

Del Oro Water Company, Inc. – California Pines District

Advice Letter No. 554

NOTICE OF PROPOSED RATE INCREASE

Del Oro Water Company, Inc. (DOWC), filed Advice Letter No. 554 with the California Public Utilities Commission (CPUC) on behalf of all DOWC districts (DOWC DISTRICTS) for a General Rate Case (GRC) to modify its Annual General Metered Quantity Rates and Serve Charges.

DOWC is requesting an increase in rates for funds needed to ensure water system maintenance, water quality initiatives, safety measures, business operations and to keep pace with inflation. These water rates will accurately reflect the costs of providing safe, reliable water service and protect customers from known and emerging contaminants.

Standard General Rate Case (GRC) workbooks were submitted showing proposed rate increases for each district. The calculations were based on factors such as the number of customers, water consumption, meter sizes, three years of historical operating expenses, and actual increases in costs for purchased water, electricity, insurance, employee salaries, and health benefits.

The current rates, which were approved in July 2024 under Resolution W-5275, were developed using 2023 cost data. Since then, the cost of operations has increased. Overall expenses have risen by 20.56% during the past three years, equating to an average annual increase of approximately 6.85%. The proposed rate increases are necessary to align revenues with current operating costs and to address other service-related requirements necessary for the continued provision of safe and reliable service.

Pursuant to a Compliance Order issued by the State Water Board, Division of Drinking Water, infrastructure improvements and construction of the 200,000 Gallon Bolted Tank (\$2,794,827) are scheduled to be completed in August 2026. Recovery of the project costs is included in the proposed rate increase. However, the rate increase will not take effect until the project is fully completed and the facility is placed into service as a used-and-useful asset.

And, continuing to mitigate the 2023 catastrophic flood, Del Oro in conjunction with Tulare County has undertaken two bridge replacement projects. Following the County's lead, Del Oro will be attaching a new ductal iron main line to the new bridges and replacing and realigning the damaged mains. The cost of these projects are not a part of this General Rate Case.

To help lessen the impact on customers, DOWC is proposing to phase in the requested rate adjustment over a two-year period rather than implementing the full increase at one time. This phased approach balances the Company's need to recover the significant costs of operating the utility while reducing the immediate financial impact on customers.

ESCALATION YEAR ONE

	<u>Present Rates</u>	<u>Proposed Year One Rates</u>
Quantity Rates: All usage, per 100 cu.ft.	\$ 12.681	\$ 14.965
Service Charge:		
		Per Meter, Per Month
	<u>Present Rates</u>	<u>Proposed Year One Rates</u>
5/8x3/4 inch meter	\$ 63.14	\$ 95.56
3/4 inch meter	94.71	143.34
1 inch meter	157.86	238.90
1 1/2 inch meter	315.72	477.80
2 inch meter	505.14	764.48

(Over)

**Bill Comparison - 5/8" x 3/4" Service
and CCF Usage Rate Impact**

(ccf) Usage	Present Rates	Proposed Year 1	\$ Increase	% Increase
0	63.14	95.56	32.42	51.35%
4	113.86	155.42	41.56	36.50%
10	189.95	245.21	55.26	29.09%
25	380.17	469.70	89.53	23.55%
30	443.57	544.52	100.95	22.76%

ESCALATION YEAR TWO

		<u>Proposed Year One Rates</u>	<u>Proposed Year Two Rates</u>
Quantity Rates:	All usage, per 100 cu.ft.	\$ 14.965	\$ 22.894
Service Charge:		Per Meter, Per Month	
		<u>Proposed Year One Rates</u>	<u>Proposed Year Two Rates</u>
	5/8x3/4 inch meter	\$ 95.56	\$ 124.66
	3/4 inch meter	143.34	186.98
	1 inch meter	238.90	311.64
	1 1/2 inch meter	477.80	623.28
	2 inch meter	764.48	997.25

**Bill Comparison - 5/8" x 3/4" Service
and CCF Usage Rate Impact**

(ccf) Usage	Year 1 Rates	Proposed Year 2	\$ Increase	% Increase
0	95.56	124.66	29.10	30.45%
4	155.42	216.23	60.81	39.13%
10	245.21	353.60	108.38	44.20%
25	469.70	697.01	227.32	48.40%
30	544.52	811.48	266.96	49.03%

The Service Charge is a Readiness to Serve Charge, which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

The CPUC staff will make a thorough investigation of the utility's request. Following the investigation, the CPUC may grant the utility's request in whole or in part, or may deny it. It may also order the utility to charge rates different from those shown in this notice.

California law requires the company to show to the CPUC's satisfaction that an increase is justified before it may raise its rates. Customers who would like to call the CPUC's attention to any problems concerning their water service, or who would like to provide any other information or comments regarding this requested increase should write to the CPUC at the e-mail or address below.

Customers are encouraged to contact Del Oro at (530) 717-2511 with any questions regarding the rate case. In addition, there are two ways to respond to this notice. You may send a protest to the CPUC and, if you do, you must send a copy of the protest to DOWC, or you can send a response to the CPUC.

PROTESTS AND RESPONSES:

A protest is a document objecting to the granting, in whole or in part, of the authority sought in this advice letter filing. A response is a document that does not object to the authority sought, but nevertheless presents information that the party tendering the response believes would be useful to the CPUC in acting on the request.

Both protests and responses must be mailed within 20 days of the date of this notice. A protest must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant, and the reasons the protestant believes the advice letter, or part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the advice letter.

All protests or responses to this filing should be sent to both of the following addresses, and should mention that they pertain to **Del Oro Water Co. 2026 General Rate Case – California Pines District**.

CPUC, Water Division
505 Van Ness Avenue, Room 3200
San Francisco, California 94102
Fax: (415) 703-2481
E-Mail : water.division@cpuc.ca.gov

and

DOWC, Director of Community Relations
Drawer 5172
Chico, CA 95927
(530) 717-2510 / Fax: (530) 717-2639
E-Mail: communityrelations@corporatecenter.us

E-mail Preferred

Comments must be sent no later than twenty (20) days after the date this notice was sent.

If you have not received a reply to your protest from the utility within ten (10) business days, you may contact DOWC at 530-717-2511.

A copy of DOWC's filing may be reviewed at: 426 Broadway, Ste. 303, Chico, CA 95928.
By calling 530-717-2511, you may request a copy to be mailed to you. You will be billed \$0.10 per page for copies.

Further information may be obtained from the utility at its business office or from the CPUC at the above address.