



September 5, 2008

Advice Letter No. 202

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**DEL ORO  
WATER COMPANY**

Del Oro Water Company, Inc. (DOWC) hereby transmits on behalf of its Lime Saddle, Magalia and Paradise Pines Districts (DISTRICTS), Advice Letter No. 202 to address the issue of charging for commitment of future service in the DISTRICTS. These provisions pertain to the State Revolving Fund Loan to fund the construction of the Regional Intertie Project. The following changes in the DISTRICTS' tariff schedules are attached hereto:

PARADISE PINES

STIRLING BLUFFS

LIME SADDLE

MAGALIA

FERNDALE

JOHNSON PARK

COUNTRY ESTATES

PINE MOUNTAIN

PINE FLAT

WALNUT RANCH

ARBUCKLE

STRAWBERRY

MT. LASSEN

RIVER ISLAND

	Cal. P.U.C. <u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule No.</u>	Canceling Cal. P.U.C. <u>Sheet No.</u>
	877-W	Annual Metered Service, (continued) Lime Saddle District	LS-1A	762-W
	878-W	Annual Metered Service, (continued) Magalia District	MD-1A	596-W
	879-W	Annual General Metered Service, (continued) Paradise Pines District	PP-1A	778-W
	880-W	Table of Content		876-W

The DISTRICTS of DOWC received authority from the California Public Utilities Commission on May 29, 2008 in Decision No. 08-05-032 [Exhibit A] to establish monthly surcharges specifically for the repayment of the State Revolving Fund Loan (SRF Surcharge) for The Regional Intertie Project. This filing, in concurrence with The Division of Ratepayer Advocates, adopts a charge for commitment of future service. In lieu of the SRF Surcharge set forth in the various schedules of the DISTRICTS, an applicant for new service who does not wish to actually receive service at the time of application but rather seeks only a firm commitment by the utility to provide service at some date in the future, shall be assessed a one-time charge of equal to (a) the applicable monthly SRF Surcharge for the meter size for which a service commitment is sought times (b) 240 months. Those applicants assessed the charge described herein shall not be subject to the SRF Surcharge or the SRF Surcharge Connection Fee set forth in the appropriate schedules of the DISTRICTS when the applicant actually begins receiving water service.

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**Requested Effective Date**

DOWC requests this filing to be a Tier 2 Filing as no rate is affected for the ratepayers and only accelerates the repayment of the SRF Surcharge for certain customers desiring special consideration. This filing is made under the provisions of General Order No. 96-B and is requested to be effective at the earliest date. In addition, this filing will not cause withdrawal of service, nor conflict with any other schedule or rule.

Del Oro Water Company, Inc.



**JANICE HANNA**  
Director, Corporate Accounting

Attachments

DOWC/AdvLtr/Multiple/Advice 202

Schedule No. LS-1A  
(continued)

ANNUAL GENERAL METERED SERVICE  
LIME SADDLE DISTRICT

(N)

SPECIAL CONDITIONS

1. The annual service charge applies to service during the 12 month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, the resident may elect, at the beginning of the year, to pay prorated service charges in advance at intervals of less than one year in accordance with the utility's established billing periods for water used.
2. The opening bill for metered service, except for conversion from flat rate service, shall be the established annual service charge for the service. Where initial service is established after the first day of the year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth (1/365) of the number of days remaining in the year. The balance of the payment of the initial charge shall be credited against the charges for the succeeding annual period. If the service is not continued for at least on year after the date of initial service, no refund of the initial charges shall be due to the customer.
3. The established billing cycle for water used in monthly. The billing cycle may be at longer intervals during the winter season.
4. Lime Saddle Community Services District has historically equated each and every dwelling unit as representing one (1) meter equivalent or one service connection. This manner of calculating the applicable monthly service charge for multiple dwelling accounts is to be maintained as part of the current rate structure, accepted as equitable by the ratepayers since the formation of the district.
5. All bills are subject to reimbursement fee set forth on Schedule No. UF
6. A late charge will be imposed per Schedule No. LC
7. In accordance with Section 2714 of the Public Utilities Code, if a tenant in a rental unit leaves owing the company, service to subsequent tenants in that unit will, at the company's option, be furnished on the account of the landlord or property owner.
8. Charge for Commitment of Future Service. By Decision No. 08-05-032, the Commission authorized the Utility to impose a surcharge (SRF Surcharge) for repayment of a State Revolving Fund Loan to fund the construction of the Regional Intertie Project authorized by that Decision. In lieu of the SRF Surcharge set forth in Schedule LS-1A, an Applicant for new service who does not wish to actually receive service at the time of application but rather seeks only a firm commitment by the utility to provide service at some date in the future, shall be assessed a one-time charge of equal to (a) the applicable monthly SRF Surcharge for the meter size for which a service commitment is sought times (b) 240 months. An applicant assessed the charge described herein shall not be subject to the SRF surcharge or the SRF Surcharge Connection Fee set forth in Schedule LS-1A when the applicant actually begins receiving water service.

(D)  
(D)

(N)  
|  
(N)

(continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 202

Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_

**JANICE HANNA**

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

## 1. Summary

Today, we approve a comprehensive settlement agreement (Settlement Agreement)<sup>1</sup> entered into by the Del Oro Water Company, Inc. (Del Oro) and the Division of Ratepayer Advocates (DRA), the parties to this proceeding.

Our approval of the Settlement Agreement means that Del Oro will receive a Certificate of Public Convenience and Necessity to construct Phase I of its regional intertie project (Water Project) financed through: 1) a Safe Drinking Water State Revolving Fund (SRF) construction loan, and 2) equity financing provided by Del Oro. The Settlement Agreement also provides that Del Oro will file an advice letter which implements rate surcharges to ratepayers to repay the SRF loan, and recover equity financing costs through a general rate case filing. The allocation of the SRF debt service obligation will be fairly allocated to the three Del Oro districts served by the Water Project, which are Lime Saddle, Paradise Pines, and Magalia. Within each of these districts, the SRF debt service obligation will be recovered through monthly service charges and connection fees from previously un-served premises. Ratepayers who have previously paid a connection fee will not be subject to the SRF surcharge; however, all customers will pay their proportionate share of the equity portion of the Water Project funding.

As a result of the Settlement Agreement, the estimated monthly net bill increase for Del Oro customers served by standard 5/8-inch by 3/4-inch meters will increase by \$8.25 or 12% for Lime Saddle, \$4.82 or 11% for Magalia, and \$4.15 or 17% for Paradise Pines.

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<sup>1</sup> The Settlement Agreement is attached as Appendix A.