

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF CAPITOL WATER CORPORATION) **CASE NO. CAP-W-08-02**
FOR AUTHORITY TO INCREASE ITS)
RATES AND CHARGES.) **NOTICE OF APPLICATION**
)
) **NOTICE OF**
) **INTERVENTION DEADLINE**
)
) **ORDER NO. 30700**

On November 17, 2008, Capitol Water Corporation filed an Application for authority to increase its rates for water service by 7.8%. The Company requests that the Application be processed by Modified Procedure and that the tariff changes become effective January 1, 2009.

THE APPLICATION

YOU ARE HEREBY NOTIFIED that Capitol Water provides water service to approximately 2,560 residential and 150 commercial customers in Boise. The Company's current rates and charges were authorized by Order No. 30198 issued on December 12, 2006. Since that time, the Ustick Road widening project caused the Company to incur \$102,006.34 in costs beyond its control. As part of this Ada County Highway District (ACHD) project, the Company was required to relocate distribution piping, fire hydrants and customer service connections located in the public right-of-way. In addition, in October 2008, the pump at well #6 failed. The cost to repair the pump and put the well back in service was \$11,234.37.

YOU ARE FURTHER NOTIFIED that since 2006, the Company has also experienced a significant increase in its electric power rates. The Company asserts that its cost for electric power is the single most expensive cost over which the Company has no control. The Company seeks to put a mechanism in place that would allow rates to be adjusted coincident with changes in its electric rates. The Company requests that the Commission immediately approve its proposed rate increase, "but hold the Case open pending a ruling by the Commission regarding Idaho Power Company's current rate case" (Case No. IPC-E-08-10). Application at 4. Upon completion of that case, Capitol Water proposes that "the Commission revisit this case and authorize recovery of any additional electric expense [it] will realize" as the result of a potential rate increase by Idaho Power. *Id.*

YOU ARE FURTHER NOTIFIED that the Company characterizes its Application as a “make whole” request limited to the three issues stated above. It requests that its Application be processed by Modified Procedure with tariff changes to become effective January 1, 2008.

YOU ARE FURTHER NOTIFIED that Capitol Water’s revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges of all Idaho retail customers both recurring and non-recurring are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are fair, just, and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject, or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groups and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groups. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce or create rate blocks or categories of rates and charges; abolish, create or reduce components of rates and charges; abolish, reduce or create customer classes or rate groups; and abolish, reduce, or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its Order. IDAPA 31.01.01.124.02.

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

DEADLINE FOR INTERVENTION

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing must file a Petition to Intervene with the Commission pursuant to the Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. Persons intending to participate at hearing must file a Petition to Intervene no later than fourteen (14) days from the service date of this Order. Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail address to facilitate further communications in this matter.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that once the deadline for intervention has passed, the Commission Secretary shall issue a Notice of Parties. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that after the Notice of Parties is issued, the Commission anticipates that the parties will informally convene to devise a recommended schedule to process this case. In addition to the schedule, the parties may discuss discovery logistics, electronic service, and other scheduling matters.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-124, 61-125, 61-307, 61-502, 61-503, and 61-507. The Commission may enter any final Order consistent with its authority under Title 61.

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

SUSPENSION OF PROPOSED EFFECTIVE DATE

In order to allow adequate time for review and comment, the Commission finds that it cannot resolve Capitol Water's request before the proposed effective date of January 1, 2009. Pursuant to *Idaho Code* §§ 61-622 and 61-623, the Commission hereby suspends the proposed changes for a period of thirty (30) days plus five (5) months from December 10, 2008, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

ORDER

IT IS HEREBY ORDERED that Capitol Water's proposed effective date of January 1, 2009, is suspended for a period of thirty (30) days plus five (5) months from December 10, 2008, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the service date of this Order.

IT IS FURTHER ORDERED that after the Notice of Parties is issued, the Staff shall informally convene with the parties to discuss the processing of this case.

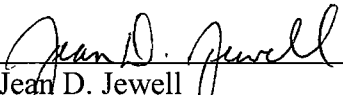
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th
day of December 2008.


MACK A REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary