

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NO. CAP-W-09-01**  
**OF CAPITOL WATER TO ESTABLISH A )**  
**NEW TARIFF RATE TO RECOVER ITS ) NOTICE OF APPLICATION**  
**POWER COSTS. )**  
**)**  
**) NOTICE OF**  
**) MODIFIED PROCEDURE**  
**)**  
**) ORDER NO. 30850**

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On May 8, 2009, Capitol Water Corporation filed an Application for authority to establish a new tariff rate to recover the Company's increased cost of electricity corresponding to Idaho Power Company's recently approved Rate Schedule No. 55, "Power Cost Adjustment." Capitol Water requests that the Application be processed by Modified Procedure and that the tariff changes become effective July 1, 2009.

**BACKGROUND**

In April 2009, the Commission issued final Order No. 30762 that established just and reasonable rates for Capitol Water. In that Order the Commission allowed Capitol Water to recover its expenses for electricity by utilizing a three-year consumption average. The Commission determined the Company's average annual electricity consumption to be 1,454,401 kWh. Order No. 30762 at 3.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that Capitol Water requests a new tariff rate to recover its cost of electricity related to the recent increase in Idaho Power Company's Schedule No. 55, Power Cost Adjustment (PCA). When it filed its Application, Capitol Water observed that Idaho Power had requested an increase in its PCA rate from 0.7864 cents per kWh to 1.4717 cents per kWh, to be effective June 1, 2009. Case No. IPC-E-09-11.<sup>1</sup> Based on its annual electricity consumption and Idaho Power's proposed PCA increase, Capitol Water contends that it will incur additional electricity costs of \$9,967.01, or a 13.02% increase.

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<sup>1</sup> On May 29, 2009, the Commission issued Order No. 30828 approving an increase in Idaho Power's PCA rate. The PCA rate was set at 1.4022 cents per kWh effective June 1, 2009.

YOU ARE FURTHER NOTIFIED that to alleviate the expense shortfall, Capitol Water proposes a change to its Schedule No. 3 (Other Recurring and Non-recurring Charges) for a period of one year commencing July 1, 2009, to allow it to collect \$10,467 in additional revenue (\$9,967 in electricity costs + \$500 as the cost of filing its Application in this matter). The Company claims that this request represents a 1.675% increase in the total revenue requirement authorized by the Commission in the last rate case, Order No. 30762. Capitol Water maintains that, in each subsequent year, it will review Idaho Power's PCA applications and file with the Commission appropriate requests to pass through any increases or decreases in electric power costs to its customers.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and then "Water Cases."

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined 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 on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the service date of this Order. 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 Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Robert Price  
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 Road  
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 "Comments and Questions" icon 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 the Applicant at the e-mail addresses listed above.

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.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-124, 61-125, 61-129, 61-622 and 61-623. The Commission may enter any final Order consistent with its authority under Title 61.

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.*

### **DISCUSSION AND FINDINGS**

In this case Capitol Water seeks to recover the increased cost of electricity occasioned by a recent rate increase granted by this Commission to Idaho Power. We find that customers were notified of the proposed rate increase with their May water bills.

Pursuant to Commission Rule of Procedure 263.01.a the Commission may take judicial notice of its own orders. IDAPA 31.01.01.263.01.a. Accordingly, we take judicial notice of the fact that, on May 29, 2009, this Commission issued Order No. 30828 approving an increase in Idaho Power's PCA rate. The PCA was set at 1.4022 cents per kWh effective June 1, 2009. Capitol Water's Application in this case is based entirely on the change in Idaho Power's PCA rate.

Having taken judicial notice of Commission Order No. 30828 and after reviewing the Company's Application, we find it reasonable to allow Capitol Water Company to implement an increase (subject to refund) consistent with the Commission-approved Idaho Power PCA rate of 1.4022 cents per kWh to be effective July 1, 2009. Because the rate increase is subject to refund, ratepayers are protected from an unreasonable rate increase until the Commission has completed its review of the reasonableness and prudence of the Company's proposed changes.

### **ORDER**

IT IS HEREBY ORDERED that Capitol Water's request to collect additional revenue consistent with the Commission-approved Idaho Power PCA rate of 1.4022 cents per kWh is approved subject to refund. The Company is temporarily authorized to increase its tariff Schedule No. 3, as set out in greater detail above, until such time as the Commission completes its review of this matter.

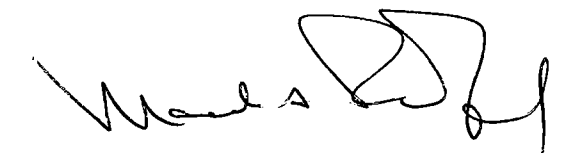
IT IS FURTHER ORDERED that the Company shall submit its tariff in compliance with the rate identified in this Order no later than July 1, 2009. The interim rate authorized by this Order shall become effective for service rendered on and after July 1, 2009 (subject to refund).

IT IS FURTHER ORDERED that this case be processed under Modified Procedure. Interested persons and the parties may file written comments regarding the Company's Application no later than twenty-one (21) days from the service date of this Order. After the close of the comment period the Commission will issue its final Order.

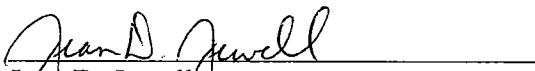
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23<sup>rd</sup>  
day of June 2009.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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