

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )**  
**OF CAPITOL WATER CORPORATION TO )** **CASE NO. CAP-W-10-01**  
**REVISE ITS SCHEDULE NO. 3 PURCHASE )**  
**POWER ADJUSTMENT RATE )** **NOTICE OF APPLICATION**  
)  
) **NOTICE OF**  
) **MODIFIED PROCEDURE**  
)  
) **ORDER NO. 32022**

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**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that on June 11, 2010, Capitol Water Corporation (“Capitol Water” or “Company”) filed an Application requesting the Commission’s approval to change its Schedule No. 3 Purchase Power Cost Adjustment to recover the Company’s cost of electricity related to Idaho Power Company’s electric rate schedules that have been approved by the Idaho Public Utilities Commission (“Commission”).

YOU ARE FURTHER NOTIFIED that Capitol Water noted in its Application that since its last case to establish a new tariff rate to recover its purchased power costs (CAP-W-09-01), Idaho Power Company has been granted a number of changes which increased rates and charges paid by Capitol Water to Idaho Power for electric service.

YOU ARE FURTHER NOTIFIED that Capitol Water’s current base rates were established in Case No. CAP-W-08-02, Order No. 30762. In Order No. 30762, the Commission approved a three-year average of 1,454,401 kWh of electricity consumption at an average cost of 5.19¢ to establish rates for the Company. The Company states that its total cost of electric power is \$75,483.41.

YOU ARE FURTHER NOTIFIED that a recalculation of Capitol Water’s average cost per kWh at Idaho Power’s current rates for electric power produces an average cost of 5.52¢ per kWh. Capitol Water estimates that this revised average cost per kWh yields an annual cost for electric power of \$80,295 – an increase of \$4,811, or 6%.

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YOU ARE FURTHER NOTIFIED that Capitol Water requests permission to replace its currently approved Schedule No. 3 Purchased Power Cost Adjustment of 1.45% with a new Purchased Power Cost Adjustment of 0.81%. Additionally, Capitol Water seeks to recover \$1,000 for its costs to review the Idaho Power cases, determine their effect on Applicant and prepare and file this Application.

YOU ARE FURTHER NOTIFIED that Capitol Water states that the reduction of the Schedule No. 3 rate is due to the change in Applicant's incremental costs approved in Case No. CAP-W-09-01 that utilized Idaho Power's PCA rate of 1.4717¢ per kWh and was recently reduced to 0.3114¢ per kWh.

YOU ARE FURTHER NOTIFIED that Capitol Water attached two exhibits to its Application. Exhibit No. 1 lays out the calculations used by the Company to reach its proposed Schedule No. 3 Purchase Power Cost Adjustment rate. Exhibit No. 2 is a copy of the Company's current Schedule No. 3 with corrections to reflect the proposed changes to the Purchased Power Cost Adjustment. Capitol Water also attached a copy of its proposed Schedule No. 3 for the Commission's approval with a proposed effective date of July 1, 2010.

YOU ARE FURTHER NOTIFIED that Capitol Water states that it was unable to file its Application in a timely manner and meet the Commission's 30-day notice requirement because it was unable to review the relevant Commission Orders pertaining to Idaho Power's recent applications for rate increases and analyze the effect of these Orders on Capitol Water's operations until after June 1, 2010.

YOU ARE FURTHER NOTIFIED that Capitol Water states that, in conjunction with the filing of its Application, it will issue a notice advising its customers of its pending Application before the Commission and that the notice will be included with customer bills to be mailed July 1, 2010, and by a news release that will be transmitted to the Idaho Statesman and the Idaho Business Review newspapers. A copy of the customer notice and news release were filed as Exhibit Nos. 3 and 4, respectively.

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has reviewed Capitol Water's filing in Case No. CAP-W-10-01 and finds 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 Commission's Rules of Procedure, IDAPA 31.01.01.201-.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 concerning Capitol Water's request to change its Schedule No. 3 Purchase Power Cost Adjustment to recover the Company's cost of electricity may file a written comment in support or opposition with the Commission within **twenty-one (21) days** from the service date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this filing should be mailed to the Commission and Capitol Water 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 83702-5918

Robert Price  
Capitol Water Corporation  
2626 El Dorado  
Boise, ID 83704  
E-mail: [capitolwatercorp@yahoo.com](mailto:capitolwatercorp@yahoo.com)

Robert E. Smith  
2209 N. Bryson Road  
Boise, ID 83713  
E-mail: [utilitygroup@yahoo.com](mailto:utilitygroup@yahoo.com)

All 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](http://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 Capitol Water at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that Capitol Water's filing can be viewed at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and then "Water Cases," or it can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho.

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 all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-124, 61-125 , 61-129, 61-622 and 61-623. 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.*

### **ORDER**

IT IS HEREBY ORDERED that Capitol Water Corporation's request to replace, subject to refund, its current Schedule No. 3 Purchased Power Cost Adjustment of 1.45% with a new Purchased Power Cost Adjustment of 0.81% in order to recover the Company's cost of electricity is approved.

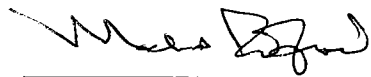
IT IS FURTHER ORDERED that the foregoing interim rate authorized in this Order shall be effective for service rendered on or after July 1, 2010, and shall be subject to later refund. The interim rate shall remain in place until such time as the Commission has completed its review and issued a subsequent ruling regarding the Company's request.

IT IS FURTHER ORDERED that Capitol Water's Application shall be processed through 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 service date of this Order.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30<sup>th</sup>  
day of June 2010.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:CAP-W-10-01\_np