

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF CAPITOL WATER CORPORATION FOR ) CASE NO. CAP-W-17-01  
AUTHORITY TO INCREASE ITS )  
SCHEDULE NO. 3 PURCHASE POWER ) NOTICE OF APPLICATION  
ADJUSTMENT RATE )  
)  
) NOTICE OF  
) MODIFIED PROCEDURE  
)  
)  
) ORDER NO. 33812**

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On June 26, 2017, Capitol Water Corporation filed an Application to adjust its Schedule No. 3 Purchased Power Cost Adjustment (PPCA) 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.” *Application* at 1. Capitol Water proposes an effective date of August 15, 2017.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that Capitol Water requests an increase in Schedule No. 3 rates. It states that the proposed increase is driven by a rise in electric power expenses. *Id.* The Company claims that its current 2.8% PPCA rate is too low when factoring in the increase in power rates, and the Company’s costs to file this Application. *Id.* The Company requests a new PPCA rate of 3.1%. *Id.*

YOU ARE FURTHER NOTIFIED that the Company also requests the Commission to approve a change in the methodology used to calculate the Company’s PPCA. *Id.* at 2.

YOU ARE FURTHER NOTIFIED that the Company proposed an effective date of August 15, 2017, for the proposed changes.

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.” *Id.* Capitol Water summarizes the 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.” *Id.* This results in a total approved electric power cost recovery of \$75,483.41. *Id.*

YOU ARE FURTHER NOTIFIED that the Company claims that its actual costs for electric power in 2016 was \$19,126.83 more than what is embedded in base rates, not including the current adjustment mechanism. *Id.* at 2.

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 the Commission's authorization to recover the preparation and filing costs, along with the electric power costs described above, by increasing its current Schedule No. 3 Purchased Power Cost Adjustment rate from 2.8% to a revised rate of 3.1%.

YOU ARE FURTHER NOTIFIED that Capitol Water also included with the Application a worksheet detailing its calculations (Exhibit Nos. 1-3), a sample customer notice that will be included in the July 2017 billing (Exhibit No. 3), a copy of the proposed Schedule No. 3 in legislative format (Exhibit No. 5), and a news release that will be printed in the Idaho Statesman and Idaho Business Review. *Id.* (Exhibit No 6).

YOU ARE FURTHER NOTIFIED that the Company has proposed to change the method of calculating the Company's PPCA rates that will consist of comparing the most recent year's costs with the costs embedded in base rates. This method eliminates the use of a computer model, and "can be completed internally by the Company without the need for outside consultant assistance." *Id.* at 2-3.

YOU ARE FURTHER NOTIFIED that the Commission finds it appropriate to suspend the Company's proposed effective date of August 15, 2017, for a period of thirty days, until September 15, 2017, unless the Commission issues an earlier Order accepting, rejecting, or modifying the Company's Application. *See Idaho Code* § 61-622(4).

YOU ARE FURTHER NOTIFIED that Capitol Water requests that the Commission process its Application pursuant to Modified Procedure.

**NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's filing in Case No. CAP-W-17-01, 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-17-01 may file a written comment in support or opposition with the Commission by **August 9, 2017**. 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

Robert Price, President  
Capitol Water Corp.  
2626 Eldorado  
Boise, ID 83704  
E-mail: [capitolwatercorp@yahoo.com](mailto:capitolwatercorp@yahoo.com)

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Robert E. Smith  
2209 N. Bryson Rd.  
Boise, ID 83713  
E-mail: [utilitygroup@yahoo.com](mailto: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](http://www.puc.idaho.gov). Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application and supporting documents 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](http://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**

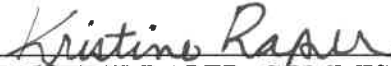
IT IS HEREBY ORDERED that the Application of Capitol Water Corporation shall be processed by Modified Procedure, IDAPA 31.01.01.201-204. Persons interested in submitting written comments in this matter must do so by August 9, 2017.

IT IS FURTHER ORDERED that the Company's proposed effective date of August 15, 2017, is suspended for a period of thirty days, until September 15, 2017, unless the Commission issues an earlier Order accepting, rejecting, or modifying the Application.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13<sup>th</sup> day of July 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian  
Commission Secretary

O:CAP-W-17-01\_bk