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November 1, 2023

Jan Noriyuki, Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

Re: Capitol Water Corporation Reply Comments to Staff Comments in Case No.
 CAP-W-23-01

Dear Ms. Noriyuki,

Capitol Water Corporation submits these Reply Comments and attachment regarding comments submitted by the Staff of the Idaho Public Utilities Commission regarding Capitol Water's application for an order authorizing the Company to changes its Schedule No. 3 – Purchased Power Cost Adjustment Rate.

Sincerely,

A handwritten signature in black ink that reads "H. Robert Price". The signature is written in a cursive, flowing style.

H. Robert Price, President
Capitol Water Corporation

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Capitol Water Corp.
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF CAPITOL WATER CORP. TO)
CHANGE ITS SCHEDULE NO. 3)
PURCHASED POWER ADJUSTMENT RATE)**

**CASE NO. CAP-W-23-01
COMPANY REPLY
COMMENTS**

INTRODUCTION

Capitol Water Corporation (“Company”) submits these Reply Comments regarding comments submitted by the Staff of the Idaho Public Utilities Commission (“Staff”) regarding the above referenced case.

BACKGROUND

On September 1, 2023, Capitol Water Corporation applied for authority to change its Schedule No. 3 - Purchased Power Cost Adjustment (“Schedule No. 3 PPCA”) rate to recover the electricity costs that exceeded what it collected through rates. In the Company’s filing, the Company requested to change the PPCA rate from 2.72% to 4.51%, to recover its actual power costs in calendar year 2023. The Company requested its filing be processed by Modified Procedure and that the tariff changes become effective November 15, 2022.

On October 25, 2023, Staff filed comments recommending the Commission authorize an overall 4.51% PPCA and accept the Company’s updated Schedule No. 3 – Other Recurring and Non-recurring charges as filed. In addition, the Staff recommends that the Commission direct the Company to investigate and identify the root cause of reduced efficiency of Well No. 5 and notify the Commission with the least cost solution to mitigate this issue by March 2024.

CAPITOL WATER COMPANY REPLY COMMENTS

The Company acknowledges the comments provided by Staff, and generally agrees with the comments. As to Staff's third recommendation, the Company is aware of the decreased efficiency in Well No. 5 and has taken the necessary steps to mitigate the problem. The root cause of the decrease in efficiency is the naturally occurring iron in the aquifer. Over time, the iron plugs the screens in the well, which increases the pumping depth. Increasing the pumping depth requires more energy to lift the water from the well, requiring more electricity to pump each gallon of water.

As stated in the filing, the Company strives to maintain its system for safe, efficient, and cost-effective operations. To that end, the Company periodically cleans and rehabilitates its wells. In early spring of this year, the Company cleaned and rehabilitated Well No. 5. Well No. 5 was last cleaned in 2020, and prior to that cleaning, was cleaned in 2015. Each cleaning has resulted in increased efficiency. At this time, the Company is in the process of getting bids for the cleaning and rehabilitation of Well No. 7, to be performed in early 2024. The billing information for the most recent cleaning and rehabilitation of Well No. 5, totaling \$65,761.60, is included with these reply comments.

CONCLUSION

The Company believes the information provided in its reply comments along with the attached billing information for the cleaning and rehabilitation of Well No. 5 satisfies the Staff's recommendation asking the Commission to "Direct the Company to investigate and identify the root cause of reduced efficiency of Well No. 5 and notify the Commission with the least cost solution to mitigate this issue by March 2024."

Respectfully submitted this 1st day of November 2023.



H. Robert Price, President
Capitol Water Corporation