

CAP-W-08-02

NEWS RELEASE

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IDAHO PUBLIC
UTILITIES COMMISSION

Capitol Water Corporation, who provides water service to approximately 2,700 residential and commercial customers in the west bench area of Boise, has filed an application with the Idaho Public Utilities Commission to increase its rates for water service. The application (Case No. CAP-W-08-02) requests the Commission's approval to increase the Company's base rates by 7.8% on January 1, 2009. This increase was made necessary by three factors over which the company has no control. The first was the extraordinary cost (\$102,006) the Company incurred to make changes to its water distribution system as required by the Ada County Highway District's Ustick Road widening project. The second factor contributing to the request was the extraordinary failure in October of one of the Company's well pumps requiring a repair cost of \$11,234. The third factor is the increase in the Company's electric power costs experienced since the Company's last rate increase was approved and effective January 1, 2007.

A copy of the Company's application is on file and available for review at the Company office located at 2626 Eldorado in Boise. The application is also available for review on the Public Utilities Commission web site www.puc.idaho.gov under the above case number.

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For more information, contact Robert Smith

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