(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

|  |  |  |
| --- | --- | --- |
| IN THE MATTER OF THE APPLICATION OF CAPITOL WATER CORPORATION FOR A TEMPORARY RATE INCREASE TO IMPLEMENT WATER QUALITY IMPROVEMENTS. | ))))))) | CASE NO. CAP-W-96-2ORDER NO.  26629 |

On September 11, 1996, Capitol Water Corporation (Capitol Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to implement a temporary five-year 35% rate increase (approximately $100,000/year) to fund certain expenses and investments associated with improving the quality of water provided by Capitol Water to its customers.  The Company is experiencing the presence of secondary contaminants of iron and manganese in waters from several of its source wells.

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 31.01.01.000 et seq.

The Commission has authority under Idaho Code § 61-622 to suspend the proposed rates set forth in the Company’s Application for a period of thirty days plus five months from the proposed effective date of November 1, 1996.

The Commission finds it necessary to suspend the proposed 35% 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 relief requested by the Company in its Application.  In so doing, the Commission notes that in separate docket No. CAP-W-96-1 the Commission has initiated an investigation of Capitol Water Corporation and its ability to provide adequate service and water quality.  It is the Commission’s belief that the investigation should be completed prior to moving forward in this case with the Company’s proposed solution to its water quality problems.

O R D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the Application of Capitol Water Corporation for a 35% increase in rates and charges in Case No. CAP-W-96-2 should be and hereby is suspended for a period of thirty (30) days plus five (5) 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.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of October 1996.

                                                                                                                                       RALPH NELSON, PRESIDENT

                                                                                            MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:CAP-W-96-2.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

October 8, 1996