



2626 Eldorado Boise, Idaho 83704  
Telephone 375-0931

June 6, 2011

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, Idaho 83720-0074

RECEIVED  
2011 JUN -6 PM 2:27  
IDAHO PUBLIC UTILITIES COMMISSION

Re: CASE NO. CAP-W-11-01  
IN THE MATTER OF THE APPLICATION  
OF CAPITOL WATER CORP. TO  
CHANGE ITS SCHEDULE NO. 3  
PURCHASED POWER ADJUSTMENT RATE

Dear Ms Jewell:

Enclosed are an original and seven copies of an application and exhibits for approval of Capitol Water Corporations change in its Schedule No. 3 Purchased Power Adjustment. The change is necessitated by Idaho Power Company's recent changes in the rates and charges for electric service to Capitol Water Corporation.

. Applicant is requesting that the Commission process this application under its rules of modified procedure without hearing.

An electronic version of the application, exhibits and work papers in Excel and Microsoft Word format is being transmitted as e-mail attachments.

Sincerely,

Robert Price, President  
Capitol Water Corporation

Robert Price, President  
Capitol Water Corp.  
2626 Eldorado  
Boise, Idaho 83704  
Ph: (208) 375-0931  
Fax: (208) 375-0951  
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Representative for Capitol Water Corp.

RECEIVED  
2011 JUN -6 PM 2:  
IDAHO PUBLIC  
UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )      CASE NO. CAP-W-11-01**  
**OF CAPITOL WATER CORP. TO )**  
**CHANGE ITS SCHEDULE NO. 3 )      APPLICATION**  
**PURCHASED POWER ADJUSTMENT RATE )**

COMES NOW Capitol Water Corporation (“Capitol, “Applicant” or “Company”), holder of Certificate of Convenience and Necessity Number 239 and files this Application to change its Schedule No. 3 Purchased Power Cost Adjustment rate 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 (“IPUC” or Commission”).

Subsequent to Applicant’s last case (CAP-W-10-01) Idaho Power Company has been granted a number of changes in its rates and charges that affect Applicants cost of electric power. Applicant requests that the Commission take official notice of its Order Nos. 32251 (Case No. IPC-E-11-03), 32248 (Case No. IPC-E-11-04) and 32250 (Case No. IPC-E-11-06), all of which increased rates and charges paid by Applicant to Idaho Power Co. for electric service.

Applicant’s current base rates were established by Order No. 30762 in Case No. CAP-W-08-02. In that order the Commission adopted a three (3) year average of 1,454,401 KWh of electricity consumption at an average cost of 5.19¢ to establish rates for Applicant. Together these produce a total cost of electric power for Applicant of \$75,483.41. Recalculating Applicants average cost per KWh at Idaho Power Company’s current rates produces an average cost of 5.77¢ per KWh. This average cost per KWh

when applied to the Commission approved average use produces an annual cost for electric power of \$83,856. This is an increase in electric power cost of \$8,372 or 11.1% more than included in Applicants base water rates.

Applicant expects its costs to review the Idaho Power Company cases, determine their effect on Applicant, prepare and file this application and respond to questions regarding the Application to be \$1,000. Applicant proposes to include these costs together with the electric power costs for recovery by replacing the Company's currently approved Schedule No.3 Purchased Power Cost Adjustment of .81% with a new Purchased Power Cost Adjustment of 1.44%. The change is the result of several factors. Subsequent to the issuance of the Commission's Order No. 32056 in Case No. CAP-W-10-01, an error was discovered in the calculation of Applicant's average cost of electric power used in prior cases. That error understated the average cost of Applicants electric power costs reducing Applicants Schedule No. 3 Purchased Power Adjustment approved in Case No. CAP-W-10-01. Hence, Applicant has under recovered its purchased power costs over the last twelve months. Correction of that calculation error together the changes to Idaho Power Company's tariff rates approved by the Commission produce an increase in Applicant's Schedule No. 3 Purchased Power Adjustment.

Enclosed is one page Exhibit No. 1 that presents Applicants calculations in support of this Application. Also enclosed As Exhibit No. 2 is a copy of the Company's current approved Schedule No. 3 in legislative format that shows the proposed change to the Purchased Power Cost Adjustment.

A new Schedule No. 3, with the proposed power cost adjustment rate, is enclosed for the Commission's approval with an effective date of July 1, 2010.

Applicant has provided work papers showing its calculations that develop the proposed power cost adjustment to the Commission's Staff for its review.

Applicant requests that the Commission process this Application under its rules of modified procedure and approve the change on less than 30 days notice on an interim basis subject to refund effective July 1, 2011 with a final order making the changes permanent on August 1, 2011.

Applicant was unable to file this application in a timely manner to meet the Commission's 30 day notice requirement due to the date Commission Order Nos. 32248

32250 and 32251 were issued. Applicant was unable to review those orders and the effect on Applicant until after June 1, 2011.

Capitol Water Corporation will inform its customers of this application through a customer notice that will be included with customer bills to be mailed July 1, 2011 and by a news release that is being sent to the Idaho Statesman and the Idaho Business Review newspapers coincident with this filing. Copies of the customer notice and news release are enclosed as Exhibit Nos. 3 and 4 respectively.

**CONTACT INFORMATION:**

Questions regarding this Application should be addressed to:

Robert Price  
Capitol Water Corp.  
2626 Eldorado  
Boise, Idaho 837704

Ph: (208) 375-0931  
e-mail [capitolwatercorp@yahoo.com](mailto:capitolwatercorp@yahoo.com)

Robert E. Smith  
2209 N. Bryson Rd.  
Boise, Idaho 83713

Ph: (208) 761-9501  
e-mail [utilityfgroup@yahoo.com](mailto:utilityfgroup@yahoo.com)

Please provide copies of all correspondence, notices and orders to the above individuals.

Respectfully submitted,



Robert Price, President  
Capitol Water Corporation

**Capitol Water Corporation  
Calculation of Electric Power Cost Adjustment**

1 Commission Ordered 3 year Electric Power Consumption per Order 30762	1,454,401
2 Average Cost Per KWh Per Order 30762 (CAP-W-08-02)	\$ 0.0519
3 Electric Power Costs embeded in Basic Rates	\$ 75,483.41
4 Restated Average Cost Per KWh @ 6/1/11 IPCo Rates	\$ 0.0577
5 Current Electric Power Costs Resulting From IPCo rate changes	\$ 83,856.18
6 Incremental Power Cost Resulting From IPCo rate changes	\$ 8,372.77
7 Estimated Current Rate Case Costs	1,000.00
8 Incremental Revenue Requirement	\$ 9,372.77
9 Total Revenue Requirement from Commission Order 30762	651,738
10 Power Cost Adjustment Required	1.44%
11 Test of .25% revenue Band Required by Order No. 30881	
12 Base Revenue from order 30762	\$ 651,738
13 Incremental revenue from Order 32056 in CAP-W-10-01	5,311
14 Revenue per Order 30256	657,049
15 Revenue Required At Current IPCo Rates	\$ 661,111
16 Percent Change in Power Cost Related Revenue Requirement Change exceeds 0.25% Revenue Band Requirement	0.62%
17 Current Power Cost Adjustment Rate	0.81%
18 Proposed new Power Cost Adjustment Rate	1.44%

Tarriff No.	Page	
I.P.U.C. No.		
Canceling		
Name of Utility		(Approval Stamp)
<b>CAPITOL WATER CORPORATION</b>		

**SCHEDULE NO. 3**

**OTHER RECURRING AND NON-RECURRING CHARGES**

**RECURRING CHARGES**

Applicable: To all customer bills

**Purchased Power Cost Adjustment:**

Beginning July 1, 2011 all customer bills will be increased by 1.44% for recovery of the Company's costs of electric power related to changes in Idaho Power Company's Rate Schedules

**City of Boise Franchise Fee:**

All customer bills will be increased by 3% for payment of Franchise Fees assessed by the City of Boise.

**Department of Environmental Quality Fee:**

All customer bills will be increased by \$0.34 to collect the assessment required by the Idaho Department of Environmental Quality.

**NON-RECURRING CHARGES**

Applicable: To all customer bills

**Reconnection Charges:** A reconnection charge will be assessed to any customer who has been voluntarily or involuntarily disconnected in compliance with the Idaho Public Utilities Commission's Uniform Customer Relations Rules (UCRR). Charges do not apply to customers who have been involuntarily disconnected for the convenience of the Company.

Reconnection Charge \$20.00

The following "Customer Requested Service Calls" charges also apply.

**Customer Requested Service Calls:** During Normal Business Hours \$0.00

Other Than Normal Business Hours \$20.00

Service call charges will be waived if the service call resulted in repair to Company's equipment through no fault of the customer.

Normal Business Hours are 8:00 AM to 5:00 PM Monday through Friday excluding Legal Holidays recognized by Idaho State Government Offices

**Returned Check Charge:** In the event a customers check is returned by the Company's bank for any reason, the Company will charge the customer's account a reprocessing fee of \$15.00

**Meter Testing Fee:** Not Currently in Use.

Per Commission Order No.

Issued June 6, 2011

Effective

July 1, 2011

By

*Robert Price*

Title

President

