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IDAHO PUBLIC
UTILITIES COMMISSION

2626 Eldorado

Boise, Idaho 83704

Telephone 375-0931

June 30, 2017

Diane Hanian, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

Re: CASE NO. CAP-W-17-01
IN THE MATTER OF THE APPLICATION
OF CAPITOL WATER CORP. TO
CHANGE ITS SCHEDULE NO. 3
PURCHASED POWER COST ADJUSTMENT RATE

Dear Ms Hanian:

Enclosed are an original and seven copies of an application and exhibits for approval of Capitol Water Corporations change in its Schedule No. 3 Purchased Power Cost Adjustment. The change is necessitated by Idaho Power Company's changes in the rates and charges for electric service to Capitol Water Corporation.

Applicant is requesting that the Commission process this application under its rules of modified procedure without hearing.

An electronic version of Applicant's application, exhibits and work papers is also enclosed for the Commission Staff's review.

Sincerely,

Robert Price, President
Capitol Water Corporation

Robert Price, President
Capitol Water Corp.
2626 Eldorado
Boise, Idaho 83704
Ph: (208) 375-0931
Fax: (208) 375-0951
E-mail: capitolwatercorp@yahoo.com
Representative for Capitol Water Corp.

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2017 JUN 26 PM 3: 25
IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. CAP-W-17-01
OF CAPITOL WATER CORP. TO)
CHANGE ITS SCHEDULE NO. 3) APPLICATION
PURCHASED POWER ADJUSTMENT RATE)

COMES NOW Capitol Water Corporation (“Capitol”, “Applicant” or “Company”), holder of Certificate of Convenience and Necessity Number 239, and files this Application to change its Schedule No. 3 Purchased Power Cost Adjustment 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 (“IPUC” or Commission).

Applicant’s current base rates were established by Order No. 30762 in Case No. CAP-W-08-02. In that 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. Together these produce a total cost of electric power for Applicant of \$75,483.41.

Applicant’s actual power costs in the calendar year 2016 were \$94,610.24. This is a cost of \$19,126.83 more than embedded in the Company’s base rates. This additional cost plus the cost of processing this case requires an adjustment to customer rates of 3.1% as reflected in Exhibit No. 3 attached to this Application. Applicant expects its costs to review the Idaho Power Company bills, determine their effect on Applicant, prepare and file this application and respond to questions regarding the Application to be \$1,100. Applicant proposes to include these costs together with the electric power costs for

recovery by replacing the Company's currently approved Schedule No.3 Purchased Power Cost Adjustment of 2.8% with a new Purchased Power Cost Adjustment of 3.1 %.

Enclosed is a one page Exhibit No. 1 that presents Applicant's calculations at Idaho Power Company's currently approved rates utilizing the previously used computer Model that recalculates the average cost per Kwh based on detailed bill analysis of power consumption in the year 2005. That model calculates a cost of \$.0728 per KWh. Applicants actual cost per KWh in 2016 was \$.0733. The reason for the difference is that Applicant's power consumption has been reduced from a level of 1,940,746 KWh in 2005 to 1,291,473 KWh in 2016. As the Commission is aware, the average cost of a KWh is diluted as power consumption increases since Idaho Power Company's Demand Charges and other charges are spread over the increased number of KWh. When the model calculated cost per KWh is applied to the actual power consumption in 2016 it produces a power cost of \$94,028 or \$582 less than actually experienced before Idaho Power Company's latest rate increases.

Initially when the Commission approved the PPCA for Capitol Water Corporation, it adopted a three (3) year average of power consumption, as proposed by the Staff of the Commission (Staff), as more indicative of what to expect in the future. In the last case (CAP-W-16-01) the Staff proposed, and the Commission adopted, the most recent twelve months of power consumption as a better measure of future power consumption. Exhibit No 2 presents the previous method of calculating the PPCA based upon the twelve (12) month period ending in May 2017. This calculation produces a PPCA of 2.61%. However, that 12 month period includes the fall months of 2016 and the spring months of 2017 which were far above normal in precipitation which suppressed normal water consumption and therefore demand on Applicants system for irrigation.

Applicant in this case proposes to change the previously approved method of calculating the Company's PPCA. Applicant proposes to simplify the calculation to eliminate the use of the computer model to recalculate costs based upon consumption data from over ten years ago. Instead, as shown on Exhibit No 3, the Company proposes to simply compare the most recent year's costs with the costs imbedded in base rates

This approach can be completed internally by the Company without the need for outside consultant assistance and quite easily reviewed and verified by the Commission and its Staff. The Company is aware that this method does not recognize changes in Idaho Power Company rates on a timely basis that are expected to increase in the future and creates a lag in the Company's recovery of increased power costs.

Also enclosed is a one page Exhibit No.5 that is 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.

A new Schedule No. 3, with the proposed power cost adjustment rate, is enclosed for the Commission's approval with an effective date of August 15, 2017.

Applicant has provided work papers showing its calculations that develop the proposed power cost adjustment to the Commission's Staff for its review.

Applicant requests that the Commission process this Application under its rules of modified procedure and approve the rates effective August 15, 2017

Capitol Water Corporation will inform its customers of this application through a customer notice that will be included with customer bills to be mailed July 1, 2017 and by a news release that is being sent to the Idaho Statesman and the Idaho Business Review newspapers coincident with this filing. Copies of the customer notice and news release are enclosed as Exhibit Nos. 4 and 6 respectively.

CONTACT INFORMATION:

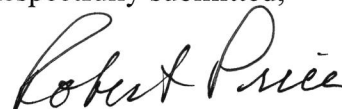
Questions regarding this Application should be addressed to:

Robert Price, President
Capitol Water Corp.
2626 Eldorado
Boise, Idaho 83704
Ph: (208) 375-0931
e-mail capitolwatercorp@yahoo.com

Robert E. Smith
2209 N. Bryson Rd.
Boise, Idaho 83713
Ph: (208) 761-9501
e-mail utilitygroup@yahoo.com

Please provide copies of all correspondence, notices and orders to the above individuals.

Respectfully submitted,



Robert Price, President
Capitol Water Corporation

Capitol Water Corporation
 Calculation of Purchased Power Cost Adjustment
 Based Upon Energy Consumption in the Year 2016

1 Base Revenue	\$ 651,738	Per Order #30762 in CAP-W-08-02
2 Normalized 3 Yr Average Power Consumption (KWh)	1,454,401	Per Order #30762 in CAP-W-08-02
3 Average Cost per KWh	<u>0.0519</u>	Per Order #30762 in CAP-W-08-02
4 Power Cost Embedded in Basic Rates	\$ 75,483	Line 3 X Line 2
5 Restated Average Cost Per KWh @ New IPC Rates	\$ 0.0728	Calculated in Workpapers
6 2016 Power Consumption	1,291,473	2016 Kwh
7 Power Cost with New IPC Rates	\$ 94,028	Line 5 X Line 6
8 Power Cost above Embedded Base Power Supply Costs	\$ 18,545	Line 7 - Line 4
9 Rate Case Costs	<u>1,100</u>	
10 Revised Total Expenses above Embedded Base Expense	\$ 19,645	
11 Total Revenue Required with new IPC Rates	\$ 671,383	Line 10 + Line 1
12 Existing Expenses above Embedded Base Rates	\$ 18,249	Line 1 at current PPCA rate of 2.8%
13 Total Current Revenue	\$ 669,987	Line 1 +Line 12
14 Increase or (Decrease) in Power Costs	\$ 1,396	Line 10 - Line 12
15 % Increase or (Decrease) in Total Revenue	0.208%	(Line 11 - Line 13) / Line 13
17 Purchased Power Cost Adjustment (PPCA) Required	3.01%	Line 10 / Line 1

Capitol Water Corporation
 Calculation of Purchased Power Cost Adjustment
 Based Upon Most Recent 12 Months Energy Consumption

1 Base Revenue	\$ 651,738	Per Order #30762 in CAP-W-08-02
2 Normalized 3 Yr Average Power Consumption (KWh)	1,454,401	Per Order #30762 in CAP-W-08-02
3 Average Cost per KWh	<u>0.0519</u>	Per Order #30762 in CAP-W-08-02
4 Power Cost Embedded in Basic Rates	\$ 75,483	Line 3 X Line 2
5 Restated Average Cost Per KWh @ New IPC Rates	\$ 0.0728	Calculated in Workpapers
6 Current 12 Month Power Consumption	1,255,342	Most Recent 12 Months Kwh
7 Power Cost with New IPC Rates	\$ 91,397	Line 5 X Line 6
8 Power Cost above Embedded Base Power Supply Costs	\$ 15,914	Line 7 - Line 4
9 Rate Case Costs	<u>1,100</u>	
10 Revised Total Expenses above Embedded Base Expense	\$ 17,014	
11 Total Revenue Required with new IPC Rates	\$ 668,752	Line 10 + Line 1
12 Existing Expenses above Embedded Base Rates	\$ 18,249	Line 1 at current PPCA rate of 2.020%
13 Total Current Revenue	\$ 669,987	Line 1 +Line 12
14 Increase or (Decrease) in Power Costs	\$ (1,235)	Line 10 - Line 12
15 % Increase or (Decrease) in Total Revenue	-0.184%	(Line 11 - Line 13) / Line 13
17 Purchased Power Cost Adjustment (PPCA) Required	2.61%	Line 10 / Line 1

Capitol Water Corporation
 Calculation of Purchased Power Cost Adjustment
 Based Upon Energy Consumption in the Year 2016

1 Base Revenue	\$ 651,738	Per Order #30762 in CAP-W-08-02
2 Actual Power Cost from 2016	94,610	From Power Bills Workpaper
3 Power Cost Embedded in Base Revenue	<u>\$75,483</u>	Calculated Per Order #30762 (CAP-W-08.02)
4 Incremental Cost	\$19,127	
5 Rate Case Costs	<u>1,100</u>	
6 Revised Total Expenses above Embedded Base Expenses	\$20,227	
7 PPCA Required	3.10%	Line 6 / Line 1
8 Current PPCA	<u>2.80%</u>	Line 8 / Line 1
9 Incremental Increase in PPCA	0.30%	Line 7 - Line 8
10 Incremental Revenue Produced by New PPCA	\$ 20,227	Line 1 X Line 7
11 Incremental Revenue Produced by current PCA	<u>\$ 18,249</u>	Line 1 X Line 8
12 Total Dollar Increase from Current Charges	\$ 1,978	
13 Percent Increase in Current Charges	0.30%	

NOTICE TO OUR CUSTOMERS

Capitol Water Corporation filed an application on June 30th with the Idaho Public Utilities Commission to increase its Purchased Power Cost Adjustment from 2.8% to 3.1%, an increase of 0.3 percentage points. The unmetered residential customer will, if approved by the Commission, see an increase in their monthly bill of \$0.09 in the months of May through September and \$0.04 in all other months. Metered customers will see an increase of 0.3% in their bill. The Purchased Power Cost Adjustment will now appear on water bills as "PPCA Adj". The Purchased Power Cost Adjustment is applied to customer bills after all other charges for water service have been accumulated excluding Boise City Franchise fees and Idaho Department of Environmental Quality fees. The Company has requested an effective date of August 15th. The application is in response to changes in the electric rates Idaho Power charges Capitol Water Corporation for the electric power it uses to provide water service to customers and is expected to produce an increase in Company revenues of \$1,978. The application is subject to the approval of the Commission and is available for review at the Company's office at 2626 Eldorado St. in Boise and on the Commission's web site at puc.idaho.gov and one may subscribe to the Commission's RSS feed to receive periodic updates via email about the case. Customers may make written comments to the Commission regarding the application.

Comments and inquiries may be addressed to the Idaho Public Utilities Commission on its web site by going to the "file room" link on the home page and scrolling to the bottom of the list to "file a comment or complaint". Case No. CAP-W-17-01 should be identified in all correspondence with the Idaho Public Utilities Commission.

Capitol Water Corporation
2626 Eldorado
Boise, Idaho 83703
Ph (208) 375-0931

Idaho Public Utilities Commission
PO Box 83720
Boise, Idaho 83720-0074
Ph (208) 334+0300 or (800) 432-0369

Tarriff No.	Page	
I.P.U.C. No.		
Canceling		
Name of Utility		(Approval Stamp)
CAPITOL WATER CORPORATION		

SCHEDULE NO. 3

OTHER RECURRING AND NON-RECURRING CHARGES

RECURRING CHARGES

Applicable: To all customer bills

Purchased Power Cost Adjustment: (PPCA)

August 15, 2017 3.1%

Beginning ~~August 15, 2016~~ all customer bills will be increased by ~~2.8%~~. The purpose of the PPCA is to allow the company to adjust its rates when its power supply costs increase or decrease. The PPCA is expressed as a percentage, which only applies to the monthly charges for service as listed in schedule Nos. 1, 2 and 4. It does not apply to the total bill amount, which includes other charges such as the DEQ fee and the City of Boise franchise fee shown below.

C

City of Boise Franchise Fee:

All customer bills will be increased by 3% for payment of Franchise Fees assessed by the City of Boise.

Department of Environmental Quality Fee:

All customer bills will be increased by \$0.34 to collect the assessment required by the Idaho Department of Environmental Quality.

NON-RECURRING CHARGES

Applicable: To all customer bills

Reconnection Charges: A reconnection charge will be assessed to any customer who has been voluntarily or involuntarily disconnected in compliance with the Idaho Public Utilities Commission's Utility Customer Relations Rules (UCRR). Charges do not apply to customers who have been involuntarily disconnected for the convenience of the Company.

Reconnection Charge \$20.00

The following "Customer Requested Service Calls" charges also apply.

Customer Requested Service Calls: During Normal Business Hours \$0.00

Other Than Normal Business Hours \$20.00

Service call charges will be waived if the service call resulted in repair to Company's equipment through no fault of the customer.

Normal Business Hours are 8:00 AM to 5:00 PM Monday through Friday excluding Legal Holidays recognized by Idaho State Government Offices

Returned Check Charge: In the event a customer's check is returned by the Company's bank for any reason, the Company will charge the customer's account a reprocessing fee of \$15.00

Meter Testing Fee: Not Currently in Use.

Issued	June 30, 2017	Effective	August 15, 2017
	August 11, 2016		August 15, 2016

C

By

Title

President

Capitol Water Corporation
2626 Eldorado St.
Boise, Idaho 83704

June 30, 2017

NEWS

Capitol Water Corporation filed an application on June 30th with the Idaho Public Utilities Commission to increase its Purchased Power Cost Adjustment from 2.8% to 3.1%, an increase of 0.3 percentage points. The unmetered residential customer will, if approved by the Commission, see an increase in their monthly bill of \$0.09 in the months of May through September and \$0.04 in all other months. Metered customers will see an increase of 0.3% in their bill. The Purchased Power Cost Adjustment will now appear on water bills as "PPCA Adj". The Purchased Power Cost Adjustment is applied to customer bills after all other charges for water service have been accumulated excluding Boise City Franchise fees and Idaho Department of Environmental Quality fees. The Company has requested an effective date of August 15th. The application is in response to changes in the electric rates Idaho Power charges Capitol Water Corporation for the electric power it uses to provide water service to customers and is expected to produce an increase in Company revenues of \$1,978. The application is subject to the approval of the Commission and is available for review at the Company's office at 2626 Eldorado St. in Boise and on the Commissions web site at puc.idaho.gov and one may subscribe to the Commissions RSS feed to receive periodic updates via email about the case. Customers may make written comments to the Commission regarding the application.

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Boise, Idaho 83703
Ph (208) 375-0931

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PO Box 83720
Boise, Idaho 83720-0074
Ph (208) 334+0300 or (800) 432-0369

END

For More Information contact:
Capitol Water Corporation President Robert Price at (208) 375-0931
Or
Robert Smith, Utility Consultant at (208) 761-9501

Exhibit No. 6
CAP-W-17-01
Capitol Water Corporation

Tarriff No.	Page
I.P.U.C. No.	
Canceling	
Name of Utility	(Approval Stamp)
CAPITOL WATER CORPORATION	

SCHEDULE NO. 3

OTHER RECURRING AND NON-RECURRING CHARGES

RECURRING CHARGES

Applicable: To all customer bills
Purchased Power Cost Adjustment: (PPCA)

Beginning August 15, 2017 all customer bills will be increased by 3.1%. The purpose of the PPCA is to allow the company to adjust its rates when its power supply costs increase or decrease. The PPCA is expressed as a percentage, which only applies to the monthly charges for service as listed in schedule Nos.1,2 and 4. It does not apply to the total bill amount, which includes other charges such as the DEQ fee and the City of Boise franchise fee shown below.

City of Boise Franchise Fee:
 All customer bills will be increased by 3% for payment of Franchise Fees assessed by the City of Boise.
Department of Environmental Quality Fee:
 All customer bills will be increased by \$0.34 to collect the assessment required by the Idaho Department of Environmental Quality.

NON-RECURRING CHARGES

Applicable: To all customer bills
Reconnection Charges: A reconnection charge will be assessed to any customer who has been voluntarily or involuntarily disconnected in compliance with the Idaho Public Utilities Commission's Utility Customer Relations Rules (UCRR). Charges do not apply to customers who have been involuntarily disconnected for the convenience of the Company.

Reconnection Charge	\$20.00
The following "Customer Requested Service Calls" charges also apply.	
Customer Requested Service Calls: During Normal Business Hours	\$0.00
Other Than Normal Business Hours	\$20.00
Service call charges will be waived if the service call resulted in repair to Company's equipment through no fault of the customer.	

Normal Business Hours are 8:00 AM to 5:00 PM Monday through Friday excluding Legal Holidays recognized by Idaho State Government Offices

Returned Check Charge: In the event a customers check is returned by the Company's bank for any reason, the Company will charge the customer's account a reprocessing fee of \$15.00

Meter Testing Fee: Not Currently in Use.

Issued June 30, 2017 Effective August 15, 2017

By Robert Price Title President