

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. CAP-W-07-01
OF CAPITOL WATER CORPORATION FOR)
APPROVAL OF CUSTOMER REFUNDS) NOTICE OF APPLICATION
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
ORDER NO. 30236

On January 9, 2007, Capitol Water Corporation filed an Application for approval of customer refunds. If approved the Company would refund approximately \$65,000 to its customers. The Company requested that the Application be processed under Modified Procedure.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Capitol Water's Application states during the course of its recent rate case, Case No. CAP-W-06-01, a billing error was discovered that resulted in overcharges to certain metered customers. The total over-billing from December 1, 2003 until September 1, 2006, was approximately \$65,000. In this Application, the Company proposes a mechanism to return these overcharges to the pertinent customers.

YOU ARE FURTHER NOTIFIED that the Company proposes the following plan to distribute the necessary refunds:

- (1) To the 99 customers currently connected to the water system to whom the Company owes a refund of \$100 or less, an immediate credit to each of their respective accounts in the proper amount;
- (2) To the 18 former customers to whom the Company owes a collective \$2,269.30, by locating them and issuing them refund checks;
- (3) To the 13 former customers who were in arrears on their accounts, by reducing the amount owed to them by the amount in arrears;
- (4) To the 112 current customers to whom the Company owes more than \$100 each, bill credits each month over a 36-month period. The total credits would be calculated as an amortization of the refund principal due together with interest at the Commission's approved rate for customer deposits of 5%. These refunds represent an aggregate total of

\$58,937.26. The billing credits would reduce the Company's monthly revenues by \$1,767.51 during the refund period.

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days after the date of this Order. The comment must contain a statement of reasons supporting the position. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

H. Robert Price
Capitol Water Corp.
2626 Eldorado
Boise, ID 83704
E-Mail: capitolwatercorp@worldnet.att.net

Robert E. Smith
2209 N. Bryson Road
Boise, ID 83713
E-Mail: utilitygroup@yahoo.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers and exhibits have been filed with the Commission and are available for public inspection during regular working hours at the Commission offices. The Application and supporting documents are also available on the Commission's website at www.puc.idaho.gov under "File Room" and then "Water Cases."

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-502, 61-641 and 61-642.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, 31.01.01.000 et seq.

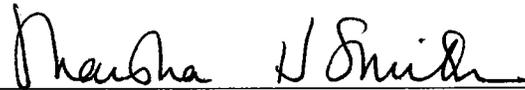
ORDER

IT IS HEREBY ORDERED that the Application of Capitol Water be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than twenty-one (21) days from the date of this Order.

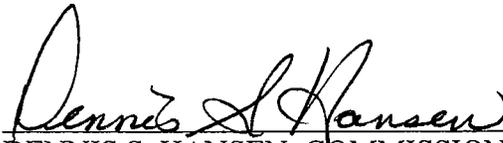
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 2nd
day of February 2007.



PAUL KJELLANDER, PRESIDENT

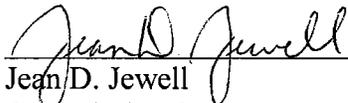


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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