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IDAHO PUBLIC
UTILITIES COMMISSION

2626 Eldorado Boise, Idaho 83704
Telephone 375-0931

June 15, 2012

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

Re: CASE NO. CAP-W-12-01
IN THE MATTER OF THE APPLICATION
OF CAPITOL WATER CORP. TO
CHANGE ITS SCHEDULE NO. 3
PURCHASED POWER ADJUSTMENT RATE

Dear Ms Jewell:

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 Adjustment. The change is necessitated by Idaho Power Company's recent changes in the rates and charges for electric service to Capitol Water Corporation. The Application also incorporates the effect of Idaho Power Company's pending Case No. IPC-E-12-14 regarding the Langley Gulch power plant.

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

An electronic version of the application, exhibits and work papers in Excel and Microsoft Word format is being transmitted as e-mail attachments.

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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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. CAP-W-12-01
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”).

Subsequent to Applicant’s last case (CAP-W-11-01) Idaho Power Company has been granted a number of changes in its rates and charges that affect Applicants cost of electric power. Applicant requests that the Commission take official notice of its Order Nos. 32540 (Case No. IPC-E-12-06), 32541 (Case No. IPC-E-12-07), 32559 (Case No. IPC-E-12-08), 32549 (Case No. IPC-E-12-09), 32544 (Case No. IPC-E-12-12), 32258 (Case No. IPC-E-12-13 and 32552 (Case No. IPC-E-12-17), all of which affected rates and charges paid by Applicant to Idaho Power Co. for electric service.

This application also incorporates the estimated effect of Idaho Power Company’s pending Case No. IPC-E-12-14 concerning Idaho Power’s Langley Gulch power plant. Comments in this case have been filed and it is Capitol Water Company’s understanding that an order will be issued and the affect on Idaho Power Company’s rates will be effective in early July 2012.

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. Recalculating Applicants average cost per KWh at Idaho Power Company's current rates produces an average cost of 5.58¢ per KWh. When the estimated affect of the Langley power plant case are included using the Commission Staff's proposed rate increase for Idaho Power Company, Applicants average cost per KWh becomes 5.87¢

The average cost per KWh at current Idaho Power Company rates when applied to the Commission approved average use produces an annual cost for electric power of \$81,136. This is an increase in annual electric power cost of \$5,653 or 7.49% more than included in Applicants base water rates.

When the estimated affect of the Langley power plant case are included, Applicants average KWh cost of 5.87¢ per KWh results in an annual cost to Applicant of \$85,418. This is an increase in annual electric power cost of \$9,934 or 13.161% more than included in Applicants base water rates.

Applicant expects its costs to review the Idaho Power Company cases, determine their effect on Applicant, prepare and file this application and respond to questions regarding the Application to be \$1,200. 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 .37% with a new Purchased Power Cost Adjustment of 1.71%. This proposed rate incorporates the effects of the Idaho Power Company Langley Gulch power plant Case No. IPC-E-12-14 together with current Idaho Power Company rates and Applicant's cost of processing this Application.

Enclosed is one page Exhibit No. 1 that presents Applicants calculations at Idaho Power Company's currently approved rates. Also enclosed is one page Exhibit No.2 that shows the same calculation but incorporates the effect of the Idaho Power Company Langley Gulch power plant case . Enclosed as Exhibit No. 3 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 1, 2012.

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 1, 2012

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, 2011 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 5 respectively.

CONTACT INFORMATION:

Questions regarding this Application should be addressed to:

Robert Price, President
Capitol Water Corp.
2626 Eldorado
Boise, Idaho 837704

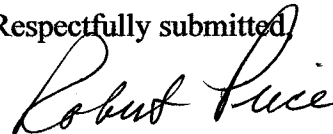
Ph: (208) 375-0931
e-mail capitolwatercorp@yahoo.com

Robert E. Smith
2209 N. Bryson Rd.
Boise, Idaho 83713

Ph: (208) 761-9501
e-mail utilityfgroup@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

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	75,483.41	Line 3 X Line 2
5 Restated Average Cost Per KWh @ New IPC Rates	0.0558	Calculated in Workpapers
6 Power Cost with New IPC Rates	\$ 81,135.98	Line 5 X Line 2
7 Incremental Power Cost @ New Rates	5,652.57	Line 6 - Line 4
8 Rate Case Costs	<u>1,200.00</u>	
9 Incremental Costs @ New Rates	6,852.57	
10 Total Revenue Required with New IPC Rates	\$ 658,590.57	Line 9 + Line 1
11 Total Incremental Power Revenue included in Current Capitol Water Rates	\$ 2,442.00	Per Order #32325 in CAP-W-11-01
12 Total Current Revenue	\$ 654,180	Line 1 + Line 11
13 Increase or (Decrease in Incremental Power Costs	\$ 4,410.57	Line 9 - Line 11
14 % Increase or (Decrease in Total Revenue	0.67%	(Line 10 - Line 12) / Line 12
15 Exceeds +/- 0.25% Revenue Band?	Yes	
16 Purchased Power Cost Adjustment (PPCA) Required	1.05%	

Capitol Water Corporation
Calculation of Purchased Power Cost Adjustment

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	0.0519	Per Order #30762 in CAP-W-08-02
4 Power Cost Embedded in Basic Rates	<u>75,483.41</u>	Line 3 X Line 2
5 Restated Average Cost Per KWh @ New IPC Rates	0.0558	Calculated in Workpapers
6 Power Cost with New IPC Rates	\$ 81,135.98	Line 5 X Line 2
7 Incremental Power Cost @ New Rates	5,652.57	Line 6 - Line 4
8 Rate Case Costs	1,200.00	
9 Proforma Effect of Langley Case	4,281.86	Calculated from Capitol Water Bills
10 Incremental Costs @ New Rates	11,134.42	
11 Total Revenue Required with New IPC Rates	\$ 662,872.42	Line 9 + Line 1
12 Total Incremental Power Revenue included in Current Capitol Water PPCA Rates	\$ 2,442.00	Per Order #32325 in CAP-W-11-01
13 Total Current Revenue	\$ 654,180	Line 1 + Line 11
14 Increase or (Decrease in Incremental Power Costs	\$ 8,692.42	Line 9 - Line 11
15 % Increase or (Decrease in Total Revenue	1.33%	(Line 10 - Line 12) / Line 12
16 Exceeds +/- 0.25% Revenue Band?	Yes	
17 Purchased Power Cost Adjustment (PPCA) Required	1.71%	

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: August 1, 2012 1.71%

Beginning September 1, 2011 all customer bills will be increased by .37% for recovery of the Company's costs of electric power related to changes in Idaho Power Company's Rate Schedules

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 Uniform 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.

Per Commission Order No.

Issued August 16, 2011

Effective

September 1, 2011

By

Title

President

NOTICE TO CUSTOMERS

Capitol Water Corporation filed an application on June 15th with the Idaho Public Utilities Commission to raise its Purchased Power Cost Adjustment from .37%% to 1.71%, an increase of 1.34 percentage points. The Purchased Power Cost Adjustment is applied to customer's bills after all other charges for water service have been accumulated. The Company has requested an effective date of August 1 after the Commission has had an opportunity to thoroughly review the application. The application is in response to recent orders of the Public Utilities Commission that have changed the rates Idaho Power Company charges Capitol Water Corporation for the electric power it uses to provide water service to customers. The Application also includes the estimated increase to electric power rates of Idaho Power Company's Pending rate increase for recognition of the Langley Gulch power plant. The Capitol Water Power Cost Adjustment is designed to only recover expenses Capitol Water incurs to pay its electric power bills. A copy of the application is available for review on the Public Utilities Commission web site www.puc.idaho.gov. Refer to Case No. CAP-W-12-01. Interested persons may also review a copy of the application at the Capitol Water Corporation office located at 2626 Eldorado St. in Boise.

Capitol Water Corporation
2626 Eldorado Street
Boise, Idaho 83704

June 15, 2012

NEWS

Capitol Water Corporation, that serves customers on Boise's west bench, filed an application today with the Idaho Public Utilities Commission to change its Purchased Power Cost Adjustment from 0.37% to 1.71%, an increase of 0.1.34 percentage points. The Power Cost Adjustment is applied to customer's bills after all other charges for water service have been accumulated. The Company has requested an effective date of August 1st after the Commission has had an opportunity to thoroughly review the application. The application is in response to recent orders of the Public Utilities Commission that have changed the rates Idaho Power Company charges Capitol Water Corporation for the electric power it uses to provide water service to customers. The Application also includes the estimated increase to electric power rates of Idaho Power Company's rate increase for recognition of the Langley Gulch power plant. The Capitol Water Purchased Power Cost Adjustment is designed to only recover expenses Capitol Water incurs to pay its electric power bills. A copy of the application is available for review on the Public Utilities Commission web site www.puc.idaho.gov. Refer to Case No. CAP-W-12-01. Interested persons may also review a copy of the application at the Capitol Water Corporation office located at 2626 Eldorado St. in Boise.

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. 5
CAP-W-12-01
Capitol Water Corporation

Tariff No.	Page
I.P.U.C. No.	
Canceling	
Name of Utility	
CAPITOL WATER CORPORATION	

(Approval Stamp)

SCHEDULE NO. 3

OTHER RECURRING AND NON-RECURRING CHARGES

RECURRING CHARGES

Applicable: To all customer bills

Purchased Power Cost Adjustment:

Beginning August 1, 2012 all customer bills will be increased by 1.71% for recovery of the Company's costs of electric power related to changes in Idaho Power Company's Rate Schedules

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 Uniform 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

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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.

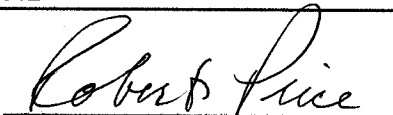
Per Commission Order No.

Issued June 15, 2012

Effective

August 1, 2012

By



Title

President