May 15, 1997

Myrna J. Walters

Commission Secretary

Idaho Public Utilities Commission

PO Box 83720

Boise, ID 83720-0074

RE:  Case No. CAP-W-96-1

         Investigation — Water Quality

On September 11, 1996, the Commission in Case No. CAP-W-96-1 initiated an investigation regarding Capitol Water Corporation’s (Capitol Water; Company) ability to provide adequate service and water quality.  On January 23, 1997, Capitol Water filed an engineering report and evaluation of the Company’s water quality (iron and manganese).  Included within the Company’s report was an analysis of alternatives for mitigating or eliminating the iron and manganese problem in the Company’s wells and water distribution system.  Commission Staff has now completed its investigation and submits the attached report for Commission consideration.  Also submitted are excerpts from Environmental Protection Agency (EPA) National Secondary Drinking Water Regulations on manganese and iron.

Sincerely,

Scott D. Woodbury

Deputy Attorney General

Attachment

cc:  Robert Price

       Capitol Water Corporation

       2626 N. Eldorado St.

       Boise, ID 83704

       Bart Kline

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