

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**CAPITOL WATER CORPORATION'S ) CASE NO. CAP-W-19-01**  
**APPLICATION TO INCREASE ITS )**  
**SCHEDULE NO. 3 PURCHASE POWER ) NOTICE OF APPLICATION**  
**ADJUSTMENT RATE )**  
**) NOTICE OF**  
**) MODIFIED PROCEDURE**  
**)**  
**) ORDER NO. 34383**  
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On June 20, 2019, Capitol Water Corporation (“Capitol Water” or the “Company”) filed an Application to increase its Schedule No. 3 Purchased Power Cost Adjustment Rate to “recover the Company’s [increased] cost of electricity related to Idaho Power Company’s electric rate schedules that have been approved by the Idaho Public Utilities Commission.” Application at 1. Capitol Water proposes an effective date of August 15, 2019. *Id.* at 2.

In this Order the Commission approves the request to process Capitol Water’s Application using Modified Procedure, establishes deadlines for the filing of written comments and suspends the effective date of the Company’s proposed rate change to its Schedule No. 3.

**BACKGROUND**

Beginning with Case No. CAP-W-09-01, Capitol Water has submitted an annual filing requesting Commission approval to raise or lower its Schedule No. 3 Purchased Power Cost Adjustment Rate (the “PPCA”) to account for increases or decreases in electric power supply costs the Company incurs for the electric power it uses to operate its water system. In general, Capitol Water’s electric power supply costs increase or decrease annually due to Idaho Power Company’s (“Idaho Power”) Power Cost Adjustment mechanism, Fixed Cost Adjustment mechanism and any other miscellaneous annual rate changes. *See* Order No. 30881 at 3; *see also* Order 33128.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that Capitol Water states its “current base rates were established by Order No. 30762 in Case No. CAP-W-08-02.” *Id.* Capitol Water asserts in Order No. 30762 “the Commission adopted a three (3) year average of 1,454,401 kWh of electricity consumption [by the Company] at an average cost of 5.19¢, to establish rates for Applicant.” *Id.*

at 1. The Company asserts this results in a total electric power cost of \$75,483.41 that is incurred by the Capitol Water. *Id.*

YOU ARE FURTHER NOTIFIED that Capitol Water asserts in Case No. CAP-W-17-01 “the Commission adopted, the most recent twelve months of power costs as a more efficient method for the Capitol Water recover its' increased electric power costs.” *Id.*; *see also* Order No. 33876.

YOU ARE FURTHER NOTIFIED that Capitol Water requests an increase in its PPCA due to increases in electric power supply costs it incurred in 2018 from Idaho Power. *Id.* Specifically, Capitol Water claims the actual electric power supply cost it incurred in 2018 was \$94,571.00 which is \$19,088.00 more than what is currently embedded in the Company’s base rates. *Id.*; *see also* Exhibit 1 to the Application.

YOU ARE FURTHER NOTIFIED that Capitol Water asserts its current 2.61% PPCA<sup>1</sup> is too low to recover the higher electric power costs it incurred in 2018. *Id.* Accordingly, Capitol Water requests a new, increased PPCA of 2.93%. *Id.*

YOU ARE FURTHER NOTIFIED that Capitol Water included a worksheet with the Application detailing its electric power cost calculations (Exhibit No. 1), a copy of the proposed Schedule No. 3 in legislative format (Exhibit No. 2)<sup>2</sup> and a copy of a direct customer notice and a news release that will be printed in the Idaho Statesman and Idaho Business Review (Exhibit Nos. 3-4). *Id.* at 1-2.

YOU ARE FURTHER NOTIFIED that Capitol Water requests the Commission process its Application pursuant to Modified Procedure, and that the proposed changes take effect as of August 15, 2019. *Id.* at 2.

### **SUSPENSION**

YOU ARE FURTHER NOTIFIED that the Commission lacks sufficient time to thoroughly investigate the reasonableness of the proposed changes in rates and charges before those changes would take effect on the proposed effective date of August 15, 2019. Consequently, the Commission finds it appropriate to suspend the Company’s proposed effective date of August

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<sup>1</sup> Capitol Water’s current PPCA rate was authorized by Commission Order No. 34124.

<sup>2</sup> As previously stated, the Commission approved the Company’s current PPCA rate of 2.61% in Order No. 34124 which is reflected in the Company’s current approved tariffs on file with the Commission. In this case though the Company has submitted a proposed Schedule No. 3 in legislative format that contains a PPCA rate of 3.1% which was the Commission authorized PPCA rate prior to Order No. 34124. The Commission assumes the use of an outdated tariff was made in error.

15, 2019 for thirty (30) days and five (5) months, or until the Commission issues an earlier Order accepting, rejecting, or modifying the Company's Application. *See Idaho Code* § 61-622(4).

### NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's filing in Case No. CAP-W-19-01, and finds that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-.204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position concerning Capitol Water's Application in Case No. CAP-W-19-01 **may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice.** Written comments must contain a statement of reasons supporting the matters raised within them. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this filing should be mailed to the Commission and Capitol Water at the addresses reflected below:

Commission Secretary	Robert Price, President
Idaho Public Utilities Commission	Capitol Water Corp.
PO Box 83720	2626 Eldorado
Boise, ID 83720-0074	Boise, ID 83704
	E-mail: <a href="mailto:capitolwatercorp@yahoo.com">capitolwatercorp@yahoo.com</a>

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Written comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on the front of this document. Written comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that Capitol Water **may file reply written comments, if necessary, no later than twenty-eight (28) days from the date of this Notice.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission office. The Application and exhibits are also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "File Room" tab at the top of the page, scroll down to "Open Water Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically Idaho Code §§ 61-307, 61-503, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

### **ORDER**

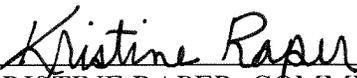
IT IS HEREBY ORDERED that the August 15, 2019, effective date Capitol Water proposed for its rate increase is suspended for 30 days and five months, or until the Commission issues an earlier Order accepting, rejecting, or modifying the Application.

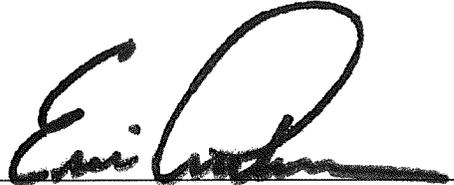
IT IS FURTHER ORDERED that the Application of Capitol Water shall be processed by Modified Procedure, IDAPA 31.01.01.201-204.

IT IS FURTHER ORDERED that persons interested in submitting written comments in this matter must do so by no later than twenty-one (21) days from the date of this Order. Capitol Water may file written reply comments, if necessary, by no later than twenty-eight (28) days from the date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *27th*  
day of July 2019.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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