

Del Oro Water Company, Inc. – River Island 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.

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 cost of providing service.

DOWC recognizes that the proposed rate increase reflects a substantial increase in operating costs associated with the operation and maintenance of the new water treatment plant. These costs were not included in the Company's previous General Rate Case and are necessary to ensure compliance with State & Federal Drinking Regulations and the continued delivery of safe, reliable, and high-quality water service 24/7, 365 days per year.

The Company carefully manages its resources to ensure that customer rates reflect only those costs that are prudent, reasonable, and necessary to provide safe and reliable water service.

2024 Treatment Plant

The additional costs include the hiring of a State-certified Grade IV Water Treatment Operator required to operate the facility, as well as ongoing expenses for treatment processes, laboratory testing and regulatory compliance, treatment chemicals, maintenance materials, equipment, and the labor.

2026 New Treatment Systems for (6) Wells

In addition to the water treatment plant, DOWC has developed two (2) Ion Resin Treatment Systems (\$217,034) to further enhance water quality and supply reliability within its service area. These systems were permitted by the State Water Resources Control Board prior to the annual canal outage and were successfully placed into operation to treat water from six (6) groundwater wells. These significant infrastructure improvements increase our available groundwater supply. Recovery of these project costs are included in the proposed rate increase.

Phased in Rates

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 new treatment facilities while reducing the immediate financial impact on customers.

(Over)

DOWC proposes to phased-in the rate increase over two years as follows:

ESCALATION YEAR ONE

Residential Meters	<u>Present Rates</u>	<u>Proposed Year One Rates</u>
Quantity Rates: All usage, per 100 cu.ft.		
For all water up to 10,000 cubic feet	\$ 3.612	\$ 4.502
For all water over 10,000 cubic feet	\$ 4.854	\$ 6.048
 Service Charge:	 Per Meter, Per Month	
	<u>Present Rates</u>	<u>Proposed Year One Rates</u>
Meters up to 1 inch meter	\$ 84.66	\$ 108.97
1 1/2 inch meter	154.50	217.94
2 inch meter	279.21	348.71
3 inch meter	523.50	653.82
4 inch meter	872.52	1089.71
6 inch meter	1745.02	2179.41
 Irrigation Meters		
Quantity Rates: All usage, per 100 cu.ft.		
For all water up to 2,500 cubic feet	\$ 3.048	\$ 3.799
For all water over 2,500 cubic feet	\$ 4.854	\$ 6.048

**Bill Comparison - 1" Service
And CCF Usage Rate Impact**

(ccf) Usage	Present Rates	Proposed Year 1	\$ Increase	% Increase
0	84.66	108.97	24.31	28.72%
20	156.90	199.01	42.11	26.84%
30	193.02	244.03	51.01	26.43%
40	229.14	289.05	59.91	26.15%
50	265.26	334.07	68.81	25.94%

ESCALATION YEAR TWO

Residential Meters	<u>Proposed Year One</u>	<u>Proposed Year Two</u>
	<u>Rates</u>	<u>Rates</u>
Quantity Rates: All usage, per 100 cu.ft.		
For all water up to 10,000 cubic feet	\$ 4.502	\$ 5.569
For all water over 10,000 cubic feet	\$ 6.048	\$ 7.482

Service Charge:	Per Meter, Per Month	
	<u>Proposed Year One</u>	<u>Proposed Year Two</u>
	<u>Rates</u>	<u>Rates</u>
Meters up to 1 inch meter	\$ 108.97	\$ 130.82
1 1/2 inch meter	217.94	261.65
2 inch meter	348.71	418.64
3 inch meter	653.82	784.95
4 inch meter	1089.71	1308.24
6 inch meter	2179.41	2616.49

Irrigation Meters

Quantity Rates: All usage, per 100 cu.ft.		
For all water up to 2,500 cubic feet	\$ 3.799	\$ 4.701
For all water over 2,500 cubic feet	\$ 4.854	\$ 7.482

**Bill Comparison - 1" Service
And CCF Usage Rate Impact**

(ccf) Usage	Proposed Year 1	Proposed Year 2	\$ Increase	% Increase
0	108.97	130.82	21.85	20.05%
20	199.01	242.20	43.19	21.70%
30	244.03	297.89	53.86	22.07%
40	289.05	353.58	64.53	22.33%
50	334.07	409.27	75.20	22.51%

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) 717-2514 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 – River Island 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) 717-2514 / 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 530-717-2514. A copy of DOWC's filing may be reviewed at: 426 Broadway, Ste. 303, Chico, CA 95928.

By calling 530-717-2514, 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.