



Idaho Public Utilities Commission

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Brad Little, Governor

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Case No. CAP-W-24-02

Order No. 36391

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NEWS RELEASE: Commission is accepting written comments on water utility application to recover electricity costs.

BOISE (Nov. 18, 2024) - The Idaho Public Utilities Commission is accepting written comments on an application submitted by Capitol Water Corporation to recover electricity costs that exceeded what it collected in rates.

In early October, the water utility applied for authority to change its Schedule No. 3 – Purchased Power Cost Adjustment (“PPCA”) rate to recover those costs. The PPCA is a charge or credit that reflects fluctuations in the cost of electricity a utility company buys. This allows the utility to pass on those changing costs to customers on their monthly bills and appear as an additional charge when the price is higher and a credit when it’s lower.

Capitol Water’s base rates were approved in a previous commission decision, which established power consumption at 1,454,401 kilowatt-hours with a 5.19 cent average cost. This created a benchmark of \$75,483.41 for determining the incremental cost of power used to calculate the PPCA rate. While initially approving a three-year average, the commission later adopted twelve-month power costs. In 2023, actual costs reached \$102,919 — exceeding the base rate by \$27,436 but falling \$1,957 below the current PPCA recovery.

Capitol Water said it intended to adjust its PPCA rate from 4.51 percent to 4.21 percent. Possible rate changes may occur in December 2024 due to the utility’s general rate case. Therefore, Capitol Water requested implementing new PPCA rates simultaneously. However, because potential approval of items within Capitol Water’s general rate case will provide information necessary for commission staff to analyze this case, the parties have realized the implementation of both proposed rate adjustments simultaneously is not feasible.

Capitol Water proposed that the revised rate would divide the \$27,436 incremental costs by the new base revenue. If the commission approves Capitol Water’s application, unmetered residential customers will see a decrease in their monthly bill between \$0.05 to \$0.10 in the months of May through September and between \$0.04 to \$0.09 in the other months. Metered

customers will see a decrease of 0.30 percent in their bills. Capitol Water said it expects the amounts to be adjusted based on the outcome of the general rate case before the commission.

The commission is accepting written comments on the PPCA application until Dec. 5, 2024. Comments are required to be filed through the commission's website or by e-mail unless computer access is not available. To comment using the commission website, please visit puc.idaho.gov and click on the "Case Comment Form" link on the upper left side of the page. Please use case number CAP-W-24-02 when filling out the form. If submitting comments using e-mail, comments should be sent to the commission secretary and Capitol Water at the e-mail addresses listed below. Those submitting comments through e-mail are required to provide their name, address and include case number CAP-W-24-02. If computer access is not available, comments can be mailed to the commission and Capitol Water at the addresses listed below. Those mailing in comments are required to include their name, address and case number CAP-W-24-02.

For the Idaho Public Utilities Commission:

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Additional information on the utility's application is available at:
puc.idaho.gov/case/Details/7434.