BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)

CAPITOL WATER CORPORATION FOR)CASE NO. CAP-W-95-1

AUTHORITY TO INCREASE ITS RATES )

AND ALTERNATIVE APPLICATION FOR)ORDER NO. 26121

INTERIM RATES.)

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On July 11, 1995, Capitol Water Corporation (Capitol; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase its tariffed rates and charges for water utility service.  The Company is proposing a 25.8% increase.  The Company has requested that the Commission authorize the proposed change in prices for an effective date of September 1, 1995.  Should the Commission however determine that a hearing or detailed Staff analysis is required of the Company’s Application, Capitol requests pending final Order that the Commission authorize the Company to charge Schedule 1 customers an interim rate increase of $1.00/per month (subject to rebate) beginning September 1, 1995.  The Company requests that its Application for interim rates be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure IDAPA 31.01.01.201 -.204.

RE:  Permanent Rate Application.

The Commission has reviewed the Application and related filings of Capitol Water Corporation in Case No. CAP-W-95-1.  The Commission finds the principle Application of Capitol Water for a 25.8% increase in rates and charges to be a matter of significant importance.  The Commission believes that the Commission, Commission Staff and other interested parties should be provided the opportunity and adequate time to investigate and explore the reasonableness of the proposed rates and charges.  Because of previously scheduled hearings and other demands on the Commission’s time, however, the Commission will be unable to complete its investigation and consider the Company’s Application in Case No. CAP-W-95-1 for permanent rate increase prior to the requested September 1, 1995 effective date.

The Idaho Public Utilities Commission has jurisdiction over Capitol Water Corporation and its Application by virtue of Title 61, Idaho Code and the Rules of Procedure of the Idaho Public Utilities Commission, IDAPA 31.01.01000 et seq.

The Commission has authority under Idaho Code § 61-622 to suspend the rates that are subject of the permanent Application of Capitol Water for a period of 30 days plus five months from the proposed effective date of September 1, 1995.

The Commission finds it necessary to suspend the proposed 25.8% increase in rates and charges for the statutory period or until such earlier time as the Commission may issue an Order accepting, rejecting or modifying the permanent relief requested by the Company in its Application.

RE:  Interim Rate Application.

The Company has requested that its Application for interim relief be processed under Modified Procedure.  Based on the Commission’s review of the Company’s Application and related filings in this matter, the Commission makes the preliminary finding that the Company has failed to adequately articulate or demonstrate a need for interim relief.  The Commission also finds Modified Procedure in this matter to be inappropriate.  The Commission though, does not wish to deny the Company the opportunity to be heard if it is in fact experiencing significant financial hardship of an emergency nature and beyond its control.  The Commission therefore finds it reasonable to provide the Company the opportunity to amend and supplement its Application and testimony to justify an award of interim relief.  Given the exigencies of the situation, the Commission finds an August 18, 1995 amended filing deadline for the Company and an August 28, 1995 testimony prefile deadline for Commission Staff (and intervenors) to be reasonable.  The Commission further finds it reasonable to schedule a public hearing in the matter of interim relief for August 31, 1995 at 2:30 p.m.  The Commission will issue separate notice setting forth Notices of Scheduling and Hearing.  The Commission finds the expedited schedule for hearing in the matter of the Company’s request for an interim rate increase to be justified under the facts presented.  Reference Rule 241, Commission Rules of Procedure.

O R D E R

In consideration of the foregoing and as more particularly described above IT IS HEREBY ORDERED that the permanent rate Application of Capitol Water Corporation for a 25% increase in rates and charges in Case No. CAP-W-95-1 should be and hereby is suspended for a period of 30 days plus five months or until such earlier time as the Commission may issue an Order accepting, rejecting or modifying the relief requested by the Company in this matter.

IT IS FURTHER ORDERED that the Application of Capitol Water Corporation for interim relief in Case No. CAP-W-95-1 is to be scheduled for a public hearing on August 31, 1995.  The Company is provided until August 18, 1995 to amend and supplement its Application and testimony to justify an award of interim relief.  The Commission Secretary is directed to issue related Notices of Scheduling and Hearing.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this              day of August 1995.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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