DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

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GARY RICHARDSON

WORKING FILE

FROM:SCOTT WOODBURY

DATE:AUGUST 22, 1996

RE:CAPITOL WATER CORPORATION

CUSTOMER COMPLAINT PETITION

On August 15, 1996, the Commission received a petition with 68 signatures from customers of Capitol Water Corporation (attached).  The petition complains that the water is rust colored, stains appliances, and has “poor quality of taste.”

The Consumer Division received seven complaints in 1995 against Capitol Water and six complaints so far this year.  The petition and a subsequent meeting with Capitol Water have convinced the Staff that the situation merits initiating a formal investigative docket.

The Commission Staff was aware of an iron and manganese problem at the time of Capitol’s last rate case, CAP-W-95-1, and recommended that the Company work with a consultant to alleviate the problem.  In Order No. 26247 the Commission required the Company to continue with its commitment and efforts to improve the aesthetic quality of its water through viable cost effective means.

Capitol Water readily admits that it has an iron problem that needs mitigation.  It has one well with relatively high iron content (Well No. 6) and another well with modest iron content (Well No. 4).  One method of mitigating the iron problem is to add small amounts (in parts per million) of a manufactured chemical (large molecule phosphate) which sequesters iron atoms and prevents the iron atom from oxidizing. Based on advice from a consultant, Capitol Water is in the process of adding the sequestering chemical at its two problem wells and is incurring chemical costs of approximately $3,000 per month.  However, the program cannot succeed or proceed on a scientific basis until the Company installs flow meters at the two wells.  Capitol Water in Order No. 26247 pursuant to Settlement Agreement was required to install meters to measure flows at all of its wells, and to take necessary steps to maintain the meters in good working condition.  This has not been done.  The injection device at the one well having variable production capability (Well No. 6), is not capable of proportional injection and the device will have to be replaced.  Finding a chemical injection rate that alleviates the iron problem is a trial and error process which will require flow meters and the proper proportional injection device.  The Company’s consultant estimates that it will take up to six months to evaluate the effectiveness of sequestering.

There are other possible solutions to the iron problem, but they need further study.

Recommendations

1.  Staff recommends that the Commission initiate a formal investigation and direct Staff to monitor the progress of sequestering;

2.  Direct the Company to identify and develop the costs of alternatives for mitigating or eliminating this iron problem and report these back to the Commission;

3.  Direct the Company to install flow meters by a date certain or to show cause why it should not be required to do so;

4.Direct the Company to respond in writing answering the following questions and to provide any other pertinent information.

a.What is the history of the iron and manganese problem in Capitol’s water supply?

b.What has the Company done in the past to alleviate this problem?

c.How soon can flow-meters be installed in Well No. 6 and Well No. 4?

d.How soon can a sequestering injection device be installed which can match the variable flow characteristics of the Well No. 6 pump?

e.Besides sequestering, what other solutions does the Company propose to evaluate?

Scott Woodbury

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