

DECISION MEMORANDUM

**TO: COMMISSIONER REDFORD
 COMMISSIONER SMITH
 COMMISSIONER KEMPTON
 COMMISSION SECRETARY
 COMMISSION STAFF
 LEGAL**

**FROM: SCOTT WOODBURY
 DEPUTY ATTORNEY GENERAL**

DATE: NOVEMBER 20, 2008

**SUBJECT: CASE NO. CAP-W-08-01 (Capitol Water)
 APPLICATION TO CANCEL SURCHARGE**

On November 17, 2008, Capitol Water Corporation (Capitol Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authorization to cancel the Commission approved surcharges that are currently in effect. Capitol Water provides water service to approximately 2,560 residential and 150 commercial customers in the City of Boise's west bench area.

The Commission in Case No. CAP-W-02-1, Order No. 29035, authorized Capitol Water to incur \$507,000 indebtedness to make certain capital improvements and repairs to the Company's system and authorized a surcharge to pay the carrying cost of the debt (\$3.10 residential flat rate surcharge and a metered commercial surcharge of 23.60%). By Order No. 29401 in Case No. CAP-W-03-1 the Commission increased the level of the surcharge upward by \$.45/month for flat rate customers and by 3.5 percentage points for metered customers.

The Company believes now that it has collected enough through the surcharges to retire the debt. The Company requests Commission approval to cease billing the surcharges to customers effective with the December 2008 billings. The Company proposes to submit a final reconciliation of the surcharge collections and disbursements when all final costs are known.

COMMISSION DECISION

Capitol Water Company requests authority to terminate an existing surcharge for an effective date of December 1, 2008. The Company contends that it has collected enough through

the surcharge to retire the debt. The Company proposes to submit a final reconciliation of the surcharge collections and disbursements when all final costs are known. Staff has reviewed the Company's books and recommends that the Company's Application be approved without further notice or procedure. Does the Commission agree?



Scott Woodbury
Deputy Attorney General

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