



June 2, 2026

Advice Letter No. 554

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Del Oro Water Company, Inc. (DOWC) hereby transmits this Advice Letter No. 554 for filing on behalf of all DOWC Districts (DISTRICTS) for a General Rate Case (GRC) to modify its Annual General Metered Service Rates. DOWC requests a general rate increase for Test Year 2026 that would generate additional annual revenues of \$1,890,071, representing a 24.82% increase, to recover increased operating expenses. In addition, DOWC seeks recovery of utility plant investments totaling \$296,845, representing an additional 4.26% increase in annual revenues.

## **BACKGROUND**

Following the catastrophic Camp Fire in Butte County on November 8, 2018, four DOWC districts experienced significant customer and infrastructure losses. As a result, DOWC was required to revise previously authorized sales forecasts for the affected districts and reallocate statewide and regional operating expenses. DOWC's two most recent General Rate Cases were based on district-specific operating expenses, with varying rate structures and rates of return designed to achieve an overall authorized rate of return of 9.33%.

The fire-affected districts lost a total of 2,162 customers. To date, only 459 customers have returned to water service. Based on current conditions, DOWC anticipates that customer recovery in these districts will continue at a slow pace for the foreseeable future.

Effective January 9, 2026, DOWC's Tulare District consolidated with the City of Porterville. As a result, DOWC's total customer count decreased to 6,806 customers, compared to the 6,934 customers reflected in its most recent General Rate Case for Test Year 2023. This reduction has affected the statewide allocation of operating expenses used in calculating the requested rate increase.

## **DISCUSSION**

DOWC will file (19) individual GRC workbooks, one for each district. DOWC respectfully requests that Commission Staff review these workbooks so that annual general metered service rates may be adjusted to reflect current operating conditions, recover incurred costs, and restore DOWC's opportunity to earn a reasonable rate of return on its utility assets.

The GRC workbooks calculate proposed rate increases based on each district's customer count, water consumption, meter sizes, and three-year historical expense data, as well as documented increases in power, insurance, payroll, and employee health benefit costs. Operating expenses have increased by 27.65% over the past three years, or approximately 9.22% annually. The proposed district-specific rate



Del Oro Water Company, Inc.  
Advice Letter No. 554, DOWC Statewide General Rate Case  
Page Two

increases range from 4.58% to 92.98%, with an overall requested increase of 29.08% for Test Year 2026. Requested Rate of Return for all districts is 9.33%.

Several capital improvement projects completed prior to or during the 2026 Test Year have also contributed to the proposed rate increases. These projects are identified in the individual GRC workbooks, along with customer notifications describing the improvements and their associated costs.

There are five districts for which the proposed rate increases exceed 40 percent. DOWC is requesting that the rate increases for these districts be phased in over a two-year period to lessen the impact on customers. The estimated revenue deficiency associated with the first-year phase-in is \$321,256.

It should be noted that DOWC has not requested any annual Consumer Price Index (CPI) rate adjustments or balancing account offsets since the approval of Resolution W-5275 on July 11, 2024.

DOWC filed a claim with Pacific Gas and Electric Company (PG&E) and subsequently participated in litigation involving the Camp Fire Trust. A settlement has been reached, and DOWC has received approximately 70 percent of the agreed-upon settlement amount. Through Advice Letter No. 546, DOWC requested authorization to provide a Camp Fire Refund Credit to customers over an eighteen-month period. As a result, \$534,085.11 was refunded to DOWC customers from the settlement proceeds. The remaining funds are being invested in Advanced Metering Infrastructure (AMI) projects throughout DOWC's service territories.

CPUC staff will conduct a thorough review and investigation of DOWC's request. Following its review, the Commission may approve the request in whole or in part, modify the request, or deny it. Customers who wish to bring concerns regarding their water service to the Commission's attention, or who would like to provide comments regarding the proposed rate changes, may do so by submitting written comments to the CPUC.

## NOTICE

**Customer notices will not be sent until Commission Staff and DOWC agree on the recovery method.** At that time customers will be encouraged to contact Del Oro at (530) 717-2500 with any questions regarding this General Rate Case. DOWC will also work with the CPUC staff regarding meetings Statewide for the GRC. In addition, there are two ways to respond to this notice. You may send a protest to the CPUC's Water Division, and if you do, you must send a copy of the protest to DOWC, or you can send a response to the CPUC and mention "DOWC Statewide General Rate Case".



Del Oro Water Company, Inc.  
Advice Letter No. 554, DOWC Statewide General Rate Case  
Page Three

**File a PROTEST:**

A protest is a document stating that you object to the utility receiving all or some part of its request. If you wish to file a protest, you must state the facts constituting the grounds for the protest, how the advice letter affects you, and the reasons why you believe the whole advice letter, or part of it, is not justified.

If the protest requests an evidentiary hearing (an evidentiary hearing is a legal proceeding held before an administrative law judge at the Commission to obtain evidence), your protest must state the facts you would present at the evidentiary hearing to support your request for a complete or a partial denial of the advice letter. The filing of a protest does not ensure that an evidentiary hearing will be held. The decision whether or not to hold an evidentiary hearing will be based on the content of the protest.

**File a RESPONSE:**

A response is a document that does not object to the request sought in the application, but nevertheless, presents information you believe would be useful to the Commission in acting on the application. Comments should mention that they pertain to the “DOWC Statewide General Rate Case”.

CPUC, Water Division	and	DOWC, Director of Community Relations
505 Van Ness Avenue		Drawer 5172
San Francisco, CA 94102		Chico, CA 95927
Fax: (415) 703-2655		Fax: (530) 717-2639
E-Mail: <a href="mailto:water.division@cpuc.ca.gov">water.division@cpuc.ca.gov</a>		E-Mail: <a href="mailto:CommunityRelations@delorowater.com">CommunityRelations@delorowater.com</a>

Protests and Responses must be sent no later than twenty (20) days after the date this notice was mailed. If you have not received a reply to your protest from the utility within 10 business days, contact Del Oro’s corporate offices at 530-717-2500.

A copy of Del Oro Water Company’s filing may be inspected in its business office: 426 Broadway, Suite 301, Chico, California 95928 or at its website: [www.delorowater.com](http://www.delorowater.com). By calling 530-717-2500, you may request a copy to be mailed to you. You will be billed for the copies at \$0.10 per page. Further information may be obtained from the utility at its business office or from the Commission at the above address.



Del Oro Water Company, Inc.  
Advice Letter No. 554, DOWC Statewide General Rate Case  
Page Four

This filing is made under the provisions of General Order (GO) No. 96-B, Water Industry rule 7.3.3(5), and Section 454 of the Public Utilities Code.

As this is a Tier 3 filing, a notice of the Statewide General Rate Case request will be mailed to the customers after the Commission Staff and DOWC agrees on the recovery method and meeting locations.

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 & Regulatory Affairs

Attachments

## CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Advice Letter No. 554 on all interested persons and organizations in these filings or their attorneys as shown on the attached list.

Dated: June 2, 2026 at Chico, California



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Janice Hanna

## NOTICE

Interested Persons and Organizations should notify the Water Division, Public Utilities Commission, 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

**Del Oro Water Company**  
**All Districts**  
**Service List for Advice Letter No. 554**

**California Public Utilities Commission**

Division of Water and Audits  
[water.division@cpuc.ca.gov](mailto:water.division@cpuc.ca.gov)

**County of Butte, Board of Supervisors**

Attn: Robin Bennett  
747 Elliott Road  
Paradise, CA 95969  
1-530-872-6304  
[dteeter@buttecounty.net](mailto:dteeter@buttecounty.net)

**Buzztail Community Services District**

Attn: Jim McCrossin, President  
PO Box 7303  
Chico, CA 95927  
[jim@mccrossin.us](mailto:jim@mccrossin.us)  
[bookwormto@aol.com](mailto:bookwormto@aol.com)

**Fresno County Administrator**

Paul Nerland  
2281 Tulare, Suite 304  
Fresno, CA 93721  
1-559-600-1710  
[naortiz@co.fresno.ca.us](mailto:naortiz@co.fresno.ca.us)

**Glenn County**

516 West Sycamore St.  
Willows, CA 95988  
1-530-934-6400  
[gcboard@countyofglenn.net](mailto:gcboard@countyofglenn.net)

**Humboldt County Administrator**

Elishia Hayes  
825 Fifth Street, Room 111  
Eureka, CA 95501-1153  
1-707-445-7266  
[cao@co.humboldt.ca.us](mailto:cao@co.humboldt.ca.us)

**Kern County Administrator**

Mr. John Nilon  
1115 Truxton Avenue  
Bakersfield, CA 93301  
1-661-868-3198  
[caomailbox@kerncounty.com](mailto:caomailbox@kerncounty.com)

**Larry Lees, Shasta County Administrative Officer**

1450 Court Street, Ste. 308A  
Redding, CA 96001-1673  
1-530-225-5561  
[lrees@co.shasta.ca.us](mailto:lrees@co.shasta.ca.us)

**Tuolumne County Offices**

Tracie Riggs, County Administrator  
2 South Green Street  
Sonora, CA 95370  
1-209-533-5511

**Arbuckle Public Utility District**

Fabian Gomez, Manager  
P.O. Box 207  
Arbuckle, CA 95912  
530-476-2054  
[apud@frontiernet.net](mailto:apud@frontiernet.net)

**City of Orland**

815 4<sup>th</sup> Street  
Orland, CA 95963  
(530) 865-1610  
[evonasek@cityoforland.com](mailto:evonasek@cityoforland.com)

**Paradise Irrigation District**

Mr. Tom Lando  
P.O. Box 2409  
Paradise, CA 95967  
1-530-877-4971  
[tlando@paradiseirrigation.com](mailto:tlando@paradiseirrigation.com)

**Del Oro Water Company**

Janice Hanna, Director of Corporate Accounting  
[jeh@corporatecenter.us](mailto:jeh@corporatecenter.us)