3	Employee Offsetting Contributions		\$ (362,532)		
4	Net Test Year Health Care Costs per books account 91700			\$ 1,337,773	
5	Exclude Test Year IBNR - Incurred But Not Reported claims reserve		\$ 25,388		
6	Adjusted Net Test Year Health Care Costs			\$ 1,312,385	
7	Projected Health Care costs using 2020 rates, 120 employees			\$ 1,808,281	
8	Average Health Care company coverage cost increase for prior three years		3.36%		
9	Incremental anticipated change in Health Care costs		\$ 60,758		
10	Pro Forma Total Health Care Costs			\$ 1,869,039	
11	Adjustment			\$ 556,654	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 6
 Company Employee 401k Match
 Account 91800

<u>Line No.</u>	<u>Description</u>	<u>401k Expense</u>	<u>Gross Payroll</u>	<u>Ratio</u>	<u>Total 401K</u>	<u>Adjustment Amount</u>
1	To adjust 401k matching expense to Proforma based on test year ratio expense amount of payroll expense					\$ 53,282
2	Test Year 12 months ending June 30, 2020	\$ 274,485	\$ 7,721,909	3.55%		
3	Proforma Gross Payroll		\$ 9,220,860			
4	Ratio based on Test Year			3.55%		
5	Pro Forma 401K				\$ 327,768	
6	Test Year Expense				\$ 274,485	
7	Adjustment				\$ 53,282	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 7
Other Employee Benefits - Tuition
Account 91850

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Total</u>	<u>Adjustment Amount</u>
1	To adjust other employee benefits (tuition expense) to pro forma level based on test year ratio of employees			\$ 831
Test Year Amount				
2	Test Year Expense - Other Employee Benefits Expense - Tuition	\$ 9,143		
3	Test Year Employees	110		
4	Test Year expense per employee	\$ 83.11		
5	Pro Forma Employees	x 120		
6	Pro Forma Expense - Tuition		\$ 9,974	
7	Adjustment		\$ 831	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 8
Payroll Overheads Charged to Balance Sheet Accounts
Account 90950 and 90953

<u>Line No.</u>	<u>Description</u>	<u>Account</u>	<u>Benefits</u>	<u>Amount</u>	<u>Adjustment Amount</u>
1	To normalize the fringe benefit allocation charged to non operations and maintenance accounts based on test year % of labor				
	Proforma Benefit Costs				
2	Payroll Taxes	70250	\$ 716,038		
3	Workers Compensation	91460	\$ 160,052		
4	Pension (Cash Contribution - service cost)	91500	\$ 1,007,513		
5	PEBOP (Post retirement health care and amort.)	91550/92056	\$ 207,049		
6	Group Health & Life	91700	\$ 1,869,039		
7	401k	91800	\$ 327,768		
8	Other Employee Benefits	91850	\$ 9,974		
9	Subtotal Proforma Benefit Costs			\$ 4,297,432	
10	Test Year Percentage of non Operations & Maintenance payroll to Gross payroll applied to benefit costs			31.90%	
11	Pro forma fringe benefit clearing costs allocated			\$ (1,370,792)	
12	Test Year			\$ (905,112)	
13	Adjustment			\$ (465,680)	\$ (465,680)

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 9
Purchased Water
Account 50605

Line No.	<u>Description</u>	<u>Amount</u>	<u>Total</u>	<u>Adjustment Amount</u>
1	Adjustment of Purchased Water Cost for rented and leased natural flow rights, shares in canal company's contracts/leases for storage water and purchases from Garden City.			\$ 19,080
	<u>Details</u>			
2	Shares Leased in Canals	\$ 87,830		
3	Contract Storage	\$ 47,634		
4	State Water Bank	\$ -		
5	Basin 63 Rental Pool	\$ 70,000		
6	Additional Rental Pool	\$ 10,000		
7	Garden City Water Purchase	\$ 1,850		
8	New York Irrigation Canal	\$ -		
9	Pro Forma Purchased Water		\$ 217,314	
10	Test Year Expense		\$ 198,234	
11	Adjustment		\$ 19,080	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 19
Energy: Purchased Power
Account 50610 and 50620

Line No.	Description	Tariff	Details	kWh	Amount	Total	Adjustment Amount
1	To adjust energy expense based on pricing at Idaho Power rates effective June 2020 and miscellaneous other energy based on test year level						\$ 127,255
2	9P	Columbia and Marden Water Treatment Plants, Boise River Raw Water Pump Station			\$ 496,357		
3	7 and 9S	Wells & Boosters			\$ 1,863,963		
4	Test Year pumping & distribution power per Idaho Power invoices at test year tariff rates				\$ 2,360,320	\$ 2,360,320	
5	Other power: Office Lights, Clinton Warehouse, Valves, Misc.				\$ 31,633		
6	Test Year Idaho Power Invoice Total				\$ 2,391,953		
7	Reprice Test Year Idaho Power pumping & distribution power invoices to June 2020 tariff rates:						
8	9P	Columbia and Marden Water Treatment Plants, Boise River Raw Water Pump Station			\$ 524,491		
9	7 and 9S	Wells & Boosters			\$ 1,925,548		
10	Proforma pumping & distribution power per test year Idaho Power invoices repriced at June 2020 tariff rates				\$ 2,450,039	\$ 2,450,039	
11	Impact of repricing tariff rates					\$ 89,719	
12	Proforma Other power - Office Lights, Clinton Warehouse, Valves, Misc. based on test year amount				\$ 31,633		
13	Proforma anticipated benefit of Idaho Power Demand Response Program rebate based on test year amount				(21,115)		
14	Proforma level of Diesel Fuel for Emergency Generators, Natural Gas & other utilities (50620) based on test year amount				46,649		
15	Proforma Other Power					\$ 57,167	
16	Total Pro Forma Energy Expense					\$ 2,507,206	
17	Test Year Purchased Power Expense					\$ 2,379,951	
18	Adjustment					\$ 127,255	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 11
Chemical Expense
Account 50635

Line No.	<u>Description</u>	<u>Adjustment Amount</u>
1	To adjust chemical expense using test year quantities priced at proforma price and well maintenance	\$ 35,658
2	Water Treatment Chemicals	\$ 400,103
3	Well Maintenance Chemicals	\$ 22,000
4	Total	\$ 422,103
5	Test Year Usage at Proforma Prices	\$ 422,103
6	Test Year Expense	\$ 386,445
7	Adjustment	\$ 35,658

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
 Test Year ending June 30, 2020

Adjustment No. 12
 Materials Expense
 Account 50300

<u>Line No.</u>	<u>Description</u>	<u>Year</u>	<u>Materials Expense</u>	<u>Amount</u>	<u>Adjustment Amount</u>
1	To normalize materials expense based on a three year average.				\$ 16,845
2		2017	\$ 163,691		
3		2018	\$ 240,332		
4		2019	\$ 218,268		
5	Subtotal		\$ 622,291		
6	Average	divided by 3 =	\$ 207,430		
7	Pro Forma Materials Expense			\$ 207,430	
8	Test Year Expense			\$ 190,585	
9	Adjustment			\$ 16,845	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 13
Rent Expense
Account 50310

Line No.	<u>Description</u>	<u>Expense</u>	<u>Amount</u>	<u>Adjustment Amount</u>
1	To normalize rent expense based on a three year average. Includes office equipment, tool rental and facility leases			\$ 1,725
2	Lakewood Well lease and assessment	\$ 1,060		
3	Lake Harbor assessment fees	\$ 84		
4	Canon - office equipment (copier, printer)	\$ 8,476		
5	Construction equipment & tool rental	\$ 128		
6	Test Year Expense		\$ 9,749	
7	Add Harris Ranch annual lease not in test year due to delayed payment		\$ 1,725	
8	Pro Forma Rent Expense		\$ 11,474	
9	Adjustment		\$ 1,725	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 14
Subcontractors
Account 50400 CE 641015, CE 641016, CE 641019

Line No.	Description	Field Contractors				WQ testing CE 641016	Locating CE 641019	Total	Adjustment Amount
		Year	CE 641015	CE 641016	CE 641019				
1	Subcontractor expenses - add Badger Daylighting hydrovac costs not included in test year, adjust for SOC Synthetic Organic Chemical Testing enforcement change and reduce Digline locating charges that were higher than normal in test year due to CityWork integration								\$ 6,078
2	For reference only, not adjusting based on three year avg.	2017	\$ 121,066	\$ 106,217.65	\$ 23,106				
3		2018	\$ 147,824	\$ 101,178.40	\$ 26,283				
4		2019	\$ 157,569	\$ 121,581.20	\$ 36,910				
5	Test Year Expense		\$ 191,174	\$ 105,613.50	\$ 46,333			\$ 343,120	
6	Badger Daylighting Vac truck charges not reflected in test year due to vendor invoicing error		\$ 4,995						
7	SOC Synthetic Organic Chemical water testing - monitoring requirement enforcement change			\$ 20,000					
8	Reduce Digline charges from test year higher than normal - due to Cityworks system integration				\$ (18,917)				
9	Pro Forma Expense		\$ 196,169	\$ 125,614	\$ 27,416			\$ 349,198	
10	Adjustment							\$ 6,078	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 15
Customer Billing Expense
Account 50405 & 50400 CE 641044 & 641045

<u>Line No.</u>	<u>Description</u>	<u>Year</u>	<u>Customer Bill Generation & Postage Expense 50405</u>	<u>eBilling Services 50400 CE 641044 and CE 641045</u>	<u>Total</u>	<u>Amount</u>	<u>Adjustment Amount</u>
1	To normalize customer billing expense based on a three year average, adjust for customer growth, and reflect customer convenience fees that were authorized for deferral as of Dec. 2019						
2		2017	\$ 271,077	\$ 116,388	\$ 387,465		
3		2018	\$ 280,533	\$ 87,506	\$ 368,039		
4		2019	\$ 298,432	\$ 86,972	\$ 385,405		
5	Subtotal				\$ 1,140,909		
6	Three year average expense			divided by 3 =	\$ 380,303		
7	Customer growth % per test year (all customer classes)			1.4%			
8	Projected impact of growth on customer billing expenses				\$ 5,459		
9	Customer Convenience Fees avg. monthly amount per test year deferral - annualized				\$ 138,000		
10	Pro Forma Customer Billing Expense					\$ 523,762	
11	Test Year Expense					\$ 344,385	
12	Adjustment					\$ 179,376	\$ 179,376

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 16
Office Expense
Account 50650 CE 701016, CE 701003

<u>Line No.</u>	<u>Description</u>	<u>Year</u>	<u>Office Expense</u>	<u>Amount</u>	<u>Adjustment Amount</u>
1	Office Expense - IT Software licenses include new expense for Notify emergency customer communications system, Citywork work management system 9% annual increase and additional licenses, and SAMS water quality software fees.				
2	For reference only	2017	\$ 164,122		
3		2018	\$ 166,466		
4		2019	\$ 215,276		
5	Test Year Expense		\$ 207,787		
6	New Notify emergency customer notification system costs, test year included just one quarterly charge		\$ 23,434		
7	Cityworks License cost 9% contractual increase and additional licenses for newly hired employees		\$ 43,905		
8	New SAMS Water Quality Software cost		\$ 29,438		
9	Pro Forma Expense			\$ 304,563	
10	Adjustment			\$ 96,776	\$ 96,776

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 17
Sludge Removal Expense
Account 50625

<u>Line No.</u>	<u>Description</u>	<u>Year</u>	<u>Materials Expense</u>	<u>Amount</u>	<u>Adjustment Amount</u>
1	To normalize sludge removal expense based on a three year average - well cleaning, hazardous waste removal.				\$ 6,614
2		2017	\$ 10,668		
3		2018	\$ 23,204		
4		2019	\$ 27,441		
5	Subtotal		\$ 61,312		
6	Average	divided by 3 =	\$ 20,437		
7	Pro Forma Expense			\$ 20,437	
8	Test Year Expense			\$ 13,824	
9	Adjustment			\$ 6,614	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 18
 Bad Debts: Write Offs & Allowance
 Account 90400 and 90405

Line No.	Description					Adjustment Amount	
		Year	Reserve Adj	Uncollectibles	Revenues	Rate	Amount
1	To normalize uncollectible accounts expense based on a three year average of revenues. Allowance for uncollectible reserves (90405) are not included in uncollectible expense reflected below. Include adjustment for post Covid-19 impact anticipated due to economic downturn			90405	90400		\$ 336,407
2	Per Books (excludes Reserves Adjustment)	2017		\$ 270,320	\$ 48,899,313	0.553%	
3		2018	71,000	\$ 254,941	\$ 48,294,752	0.528%	
4		2019	85,711	\$ 286,324	\$ 46,062,146	0.622%	
5	Subtotal		\$ 156,711	\$ 811,584	\$ 143,256,211		
6	Percentage Uncollectible Accounts Expense - three year average					0.567%	
7	Proforma Revenue at current rates				\$ 45,620,624		
8	Projected uncollectible accounts expense based on three year average				X	0.567% =	\$ 258,453
9	Anticipated impact of post Covid-19 pandemic economic downturn based on historical aged accounts receivable analysis and AWWA unemployment method						\$ 327,930
10	Pro Forma Uncollectible Expense						\$ 586,383
11	Test Year Expense (reserve excluded)		\$ 168,655				\$ 249,976
12	Adjustment						\$ 336,407

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 19
Management & Service Fees
Account 90850

<u>Line No.</u>	<u>Description</u>	<u>Year</u>	<u>M&S Fees</u>	<u>Amount</u>	<u>Total</u>	<u>Adjustment Amount</u>
1	To normalize Management & Service fees based on actual 6 months ended June 2020, then annualized. Include salary increase factor and expected 2021 change in insurance premiums.					
2	Per Books for reference only	2017	\$ 4,650,912			
3		2018	\$ 4,643,872			
4		2019	\$ 3,814,660			
5		6 months ending June 30, 2020	\$ 1,630,398			
6	Normalize 2020 actuals through June 30, 2020 removing depreciation expense of \$371,210 captured below in shared assets, then annualize	2020		\$2,889,586		
7	Salary increase factor	2.50%		\$ 72,240		
8	Expected 2021 change in insurance premiums (Auto/General/Umbrella Liability and Workers Compensation)			\$ 14,722		
9	Adjustment for shared assets (includes depreciaton expense)			\$ 765,098		
10	Pro Forma M&S Fees				\$ 3,741,646	
	Test Year Expense				\$ 3,631,870	
	Adjustment				\$ 109,776	
						\$ 109,776

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 20
General Insurance
Account 91400

Line No.	Description	Adjustment Amount								
1	To adjust casualty and property insurance to remove IBNR incurred but not recorded reserves and include deductible claims expense as a proforma annualized adjustment due to change in accounting for 2020.	\$ 75,803								
2	<table><tr><th>Details</th><th>Reserve</th><th>Insurance Expense</th><th>Total</th></tr><tr><td></td><td>\$ 327,913</td><td>\$ 444</td><td></td></tr></table>	Details	Reserve	Insurance Expense	Total		\$ 327,913	\$ 444		
Details	Reserve	Insurance Expense	Total							
	\$ 327,913	\$ 444								
3	Test Year General Insurance expense	\$ 444								
4	General Insurance Deductible Claims for Q1 & Q2 2020 recorded semi-annually not reflected in test year amount annualized for proforma	\$ 75,803								
5	Proforma Casualty Business Insurance Coverage Premiums & Allocated Losses	\$ 76,247								
6	Adjustment	\$ 75,803								

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 21
Transportation Expense
Account 50645 & 50646

Line No.	<u>Description</u>	Adjustment Amount
1	To adjust transportation expense including all elements delineated below for fleet of 69 Vehicles and heavy equipment based on budget.	\$ 189,686
	<u>Details</u>	<u>Total</u>
	Pro Forma Expense	
2	Lease Cost & GPS fees	\$ 713,425
3	Fuel	\$ 140,000
4	P-Card maintenance materials, outside service	\$ 100,000
5	Mechanic payroll and benefits	\$ 111,683
6	Insurance	\$ 56,734
7	Depreciation	\$ 4,225
8	VA Allowance	\$ 17,600
8	Sub Total Gross Cost	\$ 1,143,667
9	Less: Estimate of Proceeds	\$ (12,500)
10	Vehicle Allocation Gross	\$ 1,131,167
11	Pro Forma O&M Vehicle Allocation ratio based on June 2020 Test Year	Account (50645+50646) / 50646 = 59.50%
12	Total Pro Forma Expense	\$ 673,084
13	Test Year Expense	\$ 483,399
14	Adjustment	\$ 189,686

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 22
Advertising Expense
Account 50651

<u>Line No.</u>	<u>Description</u>	<u>Year</u>	<u>Advertising Expense</u>	<u>Amount</u>	<u>Adjustment Amount</u>
1	To normalize customer outreach advertising expense based on three year average. Include new requirement for second Customer Confidence Report notification planned for March 2021, Web Marketing campaign costs not reflected in test year and Wine for Water filter build expenses delayed due to Covid-19 pandemic.				\$ 92,072
2		2017	\$ 101,477		
3		2018	\$ 114,662		
4		2019	\$ 120,249		
5	Subtotal			\$ 336,388	
6	Average	divided by 3 =		\$ 112,129	
7	New Customer Confidence Report requirement for additional notifications starting in 2021 - estimate of notices, mailing & advertising placement costs		\$ 46,200		
8	Web Marketing Campaign - not reflected in test year		\$ 32,904		
9	Conservation and Outreach - Wine for Water filter build postponed due to Covid-19		\$ 7,000		
10	Pro Forma Customer Billing Expense			\$ 198,233	
11	Test Year Expense			\$ 106,161	
12	Adjustment			\$ 92,072	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 23
IPUC Annual Assessment
Account 91900

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Total</u>	<u>Adjustment Amount</u>
1	To adjust test year level of IPUC Annual Assessment based on latest invoice.			\$ (2,494)
	<u>Details</u>			
2	Projected Pro Forma Revenues as of March 31, 2021 at Current Rates	\$ 45,620,624		
3	IPUC Utility Assessment Rate - Based on IPUC Invoice 2020-034 Dated April 20, 2020	0.2593%		
4	Pro forma IPUC Assessment		\$ 118,294	
5	Test Year Expense		\$ 120,788	
6	Adjustment		\$ (2,494)	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 24
Safety Expense
Account 92200

Line No.	Description	Year	Safety Expense	Adjustment Amount
1	Safety Expense - Add Asbestos Training requirement at 50% of cost for two year rotation, Asbestos & Chemical Exposure Assessment annual requirement, and Personal Protective Equipment/Uniform costs applied to proforma employees			\$ 22,413
2	For reference only	2017	\$ 77,513	
3		2018	\$ 82,398	
4		2019	\$ 106,700	
5	Test Year Expense		\$ 123,344	
6	Add Asbestos Training requirement EPA/NESHAP/OSHA - Two year rotation - 50% of cost		\$ 3,750	
7	Add Asbestos & Chemical Exposure Assessment annual requirement - not in test year		\$ 8,000	
8	Adjust cost - PPE for employee turnover/new hires			
9	Average cost of PPE setup	\$ 1,066		
10	Number of employees at year end Dec 2019	110		
11	Proforma number of employees as March 31, 2021	120		
12	Additional PPE expense		\$ 10,663	
13	Pro Forma Safety Expense			\$ 145,756
14	Adjustment			\$ 22,413

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 25
Rate Case Expense
Account 18680 and 92000

<u>Line No.</u>	<u>Description</u>	<u>Test Year Amount</u>	<u>Total</u>	<u>Adjustment Amount</u>
1	To amortize over three years the forecasted level of the deferred rate case expense in Case UW1-W-20-02.			\$ 69,913
2	Estimated Deferred Rate Case Expense:			
3	Outside Legal Counsel: Givens Pursley, LLP	\$ 60,000		
4	Outside Consultant Rate of Return: Sussex Economic Advisors, LLC	\$ 24,000		
5	Outside Consultant Depreciation Study:	\$ 83,738		
6	Customer Notice, Public Information Campaign, Court Reporting	\$ 35,000		
7	Miscellaneous & Other Cost Including Intervenor Funding: CAPAI	\$ 7,000		
8	Total Estimated Rate Case Expense	\$ 209,738		
9	Pro forma Annual Expense Based on 36 Month Amortization Period		\$ 69,913	
10	Test Year Expense		\$ -	
11	Adjustment		\$ 69,913	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
 Test Year ending June 30, 2020

Adjustment No. 26
 Deferred Relocation Amortization
 Account 18621 and 92052

Line No.	<u>Description</u>	<u>Amortization</u>	<u>Adjustment Amount</u>
1	Remove expiring deferred relocation amortization from test year - for Senior Engineer		\$ (11,726)
2	Test Year Expense	\$ 11,726	
3	Pro Forma Amortization of Deferred Relocation Expense	\$ -	
4	Adjustment	\$ (11,726)	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 27
 Tank Painting Expense Amortization
 Account 18620 and 92053

Line No.	Description	Year Painted	Amortization Allowed	Cost	Amortization Period	Annual Amortization	Total	Adjustment Amount
1	Amortization of Deferred Tank Painting Expense							\$ 89,442
2	<u>Details</u>							
	<u>Ongoing From Prior Cases</u>							
3	Aeronica Tank	Dec-00	UWI-W-04-04	\$ 21,101	20 Years	\$ 1,055		
4	Gowen Tank Exterior	Apr-01	UWI-W-04-04	\$ 39,809	20 Years	\$ 1,990		
5	Federal Reservoir	Jul-06	UWI-W-06-02	\$ 162,895	20 Years	\$ 8,145		
6	Crestline Tank	Dec-09	UWI-W-09-01	\$ 65,520	20 Years	\$ 3,276		
7	Steelhead Tank	Dec-09	UWI-W-09-01	\$ 313,680	20 Years	\$ 15,684		
8	Ustick Reservoir	Dec-09	UWI-W-09-01	\$ 74,160	20 Years	\$ 3,708		
9	Hillcrest Reservoir	Apr-10	UWI-W-11-02	\$ 230,160	20 Years	\$ 11,508		
10	Gowen Tank Interior	Aug-14	UWI-W-15-01	\$ 208,040	20 Years	\$ 10,402	\$ 55,768	
11								
12	<u>New Amort Request</u>							
13	Barber Tank interior	Oct-18		\$ 338,037		\$ 16,902		
14	Hulls Gulch Interior	Jun-20		\$ 1,135,161		\$ 56,758		
15	Hulls Gulch exterior	Aug-20		\$ 213,330		\$ 10,667		
16	Hidden Hollow exterior	Aug-20		\$ 102,317		\$ 5,116	\$ 89,442	
17								
18	Pro Forma Tank Painting Amortization Expense						\$ 145,210	
19	Test Year Expense						\$ 55,769	
20	Adjustment						\$ 89,442	

Adjustment No. 28
Pension Amortization
Account 18609 and 26310

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SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 29
Deferred Power Costs Amortization
Account 18714 and 92061

Line No.	<u>Description</u>	<u>Deferral Balance</u>	<u>Projected Interest</u>	<u>Total</u>	<u>Adjustment Amount</u>
1	To adjust Amortization of Deferred Power Expense and amortize over a 3 year period.				\$ 269,173
2	Deferred power as of June 2020	\$ 679,825			
3	Projected additional deferral through March 2021	\$ 116,306	\$ 11,387		
4	Subtotal	\$ 796,130	\$ 11,387	\$ 807,518	
5	Annual Amortization expense based on an amortization period of three years		divided by 3 =	\$ 269,173	
6	Pro Forma Deferred Power Amortization Expense				\$ 269,173
7	Test Year Expense				\$ -
8	Adjustment				\$ 269,173

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
 Test Year ending June 30, 2020

Adjustment No. 30
 AFUDC Equity Gross Up Amortization
 Account 18623 and 18653, 92064 Amort

Line No.	<u>Description</u>	<u>Adjustment Amount</u>
1	Adjustment of Amortization of AFUDC Equity Gross Up Expense - based on projected March 2021 Deferred AFUDC Equity Gross Up balance	\$ 11,128
	<u>Details</u>	<u>Amortization</u>
2	Pro Forma Amortization Expense per Exhibit 11, Schedule 9 page 1 deferred debits	\$ 49,812
3	Test Year Expense	\$ 38,684
4	Adjustment	\$ 11,128

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 31
Deferred Customer Payment Convenience Fees
Account 18699 (Partial) 50400 CE 641045

<u>Line No.</u>	<u>Description</u>	<u>Test Year Amount</u>	<u>Projected</u>	<u>Total</u>	<u>Adjustment Amount</u>
1	To amortize over three years the forecasted level of the deferred customer payment convenience fees projected through March 2021.				\$ 61,718
2	Deferred Customer Payment Convenience Fees from Dec. 8, 2019 through June 30, 2020 reflects costs incurred through May due to delay in invoicing	\$ 70,155			
3	Actual Months December 2019 through May 2020	<u>6</u>			
4	Avg. Actual Monthly Amount	\$ 11,692			
5	Projected Avg. Monthly Deferral Amount		\$ 11,500		
6	Projected Months June 2020 through March 2021		<u>10</u>		
7	Projected deferred amount from July 2020 through March 2021		\$ 115,000		
8	Total Estimated Deferred Customer Payment Convenience Fees at March 2021		<u>\$ 185,155</u>		
9	Pro forma Annual Expense Based on 36 Month Amortization Period			divided by 3 =	\$ 61,718
10	Test Year Expense				\$ -
11	Adjustment				<u>\$ 61,718</u>

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 32
Amortization of Excess Deferred Income Taxes
Account 95059

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Test Year</u> <u>Ended</u>		<u>Adjustments</u>	<u>Pro-Forma</u> <u>03/31/2021</u>	<u>Adjustment Amount</u>
		<u>06/30/2020</u>	<u>06/30/2020</u>			
1	Amortization of Excess Deferred Income Taxes					\$ (363,372)
2	Annual ARAM EDIT-Protected	\$ -	\$ (203,000)	\$ (203,000)	\$ (203,000)	
3	Amortization of EDIT-Unprotected (10 Years)	\$ -	\$ (160,372)	\$ (160,372)	\$ (160,372)	
4	Total Amortization of EDIT	\$ -	\$ (363,372)	\$ (363,372)	\$ (363,372)	
5	Pro forma Annual Expense			\$ (363,372)	\$ (363,372)	
6	Test Year Expense			\$ -	\$ -	
7	Adjustment			\$ (363,372)	\$ (363,372)	

SUEZ Water Idaho Inc.
Details of Adjustments to Operations and Maintenance Expense
Test Year ending June 30, 2020

Adjustment No. 33
Adjustment to Variable Expenses Due to Volume Normalization

Line No.	Description	Details	Detail	Amount	Adjustment Amount
1	To adjust purchased power expense and chemical expense for the upward annualized growth for the test year and full year additional revenue/customers through March 31, 2021 offset by volume normalization.				\$ (87,662)
2		Test Year Purchased Power Expense	\$ 2,379,951		
3		Test Year Chemical Expense	386,445		
4	Total Variable Cost Related to Volume Normalization			\$ 2,766,397	
5		Test Year Consumptive Residential Revenue	\$ 20,767,580		
6		Test Year Consumptive Commercial Revenue	10,697,230		
7		Test Year Consumptive Public Authority Revenue	109,306		
8	Test Year Variable Revenue			\$ 31,574,116	
9	Ratio of Variable Cost to Variable Revenue			8.762%	
10		Adjustment R1 Annualization of Test Year Growth	\$ 182,761		
11		Adjustment R2 Customer Growth	150,413		
12		Adjustment R3 Weather and other Pro Forma Usage Adjustments	(1,333,702)		
13	Total Volume Adjustment Revenue impact			\$ (1,000,528)	
14	Variable Expense associated with Volume Normalization			(87,662)	
15	Adjustment			\$ (87,662)	

Suez Water Idaho
Calculation of Depreciation Expense and Amortization of UPAA
Case SUZ-W-20-02

Plant Account Number	Plant Account Description	Proposed Rates						
		Gross Plant In Service	Fully Accrued Amortized Assets	CIAC	Advances	Net Depreciable Plant	Depreciation	Depreciation
		03/31/2021		03/31/2021	03/31/2021	03/31/2021	Rate	Expense
301-10	Organization	\$ 103,738		\$ -	\$ (6,986)	\$ 96,752	0.00%	-
	Organization-CIAC	-		(9,878)	-	(9,878)	0.00%	-
302-10	Franchise Rights	41,182		-	-	41,182	0.00%	-
303-20	Land & Land Rights - Source of Supply	3,405,472		-	(387,217)	3,018,255	0.00%	-
303-2W	Water Rights - Source of Supply	7,478,689		-	-	7,478,689	0.00%	-
303-30	Land & Land Rights - Water Treatment	889,034		-	-	889,034	0.00%	-
303-40	Land & Land Rights - Trans. & Distrib.	1,091,556		-	3,644	1,095,200	0.00%	-
303-50	Land & Land Rights - General Plant	213,383		-	-	213,383	0.00%	-
	Land and Land Rights-CIAC	-		(341,987)	-	(341,987)	0.00%	-
304-20	Structures and Improvements - Source of Supply	7,511,914		-	(557,848)	6,954,065	2.62%	182,403
	Str & Imprv.-Source of Supply-CIAC	-		(406,800)	-	(406,800)	2.62%	(10,670)
304-30	Structures and Improvements - Water Treatment	15,872,038		-	-	15,872,038	2.38%	377,034
304-40	Structures and Improvements - Trans. & Distrib.	3,050,802		-	-	3,050,802	2.89%	88,174
304-50	Structures and Improvements - General Plant	5,165,468		-	-	5,165,468	2.73%	140,867
305-20	Collecting & Impounding Reservoirs - Source of Supply	41,654		-	-	41,654	1.67%	695
	Coll. & Impound. Reservoirs-Source of Supply-CIAC	-		-	-	-	1.67%	-
306-20	Lake, River & Other Intakes	3,036,740		(72,696)	-	2,964,044	1.68%	49,903
307-20	Wells & Springs	8,185,235		-	(132,638)	8,052,597	1.74%	139,815
	Wells & Springs-CIAC	-		(1,405,459)	-	(1,405,459)	1.74%	(24,403)
308-20	Infiltration Galleries & Tunnels	-		-	-	-	0.00%	-
309-20	Supply Mains	3,022,318		-	(40,115)	2,982,203	1.30%	38,813
	Supply Mains-CIAC	-		(9,391)	-	(9,391)	1.30%	(122)
310-20	Power Generation Equipment	3,512,395		-	1,761	3,514,155	4.25%	149,514
311-20	Power Electric Pumping Equipment - Source of Supply	16,685,809		-	(450,504)	16,235,305	4.65%	755,032
	Electric Pump. Equip.-Source of Supply-CIAC	-		(2,598,395)	-	(2,598,395)	4.65%	(120,840)
311-20	Power Diesel Pumping Equipment - Source of Supply	-		-	-	-	4.65%	-
311-30	Power Pumping Equipment - Water Treatment	4,174,037		-	-	4,174,037	4.65%	194,116
311-40	Power Pumping Equipment - Trans. & Distrib.	8,689,754		-	-	8,689,754	4.65%	404,122
320-30	Water Treatment Equipment	29,824,480		-	(12,775)	29,811,705	2.62%	782,063
320-30	Water Treatment Equipment - Membranes	1,344,228		-	-	1,344,228	0.26%	3,463
	Water Treatment Equipment-CIAC	-		(34,619)	-	(34,619)	2.62%	(908)
330-40	Distribution Reservoirs & Standpipes	13,463,916		-	(1,040,901)	12,423,015	2.13%	264,555
	Distribution Reservoirs & Standpipes-CIAC	-		(1,580,365)	-	(1,580,365)	2.13%	(33,655)
331-10	Trans. & Distrib. Mains & Accessories - Intangible	-		-	-	-	0.00%	-
331-20	Trans. & Distrib. Mains & Accessories - SOS	-		-	-	-	0.00%	-
331-40	Trans. & Distrib. Mains & Accessories	240,244,388		-	(1,874,762)	238,369,626	2.02%	4,818,115
	T&D Mains & Accessories-CIAC	-		(108,794,059)	-	(108,794,059)	2.02%	(2,199,031)
333-40	Services	91,799,984		-	(228,199)	91,571,785	2.96%	2,706,471
	Services-CIAC	-		(23,673,862)	-	(23,673,862)	2.96%	(699,698)
334-40	Meters and Meter Installations	17,289,310		-	-	17,289,310	5.36%	927,194
	Meters-CIAC	-		(116,799)	-	(116,799)	5.36%	(6,264)
335-40	Hydrants	11,432,760		-	(6,986)	11,425,774	2.47%	281,797
	Hydrants-CIAC	-		(3,512,781)	-	(3,512,781)	2.47%	(86,637)
336-40	Backflow Prevention Devices	-		-	-	-	0.00%	-
339-10	Other Plant & Misc. Equipment - Intangible	-		-	-	-	0.00%	-
339-20	Other Plant & Misc. Equipment - Source of Supply	-		-	-	-	0.00%	-
339-30	Other Plant & Misc. Equipment - Water Treatment	-		-	-	-	0.00%	-
339-40	Other Plant & Misc. Equipment - Trans. & Distrib.	-		-	-	-	0.00%	-
339-50	Other Plant & Misc. Equipment - General Plant	-		-	-	-	0.00%	-
340-500	Office Furniture and Equipment	1,505,502	(110,834)	-	-	1,394,667	6.67%	92,978
340-5A0	New CIS System	5,225,079	-	-	-	5,225,079	10.00%	522,508
340-5A0	AM / FM System	-	-	-	-	-	0.00%	-
340-5H0	Computer Equipment - Hardware	1,154,696	(1,036,881)	-	-	117,814	20.00%	23,563
340-5H0	IT Initiatives	136,243	-	-	-	136,243	20.00%	27,249
340-5S0	Computer Equipment - Software	3,626,487	(2,362,024)	-	-	1,264,463	20.00%	252,893
	Office Furniture & Equipment-CIAC	-		(393)	-	(393)	6.67%	(26)
341-50	Transportation Equipment	156,631	-	-	-	156,631	9.49%	14,869
342-50	Stores Equipment	19,635	(15,176)	-	-	4,459	4.76%	212
343-50	Tools, Shop and Garage Equipment	1,732,060	(283,946)	-	-	1,448,114	5.88%	85,183
343-50	Confined Space Monitor, Generator, Trench Shield	-	-	-	-	-	5.88%	-
344-50	Laboratory Equipment	314,250	(228,314)	-	-	85,936	10.00%	8,594
	Laboratory Equipment-CIAC	-		(16,847)	-	(16,847)	10.00%	(1,685)
345-50	Power Operated Equipment	177,381	-	-	-	177,381	8.78%	15,573
345-50	Power Operated Equipment	-	-	-	-	-	8.78%	-
346-50	Communications Equipment	5,271,849	(704,024)	(120,295)	130,639	4,578,169	5.53%	253,004
347-50	Miscellaneous Equipment	271,021	(2,730)	-	-	268,291	6.67%	17,886
347-50	Miscellaneous Equipment	-	-	-	-	-	6.67%	-
348-50	Other Tangible Property	0	-	-	-	0	2.00%	0
348-50	Master Plan	3,411,574	(726,973)	-	-	2,684,602	10.00%	268,460
	Amortization of Reserve Balance Difference (10 Year Period)							90,983
TOTAL		\$ 520,572,691	\$ (5,470,902)	\$ (142,694,627)	\$ (4,602,888)	\$ 367,804,275		\$ 10,794,161

Proforma Depreciation Expense	\$ 10,794,161
Depreciation and Amortization Recorded at June 30, 2020	9,661,810
Proforma Adjustment	\$ 1,132,351
Amortization of Utility Plant Acquisition Adjustment (Exh 11, Sch7)	\$20,710
Total Depreciation and Amortization of UPAA	\$ 10,814,871

SUEZ Water Idaho Inc.
Details of Adjustments to Ad Valorem Property Taxes
Test Year ending June 30, 2020

Adjustment No. 1
Property Taxes
Account 70203

Line No.	Description	Amount	Total	Adjustment Amount
1	To adjust Property Tax expense based on the anticipated 2020 year end valuation using 2019 Tax Bill levy rate as projected			\$ 320,622
<u>Details</u>				
2	Assessed Value recommended by the Idaho State Tax Commission for year ended 2019 per letter dated June 10, 2020	\$ 168,709,373		
3	Ada County Composite Levy Rate per November 12, 2019 bill	1.2289%		
4	Ada County Property Tax Expense	\$ 2,073,352		
5	Irrigation District Taxes & Other	\$ 2,166		
6	Anticipated 2020 Property Tax Expense for reference only	\$ 2,075,518		
7	Test Year Property Tax Expense per Books		\$ 1,814,918	
8	Estimated Assessment per Idaho State Tax Commission protocol for year ended 2020	\$ 173,590,595		
9	Pro Forma Levy Rate based on test year November 12, 2019 bill	1.2289%		
10	Pro Forma Ada County Property Tax	\$ 2,133,340		
11	Pro Forma Irrigation District Taxes & Other Assessments	\$ 2,200		
12	Pro Forma Property Tax Expense		\$ 2,135,540	
13	Adjustment		\$ 320,622	

SUEZ Water Idaho Inc.
Details of Adjustments to Payroll Taxes
Test Year ending June 30, 2020

Adjustment No. 2
Payroll Taxes
At Present Rates
Account 70250

Line No.	Description				Adjustment Amount
1	To adjust Employer FICA Tax Liability - Federal Insurance Contributions Act			\$	121,014
		<u>Details</u>	<u>Social Security Amount</u>	<u>Medicare Amount</u>	<u>Combined</u>
2	FICA Base for 2021 Projected	\$ 140,000	No Limit		
3	FICA Rate for 2020	6.20%	1.45%		
4	Pro Forma Payroll	\$ 9,220,860	\$ 9,220,860		
5	Wages in Excess of FICA base	\$ 226,084	No limit		
6	Taxable Wages	\$ 8,994,777	\$ 9,220,860		
7	FICA Tax Rates	6.20%	1.45%		
8	Pro Forma FICA Tax	\$ 557,676	\$ 133,702	\$ 691,379	
9	Test Year Expense			\$ 570,365	
10	Adjustment			\$ 121,014	

SUEZ Water Idaho Inc.
Details of Adjustments to Payroll Taxes
Test Year ending June 30, 2020

Adjustment No. 3
Payroll Taxes
At Present Rates
Account 70250

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Adjustment Amount</u>
1	To adjust Federal Unemployment Insurance Tax		\$ (51)
	<u>Details</u>		
2	Federal Taxable Base limit	\$ 7,000	
3	Federal Tax Rate	0.60%	
4	Employees covered by Federal Unemployment Tax (120 Full Time @ \$7,000 limit)		
5	Taxable Wages	\$840,000	
6	Tax Rate	0.60%	
7	Pro Forma Federal Unemployment Tax	\$ 5,040	
8	Test Year Expense	\$ 5,091	
9	Adjustment	\$ (51)	

SUEZ Water Idaho Inc.

**Details of Adjustments to Payroll Taxes
Test Year ending June 30, 2020**

Adjustment No. 4
Payroll Taxes
At Present Rates
Account 70250

Line No.	Description	Amount	Adjustment Amount
1	To adjust State Unemployment Insurance Tax	\$	1,167
	Details	Amount	
2	2021 Idaho Taxable Base estimate	\$ 42,500	
3	2020 Idaho SUTA Tax Rate for UWID	0.418%	
4	Employees covered by State Unemployment Tax (120 Regular Employees)		
5	Taxable Base	\$ 42,500	
6	Taxable Wages	\$ 4,570,648	
7	Tax Rate	0.418%	
8	Pro Forma Idaho Unemployment Tax	\$ 19,105	
9	Test Year Expense	\$ 17,938	
10	Adjustment	\$ 1,167	

Suez Water Idaho
Rate Case SUZ-W-20-02
Rate Base Summary
Using 13 Month Average Methodology

Line No.	Rate Base Element	Exhibit 11 Schedule Reference	Basis of Calculation	Amount
1	Gross Utility Plant in Service	Schedule 3	13 Month Average	\$ 502,722,323
	Total Accumulated Depreciation and CIAC			
2	Amortization	Schedule 4	13 Month Average	(178,259,251)
3	Net Utility Plant in Service			<u>324,463,071</u>
4	Customer Advances for Construction	Schedule 5	13 Month Average	(4,032,785)
	Contributions in Aid of Construction (net of			
5	amortization)	Schedule 6	13 Month Average	(100,937,086)
6	Utility Plant Acquisition Adjustment Net	Schedule 7	13 Month Average	369,691
7	Accumulated Deferred Income Taxes	Schedule 8	Test Year End	(3,404,986)
8	Deferred Charges Included in Rate Base	Schedule 9	Test Year End	4,809,940
9	Working Capital Allowance	Schedule 10	Test Year End	3,205,725
10	Regulatory Liability-New Federal Tax Law (TCJA)	Schedule 11	Test Year End	\$ (6,114,738)
11	Total Rate Base			<u>\$ 218,358,831</u>

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Line No.	Rate Base Element
1	Utility Plant in Service
1-A	Brian Water Project-Order UWL-14-01

Actual Amounts				Projected Amounts									
				07/31/2020	08/31/2020	09/30/2020	10/31/2020	11/30/2020	12/31/2020	01/31/2021	02/28/2021	03/31/2021	13 Month Avg
03/31/2020	04/30/2020	05/31/2020	06/30/2020										
\$ 475,293,815	\$ 476,031,482	\$ 483,277,450	\$ 495,448,438	\$ 497,685,076	\$ 499,603,801	\$ 501,101,543	\$ 504,342,855	\$ 507,015,087	\$ 511,551,419	\$ 513,200,878	\$ 514,702,693	\$ 518,442,444	
												2,130,247	
475,293,815	476,031,482	483,277,450	495,448,438	497,685,076	499,603,801	501,101,543	504,342,855	507,015,087	511,551,419	513,200,878	514,702,693	520,572,691	502,722,323
(131,588,076)	(132,312,173)	(132,285,428)	(132,605,463)	(132,909,586)	(133,713,990)	(134,464,817)	(135,097,982)	(135,721,493)	(136,272,223)	(136,815,590)	(137,588,892)	(138,249,480)	(134,586,553)
520,459	559,583	650,435	335,256										158,903
(42,308,299)	(42,586,276)	(42,824,250)	(43,082,413)	(43,330,545)	(43,580,120)	(43,830,971)	(44,082,471)	(44,334,457)	(44,587,178)	(44,840,592)	(45,094,224)	(45,349,015)	(43,831,601)
(173,375,915)	(174,318,866)	(174,459,243)	(175,352,619)	(176,240,131)	(177,294,110)	(178,295,788)	(179,180,454)	(180,055,949)	(180,859,401)	(181,656,181)	(182,683,116)	(183,598,495)	(178,259,251)
(4,147,886)	(4,048,038)	(4,048,038)	(4,048,334)	(4,030,834)	(4,030,834)	(4,030,834)	(4,013,334)	(4,013,334)	(4,013,334)	(4,000,534)	(4,000,534)	(4,000,534)	(4,032,785)
(99,167,935)	(99,956,672)	(100,022,517)	(99,968,808)	(100,430,676)	(101,196,101)	(101,455,251)	(101,467,750)	(101,526,764)	(101,840,143)	(101,841,168)	(101,587,536)	(102,720,793)	(100,837,086)
390,046	378,320	376,594	374,868	373,142	371,416	368,691	367,965	366,239	364,513	362,787	361,062	359,336	369,691
												(3,404,986)	(3,404,986)
												4,809,940	4,809,940
												3,205,725	3,205,725
												(6,114,739)	(6,114,739)
198,982,324	199,086,226	215,124,246	216,453,545	217,356,577	217,454,172	217,689,361	220,049,282	221,785,278	225,203,054	226,065,782	226,792,569	228,108,145	218,358,831

13 Regulatory Liability-New Federal Tax Law (TCJA)

14 Total Rate Base

Suez Water Idaho
Utility Plant In Service with Forecast Additions and Retirements
Case SUZ-W-20-02

Plant Account Number	Plant Account Description	Forecast July 2020			Forecast August 2020			Forecast September 2020			Forecast October 2020			Forecast No		
		Plant In Service	Pro Forma Plant	Plant In Service	Plant In Service	Plant In Service	Plant In Service	Plant In Service	Plant In Service	Plant In Service	Plant In Service	Plant In Service	Plant In Service	Plant In Service	Plant In Service	Plant In Service
		06/30/2020	07/31/2020	07/31/2020	07/31/2020	08/31/2020	08/31/2020	08/31/2020	08/31/2020	08/31/2020	09/30/2020	09/30/2020	09/30/2020	10/31/2020	10/31/2020	10/31/2020
		Additions	Retirements	Additions	Retirements	Additions	Retirements	Additions	Retirements	Additions	Retirements	Additions	Retirements	Additions	Retirements	Additions
301-10	Organization	103,738	-	-	-	103,738	-	-	-	103,738	-	-	-	103,738	-	-
302-10	Franchise Rights	41,182	-	-	-	41,182	-	-	-	41,182	-	-	-	41,182	-	-
303-20	Land & Land Rights - Source of Supply	3,405,472	-	-	-	3,405,472	-	-	-	3,405,472	-	-	-	3,405,472	-	-
303-2W	Water Rights - Source of Supply	7,114,638	-	-	-	7,114,638	-	-	-	7,114,638	-	-	-	7,114,638	-	-
303-30	Land & Land Rights - Water Treatment	889,034	-	-	-	889,034	-	-	-	889,034	-	-	-	889,034	-	-
303-30	Land & Land Rights - Trans. & Distrib.	1,091,556	-	-	-	1,091,556	-	-	-	1,091,556	-	-	-	1,091,556	-	-
303-50	Land & Land Rights - General Plant	213,383	-	-	-	213,383	-	-	-	213,383	-	-	-	213,383	-	-
304-20	Structures and Improvements - Source of Supply	7,320,290	-	-	-	7,320,290	-	-	-	7,320,290	-	-	-	7,320,290	-	-
304-30	Structures and Improvements - Water Treatment	15,671,680	-	-	-	15,671,680	-	-	-	15,671,680	-	-	-	15,671,680	-	-
304-40	Structures and Improvements - Trans. & Distrib.	3,050,802	-	-	-	3,050,802	-	-	-	3,050,802	-	-	-	3,050,802	-	-
304-50	Structures and Improvements - General Plant	3,861,178	-	-	-	3,861,178	-	-	-	3,861,178	-	-	-	3,861,178	-	-
305-20	Collecting & Impounding Reservoirs - Source of Supply	41,654	-	-	-	41,654	-	-	-	41,654	-	-	-	41,654	-	-
306-20	Lake, River & Other Intakes	1,511,320	-	-	-	1,511,320	-	-	-	1,511,320	-	-	-	1,511,320	-	-
307-20	Wells & Springs	8,031,446	-	-	-	8,031,446	-	-	-	8,031,446	-	-	-	8,031,446	-	-
308-20	Infiltration Galleries & Tunnels	47,249	-	-	-	47,249	-	-	-	47,249	-	-	-	47,249	-	-
309-20	Power Mains	3,022,318	-	-	-	3,022,318	-	-	-	3,022,318	-	-	-	3,022,318	-	-
310-20	Power Generation Equipment	3,512,395	-	-	-	3,512,395	-	-	-	3,512,395	-	-	-	3,512,395	-	-
311-20	Power Electric Pumping Equipment - Source of Supply	15,943,984	-	-	-	15,943,984	-	-	-	15,943,984	-	-	-	15,943,984	-	-
311-20	Power Diesel Pumping Equipment - Source of Supply	4,174,037	-	-	-	4,174,037	-	-	-	4,174,037	-	-	-	4,174,037	-	-
311-40	Power Pumping Equipment - Water Treatment	8,053,625	-	-	-	8,053,625	-	-	-	8,053,625	-	-	-	8,053,625	-	-
311-40	Power Pumping Equipment - Trans. & Distrib.	29,387,541	-	-	-	29,387,541	-	-	-	29,387,541	-	-	-	29,387,541	-	-
320-30	Water Treatment Equipment	1,344,228	-	-	-	1,344,228	-	-	-	1,344,228	-	-	-	1,344,228	-	-
320-30	Water Treatment Equipment - Membranes	13,463,916	-	-	-	13,463,916	-	-	-	13,463,916	-	-	-	13,463,916	-	-
330-40	Distribution Reservoirs & Standpipes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331-10	Trans. & Distrib. Mains & Accessories - Irregular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331-20	Trans. & Distrib. Mains & Accessories - SOS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331-40	Trans. & Distrib. Mains & Accessories	225,985,263	-	-	-	225,985,263	-	-	-	225,985,263	-	-	-	225,985,263	-	-
333-40	Services	89,787,923	-	-	-	89,787,923	-	-	-	89,787,923	-	-	-	89,787,923	-	-
334-40	Meters and Meter Installations	16,898,091	-	-	-	16,898,091	-	-	-	16,898,091	-	-	-	16,898,091	-	-
335-40	Hydrants	10,871,562	-	-	-	10,871,562	-	-	-	10,871,562	-	-	-	10,871,562	-	-
338-40	Backflow Prevention Devices	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
339-20	Other Plant & Misc. Equipment - Irregular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
339-20	Other Plant & Misc. Equipment - Source of Supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
339-30	Other Plant & Misc. Equipment - Water Treatment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
339-40	Other Plant & Misc. Equipment - Trans. & Distrib.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
339-50	Other Plant & Misc. Equipment - General Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
340-500	Office Furniture and Equipment	1,439,489	-	-	-	1,439,489	-	-	-	1,439,489	-	-	-	1,439,489	-	-
340-500	New CIS System	5,225,079	-	-	-	5,225,079	-	-	-	5,225,079	-	-	-	5,225,079	-	-
340-500	AM / FM System	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
340-500	Computer Equipment - Hardware	1,154,696	-	-	-	1,154,696	-	-	-	1,154,696	-	-	-	1,154,696	-	-
340-500	IT Initiatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
340-500	Computer Equipment - Software	3,543,045	-	-	-	3,543,045	-	-	-	3,543,045	-	-	-	3,543,045	-	-
341-50	Transportation Equipment	156,631	-	-	-	156,631	-	-	-	156,631	-	-	-	156,631	-	-
342-50	Stores Equipment	19,635	-	-	-	19,635	-	-	-	19,635	-	-	-	19,635	-	-
343-50	Tools, Shop and Garage Equipment	1,623,306	-	-	-	1,623,306	-	-	-	1,623,306	-	-	-	1,623,306	-	-
343-50	Confined Space Monitor, Generator, Trench Shield	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344-50	Laboratory Equipment	314,250	-	-	-	314,250	-	-	-	314,250	-	-	-	314,250	-	-
345-50	Power Operated Equipment	177,381	-	-	-	177,381	-	-	-	177,381	-	-	-	177,381	-	-
345-50	Power Operated Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
346-50	Communications Equipment	4,732,445	-	-	-	4,732,445	-	-	-	4,732,445	-	-	-	4,732,445	-	-
347-50	Miscellaneous Equipment	190,082	-	-	-	190,082	-	-	-	190,082	-	-	-	190,082	-	-
348-50	Other Tangible Property	83,442	-	-	-	83,442	-	-	-	83,442	-	-	-	83,442	-	-
348-50	Master Plan	2,546,027	-	-	-	2,546,027	-	-	-	2,546,027	-	-	-	2,546,027	-	-
TOTAL		495,448,435.68	2,516,434	(279,794)	(279,794)	497,685,076	-	2,044,410	(125,684)	499,603,801	1,657,298	(159,556)	3,518,810	(277,498)	501,101,543	2,862,266

Case No. SUZ-W-20-02
Exhibit No. 11
Schedule 3
J. Cary
Page 1 of 2

Suez Water Idaho
Utility Plant In Service with Forecast Additions and Retirements
Case SUZ-W-20-02

Plant Account Number	Plant Account Description	November 2020	11/30/2020	Forecast December 2020	12/31/2020	Forecast January 2021	01/31/2021	Forecast February 2021	02/28/2021	Forecast March 2021	Plant In Service 03/31/2021
		Retirements		Additions	Retirements	Additions	Retirements	Additions	Retirements	Additions	
301-10	Organization		103,738		103,738		103,738		103,738		103,738
302-10	Franchise Rights		41,182		41,182		41,182		41,182		41,182
302-20	Land & Land Rights - Source of Supply		3,405,472		3,405,472		3,405,472		3,405,472		3,405,472
303-20	Water Rights - Source of Supply		7,143,461	5,725	7,148,185		7,154,910	27,202	7,182,112	296,578	7,478,689
303-30	Land & Land Rights - Water Treatment		889,034		889,034		889,034		889,034		889,034
303-40	Land & Land Rights - Trans. & Distrib.		1,091,556		1,091,556		1,091,556		1,091,556		1,091,556
303-50	Land & Land Rights - General Plant		213,383		213,383		213,383		213,383		213,383
304-20	Structures and Improvements - Source of Supply		7,477,150		7,486,226	9,076	7,486,226		7,486,226	25,688	7,511,914
304-30	Structures and Improvements - Water Treatment		15,671,680		15,671,680		15,671,680	114,090	15,786,170	85,868	15,872,038
304-40	Structures and Improvements - Trans. & Distrib.		3,050,802		3,050,802		3,050,802		3,050,802		3,050,802
304-50	Structures and Improvements - General Plant		5,165,468		5,165,468		5,165,468		5,165,468		5,165,468
305-20	Collecting & Impounding Reservoirs - Source of Supply		41,654	1,304,290	41,654		41,654		41,654		41,654
306-20	Lake, River & Other Intakes		1,511,320		1,511,320		1,511,320		1,511,320	1,525,420	3,036,740
307-20	Wells & Springs		8,031,446		8,031,446		8,031,446	171,735	8,185,235		8,185,235
308-20	Infiltration Galleries & Tunnels										
309-20	Supply Mains		3,022,318		3,022,318		3,022,318		3,022,318		3,022,318
310-20	Power Generation Equipment - Source of Supply		3,512,395		3,512,395		3,512,395		3,512,395		3,512,395
311-20	Power Electric Pumping Equipment - Source of Supply		15,976,636	143,113	16,096,049	580,408	16,384,474	178,535	16,685,809		16,685,809
311-30	Power Diesel Pumping Equipment - Source of Supply										
311-40	Power Pumping Equipment - Water Treatment		4,174,037		4,174,037		4,174,037		4,174,037		4,174,037
311-50	Power Pumping Equipment - Trans. & Distrib.	(4,029)	8,685,514	11,449	8,685,514	1,225	8,685,514	3,028	8,685,514	2,290	8,687,754
320-30	Water Treatment Equipment	(4,257)	29,483,905	148,837	29,581,985	2,290	29,583,423	291	29,583,696	476,836	29,824,460
320-40	Water Treatment Equipment - Membranes		1,344,228		1,344,228		1,344,228		1,344,228		1,344,228
330-40	Distribution Reservoirs & Standpipes		13,463,916		13,463,916		13,463,916		13,463,916		13,463,916
331-10	Trans. & Distrib. Mains & Accessories - Intangible										
331-20	Trans. & Distrib. Mains & Accessories - SOS										
331-40	Trans. & Distrib. Mains & Accessories	(213,213)	233,954,028	2,255,977	236,130,093	80,978	236,210,811	803,430	236,992,543	3,254,526	240,244,386
333-40	Services		90,821,811	591,913	91,378,512	102,656	91,451,966	192,615	91,603,379	231,807	91,799,864
334-40	Meters and Meter Installations	(33,333)	17,188,386	85,832	17,221,885	11,005	17,199,557	122,125	17,289,349	34,294	17,289,310
335-40	Hydrants		11,071,920	81,825	11,133,745	11,610	11,145,355	63,615	11,208,870	223,890	11,432,760
338-40	Backflow Prevention Devices										
339-10	Other Plant & Misc. Equipment - Intangible										
339-20	Other Plant & Misc. Equipment - Source of Supply										
339-30	Other Plant & Misc. Equipment - Water Treatment										
339-40	Other Plant & Misc. Equipment - Trans. & Distrib.										
339-50	Other Plant & Misc. Equipment - General Plant										
340-500	Office Furniture and Equipment		1,453,476	94,225	1,505,502		1,505,502		1,505,502		1,505,502
340-500	New CIS System		5,225,079		5,225,079		5,225,079		5,225,079		5,225,079
340-500	AM / FM System										
340-500	Computer Equipment - Hardware		1,154,696		1,154,696		1,154,696		1,154,696		1,154,696
340-500	IT Initiatives		40,072		40,072		40,072		40,072		40,072
340-500	Computer Equipment - Software		3,626,487		3,626,487	96,172	3,626,487		3,626,487		3,626,487
341-50	Transportation Equipment		156,631		156,631		156,631		156,631		156,631
341-50	Stores Equipment		19,635		19,635		19,635		19,635		19,635
342-50	Tools, Shop and Garage Equipment		1,695,102	17,174	1,695,276	13,597	1,699,873	11,402	1,711,275	20,786	1,732,060
343-50	Confined Space Monitor, Generator, Trench Shield										
344-50	Laboratory Equipment		314,250		314,250		314,250		314,250		314,250
345-50	Power Operated Equipment		177,381		177,381		177,381		177,381		177,381
345-50	Power Operated Equipment										
346-50	Communications Equipment		4,811,792	211,807	4,928,899	599,650	5,271,849		5,271,849		5,271,849
347-50	Miscellaneous Equipment		271,021		271,021		271,021		271,021		271,021
347-50	Miscellaneous Equipment										
348-50	Other Tangible Property		0		0		0		0		0
348-50	Master Plan		2,867,747		2,867,747	543,828	3,411,574		3,411,574		3,411,574
TOTAL		(290,034)	507,015,087	4,912,164	511,551,419	2,058,219	513,200,878	1,688,368	514,702,693	6,177,981	520,572,691

Suez Water Idaho
Case SUZ-W-20-02
Accumulated Depreciation And Accumulated CIAC Amortization

Line No.	Description	Recorded Amounts				Forecasted Amounts									
		03/31/2020	04/30/2020	05/31/2020	06/30/2020	07/31/2020	08/31/2020	09/30/2020	10/31/2020	11/30/2020	12/31/2020	01/31/2021	02/28/2021	03/31/2021	
1	Accumulated Depreciation-Recorded														
2	Incremental Depreciation	\$ (131,067,617)	\$ (131,752,590)	\$ (131,634,992)	\$ (132,270,206)	\$ (929,672)	\$ (934,088)	\$ (937,983)	\$ (942,662)	\$ (947,943)	\$ (954,861)	\$ (964,226)	\$ (970,754)	\$ (976,171)	
3	Retirements					279,794	125,684	159,556	277,498	290,034	375,832	408,760	186,553	307,983	
4	Cost of Removal					12,258	5,758	29,358	33,758	36,158	30,058	13,858	12,658	9,358	
5	Salvage					(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	
6	Total Accumulated Depreciation	(131,067,617)	(131,752,590)	(131,634,992)	(132,270,206)	(132,909,586)	(133,713,990)	(134,464,817)	(135,097,982)	(135,721,493)	(136,272,223)	(136,815,590)	(137,588,892)	(138,249,480)	
7	CIAC Amortization -Recorded														
8	Incremental CIAC Amortization	(42,308,299)	(42,566,276)	(42,824,250)	(43,082,413)	(248,132)	(249,575)	(250,851)	(251,501)	(251,985)	(252,721)	(253,414)	(253,632)	(254,791)	
9	Total CIAC Amortization	\$ (42,308,299)	\$ (42,566,276)	\$ (42,824,250)	\$ (43,082,413)	\$ (43,330,545)	\$ (43,580,120)	\$ (43,830,971)	\$ (44,082,471)	\$ (44,334,457)	\$ (44,587,178)	\$ (44,840,592)	\$ (45,094,224)	\$ (45,349,015)	

Suez Water Idaho
Case SUZ-W-20-02
Developer Advances for Construction Subject to Refund

Line No.	Month	30110 Organization	30320 Source of Supply and Plant: Land & Land Rights	30340 Source of Supply T&D: Land & Land Rights	30420 Source of Supply and Pumping Plant: Structures & Improvements	30720 Source of Supply and Pumping Plant: Wells & Springs	30920 Source of Supply and Pumping Plant: Mains	Plant Account 31020.00 Source of Supply and Pumping: Power Generation Equipment	31120 Source of Supply and Pumping Plant: Pumping Equipment	32030 Water Treatment Plant: Water Treatment Equipment	33040 T & D Plant: Distribution Reservoirs & Standpipes	33140 T & D Plant: Mains	33340 T & D Plant: Services	33540 T & D Plant: Communication	34650 General Plant: AIAC in	Monthly Balance
1	Beginning Balance Jun 30, 2020	\$6,986	\$387,217	(\$3,644)	\$557,848	\$132,638	\$40,115	(\$1,761)	\$450,504	\$12,775	\$1,040,901	\$1,922,562	\$228,199	\$6,986	(\$130,639)	\$4,048,334
2	Jul 20 Activity															
3	Jul 20 Balance	6,986	387,217	(3,644)	557,848	132,638	40,115	(1,761)	450,504	12,775	1,040,901	1,905,062	228,199	6,986	(130,639)	(17,500) 4,030,834
4	Aug 20 Activity															
5	Aug 20 Balance	6,986	387,217	(3,644)	557,848	132,638	40,115	(1,761)	450,504	12,775	1,040,901	1,905,062	228,199	6,986	(130,639)	- 4,030,834
6	Sept 20 Activity															
7	Sept 20 Balance	6,986	387,217	(3,644)	557,848	132,638	40,115	(1,761)	450,504	12,775	1,040,901	1,905,062	228,199	6,986	(130,639)	- 4,030,834
8	Oct 20 Activity															
9	Oct 20 Balance	6,986	387,217	(3,644)	557,848	132,638	40,115	(1,761)	450,504	12,775	1,040,901	1,887,562	228,199	6,986	(130,639)	(17,500) 4,013,334
10	Nov 20 Activity															
11	Nov 20 Balance	6,986	387,217	(3,644)	557,848	132,638	40,115	(1,761)	450,504	12,775	1,040,901	1,887,562	228,199	6,986	(130,639)	- 4,013,334
12	Dec 20 Activity															
13	Dec 20 Balance	6,986	387,217	(3,644)	557,848	132,638	40,115	(1,761)	450,504	12,775	1,040,901	1,887,562	228,199	6,986	(130,639)	- 4,013,334
14	Jan 21 Activity															
15	Jan 21 Balance	6,986	387,217	(3,644)	557,848	132,638	40,115	(1,761)	450,504	12,775	1,040,901	1,874,762	228,199	6,986	(130,639)	(12,800) 4,000,534
16	Feb 21 Activity															
17	Feb 21 Balance	6,986	387,217	(3,644)	557,848	132,638	40,115	(1,761)	450,504	12,775	1,040,901	1,874,762	228,199	6,986	(130,639)	- 4,000,534
18	Mar 21 Activity															
19	Ending Balance-March 2021	\$6,986	\$387,217	(\$3,644)	\$557,848	\$132,638	\$40,115	(\$1,761)	\$450,504	\$12,775	\$1,040,901	\$1,874,762	\$228,199	\$6,986	(\$130,639)	\$ 4,000,534

Suez Water Idaho
Case SUZ-W-20-02
Contributions In Aid of Construction

Line No	Month	30110 Organization	30320 & 40 Source of Supply and Pumping Plant and T&D Plant: Land & Land Rights	30420 Source of Supply and Pumping Plant: Structures & Improvements	30620 Source of Supply and Pumping Plant: Collecting & Impounding Reservoirs	30720 Source of Supply and Pumping Plant: Wells & Springs	30920 Source of Supply and Pumping Plant: Mains	31120 Source of Supply and Pumping Plant: Equipment	31200 Source of Supply and Pumping Plant: Treatment	32030 Source of Supply and Pumping Plant: Water	Plant Account	33040 T & D Plant: Distribution	33140 T & D Plant: Standpipes	33340 T & D Plant: Meters & Installation	33440 T & D Plant: Hydrants	33540 T & D Plant: Plant: Office Furniture & Equipment	34030 General Plant: Laboratory Equipment	34150 General Plant: Equipment	34450 Communications	34650 CIAC IN CWIP	Monthly Balance Gross CIAC	Monthly Balance CIAC Amortization	Net CIAC
1	Beginning Balance-Jun 30, 2020	\$9,878	\$341,987	\$406,800	\$72,696	\$1,405,459	\$9,391	\$2,598,395	\$34,619	\$1,580,365	\$103,888,052	\$23,561,283	\$116,799	\$3,512,781	\$393	\$16,847	\$120,295	\$5,375,181	\$143,051,221	\$43,082,413	\$99,868,808		
2	Jul 20 Activity	9,878	341,987	406,800	72,696	1,405,459	9,391	2,598,395	34,619	1,580,365	104,588,052	23,571,283	116,799	3,512,781	393	16,847	120,295	5,375,181	143,761,221	(43,330,545)	100,430,676		
3	Jul 20 Balance									1,000,000	15,000								1,015,000				
4	Aug 20 Activity	9,878	341,987	406,800	72,696	1,405,459	9,391	2,598,395	34,619	1,580,365	105,588,052	23,586,283	116,799	3,512,781	393	16,847	120,295	5,375,181	144,776,221	(43,580,120)	101,196,101		
5	Aug 20 Balance									500,000	10,000								510,000				
6	Sept 20 Activity	9,878	341,987	406,800	72,696	1,405,459	9,391	2,598,395	34,619	1,580,365	106,088,052	23,596,283	116,799	3,512,781	393	16,847	120,295	5,375,181	145,286,221	(43,830,971)	101,455,251		
7	Sept 20 Balance									250,000	14,000								264,000				
8	Oct 20 Activity	9,878	341,987	406,800	72,696	1,405,459	9,391	2,598,395	34,619	1,580,365	106,338,052	23,610,283	116,799	3,512,781	393	16,847	120,295	5,375,181	145,550,221	(44,082,471)	101,467,750		
9	Oct 20 Balance									300,000	11,000								311,000				
10	Nov 20 Activity	9,878	341,987	406,800	72,696	1,405,459	9,391	2,598,395	34,619	1,580,365	106,638,052	23,621,283	116,799	3,512,781	393	16,847	120,295	5,375,181	145,861,221	(44,334,457)	101,526,764		
11	Nov 20 Balance									553,100	13,000								566,100				
12	Dec 20 Activity	9,878	341,987	406,800	72,696	1,405,459	9,391	2,598,395	34,619	1,580,365	107,191,152	23,634,283	116,799	3,512,781	393	16,847	120,295	5,375,181	146,427,321	(44,587,178)	101,840,143		
13	Dec 20 Balance									224,757	29,682								254,439				
14	Jan 21 Activity	9,878	341,987	406,800	72,696	1,405,459	9,391	2,598,395	34,619	1,580,365	107,415,909	23,663,965	116,799	3,512,781	393	16,847	120,295	5,375,181	146,681,760	(44,840,592)	101,841,168		
15	Jan 21 Balance									0	0								0				
16	Feb 21 Activity	9,878	341,987	406,800	72,696	1,405,459	9,391	2,598,395	34,619	1,580,365	107,415,909	23,663,965	116,799	3,512,781	393	16,847	120,295	5,375,181	146,681,760	(45,094,224)	101,587,536		
17	Feb 21 Balance									1,378,150	9,897								1,388,047				
18	Mar 21 Activity	9,878	341,987	406,800	72,696	1,405,459	9,391	2,598,395	34,619	1,580,365	108,794,059	23,673,862	116,799	3,512,781	393	16,847	120,295	5,375,181	148,069,807	(\$45,348,015)	\$102,720,793		
19	Ending Balance-March 31, 2021																						

**Suez Water Idaho
Case SUZ-W-20-02
Summary of Net Utility Plant Acquisition Adjustments**

Line No.	Acquisition Description	Company Project ID	IPUC Order Month	Amortization Period	Utility Plant Acquisition Adjustment Amount	Accumulated Amortization of UPAA Through 06/30/20	Unamortized Balance at 06/30/20	Monthly Amortization Amount
1	Warm Springs Mesa	X00009	Aug-96	20 Years	\$62,302	(\$62,302)	\$0	\$0
2	Redwood Creek	X00010	May-95	20 Years	(110,249)	110,249	0	0
3	Island Woods	X00011	Apr-95	20 Years	(179,675)	179,675	0	0
4	Raintree	X00014	Sep-00	40 Years	(227,594)	112,886	(114,708)	474
5	South County Water	X00020	Jan-99	40 Years	1,009,011	(542,367)	466,644	(2,102)
6	Barber Water	X00027	Jan-99	40 Years	46,966	(24,034)	22,932	(98)
					<u>\$600,762</u>	<u>(\$225,893)</u>	<u>\$374,868</u>	<u>(\$1,726)</u>

Annual Amortization Amount \$20,710

	Month	Monthly Amortization	Ending Balance
7	June-20		\$374,868
8	July-20	(1,726)	373,142
9	August-20	(1,726)	371,416
10	September-20	(1,726)	369,691
11	October-20	(1,726)	367,965
12	November-20	(1,726)	366,239
13	December-20	(1,726)	364,513
14	January-21	(1,726)	362,787
15	February-21	(1,726)	361,062
16	March-21	(1,726)	359,336

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**Suez Water Idaho
Case SUZ-W-20-02
Accumulated Deferred Income Taxes as of March 31, 2021**

Line No.	Account & Description	Balance at June. 30, 2020	Pro Forma Adjustments	Pro Forma Balance at March 31, 2021
1	Accumulated Deferred FIT-MACRS	\$ 7,273,065	\$ 273,671	\$ 7,546,736
2	Accumulated Deferred FIT Cost of Removal	1,201,806	-	1,201,806
3	Accumulated Deferred FIT AFUDC Equity	720,775	-	720,775
4	Accumulated Deferred FIT AFUDC Equity Gross Up	1,116,200	(177,293)	938,907
5	Def. FIT-Tank Painting	493,295	(38,717)	454,578
6	Def. FIT Benefit on DSIT	(392,684)	-	(392,684)
7	Def. FIT-Taxable CIAC	-	(950,394)	(950,394)
8	Def FIT - New Federal Tax Rate	(3,542,443)	(953,678)	(4,496,121)
9	Def FIT-New Federal TaxRate GU	(1,303,920)	(314,697)	(1,618,617)
10	Accumulated Deferred Income Taxes	\$ 5,566,093	\$ (2,161,107)	\$ 3,404,986
11	Pro Forma Tax Depreciation-State			\$ 10,284,899
12	Pro Forma Book Depreciation			8,558,360
13	Excess Tax Over Book Depreciation			\$ 1,726,540
14	State Income Tax Rate			6.93%
15	Incremental State Deferred Income Tax			119,563
16	Pro Forma Tax Depreciation-Federal			\$ 9,981,117
17	Pro Forma Book Depreciation			8,558,360
18	Excess Tax Over Book Depreciation			1,422,757
19	Less: State Deferred Income Tax			119,563
20	Federal Amount			1,303,194
21	Federal Income Tax Rate			21.00%
22	Incremental Federal Deferred Income Tax			\$ 273,671

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Suez Water Idaho
Case SUZ-W-20-02
Deferred Debits Balance Included in Rate Base

Line No. Amounts Approved In Case UWI-W-04-04:

Line No.	Description	Approved Amounts	Unamortized Balance at June 30, 2020	Amortization Period in Months	Monthly Expense	Jul 20, through Mar. 21 Expense	Unamortized Balance at March 31, 2021
1	Deferred Rents (Lakewood Well Lease)	\$ 19,090	\$ 10,672	\$ 600	\$ 46	\$ 414	\$ 10,258
2	Deferred Tank Painting-Gowen External	39,808	10,118	240	166	1,493	8,625
3	Deferred Tank Painting-Aeronica	21,100	5,363	240	88	791	4,572
4	Deferred AFUDC Equity Income	696,346	591,894	360	1,934	17,409	574,485
5	Sub Total	\$776,344	\$618,047		\$2,234	\$20,107	\$597,941

Amounts Approved In Case UWI-W-06-02:

6	Deferred Tank Painting-Federal Reservoir	162,895	49,547	240	679	6,109	43,439
7	Deferred AFUDC Equity Income	232,342	197,491	360	645	5,809	191,682
8	Sub Total	\$395,237	\$247,038		\$1,324	\$11,917	\$236,121

Amounts Approved In Case UWI-W-09-01:

9	Deferred Tank Painting-Ustick	74,183	35,844	240	309	2,782	33,062
10	Deferred Tank Painting-Steelhead	313,493	151,612	240	1,306	11,756	139,856
11	Deferred Tank Painting-Crestline	65,628	31,668	240	273	2,461	29,207
12	Sub Total	\$453,304	\$219,124		\$1,889	\$16,999	\$202,125

Amounts Approved In Case UWI-W-11-02:

13	Deferred Tank Painting-Hillcrest	230,134	133,301	240	959	8,630	124,671
14	Sub Total	\$230,134	\$133,301		\$959	\$8,630	\$124,671

Amounts Approved In Case UWI-W-15-01:

15	Deferred Tank Painting-Gowen Internal	208,050	161,238	240	867	7,802	153,436
16	Deferred Relocation	58,629	5,863	60	977	5,863	0
17	Deferred AFUDC Equity Income	343,736	292,175	360	955	8,593	283,582
18	Sub Total	\$610,414	\$459,276		\$2,799	\$22,258	\$437,018

Line No.	Description	New Items Proposed in Current Case	Proposed Amortization Period in Months	Proposed Monthly Expense	Proposed Annual Expense	Unamortized Balance at March 31, 2021
19	Deferred Tank Painting-Barber Tank-Internal	338,037	240	1,408	16,902	338,037
20	Deferred Tank Painting-Hulls Gulch Internal	1,135,161	240	4,730	56,758	1,135,161
21	Deferred Tank Painting-Hulls Gulch External	213,330	240	889	10,667	213,330
22	Deferred Tank Painting-Hidden Hollow	102,317	240	426	5,116	102,317
23	Deferred Rate Case Expense	209,738	36	5,826	69,913	209,738
24	Deferred Customer Payment Conv Fees (Order No.34405)	185,155	36	5,143	61,718	185,155
25	Deferred AFUDC Equity Income	221,809	360	616	7,394	221,809
26	Deferred Power Costs	807,518	36	22,431	269,173	807,518
	Sub Total	\$3,213,064		\$41,470	\$497,639	\$3,213,064
	Grand Total	\$4,889,850		\$50,676	\$577,550	\$4,809,940

Suez Water Idaho
Case No. SUZ-W-20-02
Working Capital Calculation

Line No.	Description	Working Capital : 06/30/2020	Adjustment	Working Capital: 03/31/2021
1	Total Operating & Maintenance Expense	\$ 17,059,078	\$ 4,509,817	\$ 21,568,895
	Adjustments:			
2	Amortization-Deferred Rate Case Expenses	-	69,913	69,913
3	Amortization-Deferred Relocation	11,726	(11,726)	-
4	Amortization-Deferred Tank Painting	55,769	89,442	145,210
5	Amortization-Deferred Pension	-	891,360	891,360
6	Amortization-Deferred Power	-	269,173	269,173
7	Amortization-Deferred AFUDC Equity Gross Up	38,684	11,128	49,812
	Amortization-Deferred Customer Payment			
8	Convenience Fees	-	61,718	61,718
9	Amortization-Deferred TCJA	-	(363,372)	(363,372)
10	Total Adjustments	(106,178)	(1,017,637)	(1,123,815)
11	Total Expense for CWC Allowance	16,952,899	3,492,181	20,445,080
12	Cash Working Capital Allowance %	12.50%	12.50%	12.50%
13	Cash Working Capital Allowance	2,119,112	436,523	2,555,635
14	Materials and Supplies	619,340	-	619,340
15	Prepayments	30,750	-	30,750
16	Total Working Capital	<u>\$ 2,769,202</u>	<u>\$ 436,523</u>	<u>\$ 3,205,725</u>

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Suez Water Idaho
Case SUZ-W-20-02
Regulatory Liability-New Federal Tax Law as of March 31, 2021

Line No.	Account & Description	Balance at June. 30, 2020	Adjustment	Pro Forma Balance at March 31, 2021
1	Regulatory Liability-New Federal Tax Law (TCJA)	(4,414,305)	(1,700,434)	(\$6,114,738)
2	Total	<u>(\$4,414,305)</u>	<u>(\$1,700,434)</u>	<u>(\$6,114,738) [1]</u>

Notes:

[1] Refer to Exhibit 12 sponsored by Witness Matthew Kahn

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