

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF CAPITOL WATER CORPORATION FOR) **CASE NO. CAP-W-14-01**
AUTHORITY TO INCREASE ITS)
SCHEDULE NO. 3 PURCHASE POWER) **NOTICE OF APPLICATION**
ADJUSTMENT RATE)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 33086**

YOU ARE HEREBY NOTIFIED that on July 11, 2014, Capitol Water Corporation (“Capitol Water” or “Company”) filed an Application to increase its Schedule No. 3 Purchased Power Adjustment Rate to recover the Company’s cost of electricity related to Idaho Power Company’s (“Idaho Power”) electric rate schedules that have been approved by the Idaho Public Utilities Commission (‘IPUC’ or ‘Commission’).

YOU ARE FURTHER NOTIFIED that Capitol Water proposes an effective date of September 1, 2014.

YOU ARE FURTHER NOTIFIED that Capitol Water states that the proposed change is necessitated by changes in Idaho Power’s rates and charges that affect the Company’s cost of electric power. The Company requests that the Commission take official notice of Idaho Power Company rates and charges currently in effect and on file with the Commission.

YOU ARE FURTHER NOTIFIED that Capitol Water states that its current base rates were established by Order No. 30762 in Case No. CAP-W-08-02. According to the Company, the Commission approved a three-year average of 1,454,401 kWh of electricity consumption at an average cost of 5.19¢ per kWh. Capitol Water estimates its total cost of electric power under the current Commission-approved rate to be \$75,483.41.

YOU ARE FURTHER NOTIFIED that Capitol Water claims that its average cost per kWh at Idaho Power’s current rates is now 7.15¢ per kWh which produces an annual cost for electric power of \$103,937. Capitol Water states that this represents an increase in annual electric power cost of \$28,454, or 37.7% more than included in the Company’s base water rates.

YOU ARE FURTHER NOTIFIED that Capitol Water estimates its costs associated with the preparation and filing of this Application to be \$1,100. Capitol Water is seeking to

recover these costs together with the electric power costs by increasing the Company's currently approved Schedule No. 3 Purchased Power Cost Adjustment of 4.2% with a new Purchased Power Cost Adjustment of 4.53%.

YOU ARE FURTHER NOTIFIED that Capitol Water attached Exhibit No. 1 to its Application depicting Capitol Water's calculations at Idaho Power's currently approved rates. Also attached to the Application is Exhibit No. 2, 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.

YOU ARE FURTHER NOTIFIED that Capitol Water included a new Schedule No. 3, with the proposed power cost adjustment rate, with its proposed effective date of September 1, 2014. The Company provided workpapers showing its calculations for Staff review.

YOU ARE FURTHER NOTIFIED that the Company has informed its customers of its Application to the Commission through a customer notice included in customer bills mailed on August 1, 2014, and via a news release to the Idaho Statesman and the Idaho Business Review newspapers contemporaneous with its filing (Exhibit Nos. 3 and 4).

YOU ARE FURTHER NOTIFIED that Capitol Water requests that the Commission process its Application through Modified Procedure and without a formal hearing.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject or modify the rates and charges proposed by the Company 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 groupings and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groupings. 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 Commission Staff has undertaken an audit and investigation of the Company's Application, workpapers and all documents and files relevant to this matter.

YOU ARE FURTHER NOTIFIED that the Idaho Public Utilities Commission has jurisdiction over Capitol Water, its filing and the issues pertaining to this case pursuant to Title 61 of the *Idaho Code*.

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.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's filing in Case No. CAP-W-14-01 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 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 concerning Capitol Water's Application in Case No. CAP-W-14-01 may file a written comment in support or opposition with the Commission within **twenty-one (21) days from the 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, President
Capitol Water Corp.
2626 Eldorado
Boise, Idaho 83704
E-mail: capitolwatercorp@yahoo.com

Robert E. Smith
2209 N. Bryson Rd.
Boise, Idaho 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 "Case Comment or Question Form" under the "Consumers" tab, 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 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 is also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Water Cases," and then click on the case number as shown on the front of this document.

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.

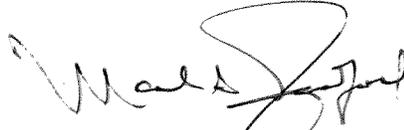
ORDER

IT IS HEREBY ORDERED that the Application of Capitol Water Corporation shall 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 21 days from the service date of this Order.

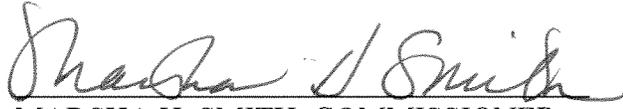
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th
day of July 2014.



PAUL KJELLANDER, PRESIDENT

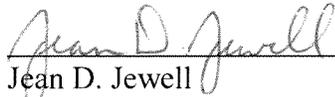


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:CAP-W-14-01_np