

REVISED HEADING
Del Oro Water Company
NOTICE OF PROPOSED RATE INCREASE

Pine Flat District - Advice Letter No. 273

Del Oro Water Company, Pine Flat (DOWCPF) District, has requested authority from the CALIFORNIA PUBLIC UTILITIES COMMISSION to increase its water rates. The total annual increase in gross revenue will be \$32,095.00 or 25.97%. The increase is necessary to compensate the utility for a portion of the regional system improvements made thru June 30, 2010; and to provide an adequate return.

The \$181,422.07 capital improvements through June 30, 2010 include the drilling, construction, and testing of a new well (\$110,554.14); the California Environmental Quality Act (CEQA) permits for the new well facility (\$2,534.85); the study and on-going rehabilitation of the spring sources (\$48,957.90); and installation of the remaining 92 meters (\$19,375.18). The capital improvements and contract engineering were authorized by the Commission in Decision 05-01-047, dated January 27, 2005.

The Pine Flat District's last General Rate Increase became effective on January 30, 2010 per Resolution No. W-4822.

Del Oro proposes to increase rates as follows:

PINE FLAT DISTRICT

Monthly General Metered Service

	<u>Per Meter / Per Month</u>	
Quantity Rate:	<u>Present Rates</u>	<u>Proposed Rates</u>
For all water, per 100 cu. Ft.	\$ 5.30	\$ 6.676
Annual Service Charge:		
For 5/8 x 3/4 -inch meter	\$ 26.81	\$33.77
For 3/4 -inch meter	40.22	50.66
For 1-inch meter	67.03	84.44
For 1 1/2 -inch meter	134.06	168.87
For 2-inch meter	214.50	270.20
For 3-inch meter	402.18	506.62
For 4-inch meter	670.30	844.37
For 6-inch meter	1,340.59	1,688.73

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the monthly charge for water computed at the Quantity Rate.

Impact to the Average Metered Customer's Bill (5/8" x 3/4" service):

<u>Usage (ccf)</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
0	26.81	33.77	6.96	25.96%
10	78.81	100.54	20.73	25.97%
20	132.81	167.30	34.49	25.97%
40	238.81	300.83	62.02	25.97%
60	344.81	434.35	89.54	25.97%
80	450.81	567.88	117.07	25.97%
100	556.81	701.41	144.60	25.97%

The resulting rates will not result in a rate of return in excess of that allowed for the Pine Flat District customers.

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.

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.

Whether you wish to file a PROTEST or send a RESPONSE you must:

- Send a copy of your document to the utility
- Mail both one copy to the utility and one copy to the Commission within twenty (20) days of the date you received this notice.

The utility must respond to your protest or response within five (5) days. All protests or responses to this filing should be sent to:

California Public Utilities Commission and
Water Division
505 Van Ness Avenue
San Francisco, CA 94102
Fax: 415-703-4426
E-Mail: water_division@cpuc.ca.gov

Del Oro Water Company
Director of Community Relations
Post Office Drawer 5172
Chico, CA 95927
Fax: 530-894-7645
E-Mail: communityrelations@corporatecenter.us

The Commission staff will make an investigation of the utility's request. Following the investigation, the Commission 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.

Section 454 of the California Public Utilities Code provides that no public utility shall raise any rate or so alter any classification, contract, or rule as a result of any rate increase except on a showing before the Commission and a finding of the Commission that such increase is justified. Customers may wish to call to the Commission's attention any problem covering water service; billing procedure or others factor pertaining to a reasonable charge for the service. Customers, who would like to provide any other information or comments regarding this requested increase, should write to the Commission at the above listed address.

Comments should mention that they pertain to **Del Oro Water Company, Pine Flat District Rate Base Offset, Capital Improvement Projects** and must be sent no later than twenty (20) days after this notice is sent.

If you have not received a reply to your protest from the utility within 10 business days, contact their Director of Community Relations at (530) 809-3974.

A copy of Del Oro Water Company's filing may be inspected at its business office: 426 Broadway, Suite 301, Chico, California 95928. Further information may be obtained from the utility at its business office or from the Commission at the above address.

Original Mail Date: July 19, 2010