

**Del Oro Water Company
Walnut Ranch District**

Formerly owned by the Hillcrest Water Company

*** Revised Supplemental Notice ***

NOTICE OF WALNUT RANCH SERVICE IMPROVEMENT PLAN IN ACCORDANCE WITH THE STANDARD PRACTICE U-36-W OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION

Since taking ownership of the Walnut Ranch District in 2005, Del Oro Water Company has consistently undertaken emergency repairs in order to provide a reliable, non-interruptible supply to its customers. However, the condition of the system has made it essential that we proceed immediately with the Service Improvement Plan that was outlined at the June 13, 2007 and June 4, 2008 Community Meetings. Below is a summary of the project that *must* be undertaken this year and an indication of our best estimate of what it will cost to complete each task, as well as the total potential impact on rates.

PROPOSED CAPITAL IMPROVEMENT:

Colusa Industrial Park Intertie Project

1.	3,300 feet of 12 inch Pipeline	\$256,000.00
2.	County Encroachment Permit	6,000.00
3.	Conceptual Design	17,516.00
4.	Engineering	18,258.00
5.	Surveying/Construction Admin.	15,633.00
6.	Contingency	35,000.00

<u>Total Estimated Construction</u>	<u>\$348,408.00</u>
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RATE IMPACT:

As was outlined in the June 13, 2007 and June 4, 2008 community meetings the cost associated with this project will be presented as a Rate Base Offset. This Capital Improvement Program estimated at \$348,408, will increase the rates by approximately 113% and is as *estimated* below:

Flat Rate:

	<u>Current Rates</u> <u>Per Service</u> <u>Connection Per Month</u>	<u>Capital</u> <u>Improvement</u> <u>Rate Impact</u>	<u>¹Purchased</u> <u>Water</u> <u>Rate Impact</u>	<u>Projected New</u> <u>Monthly Bill</u> <u>Per Connection</u>
For each single-family Residential unit or business establishment	\$ 55.10	\$ 56.64	\$5.69	\$ 117.43 ←
For each additional residential unit or business Establishment on the same premises and Served from the same service connection	\$ 27.55	\$ 28.32	\$5.69	\$ 61.56

¹ Purchased water rate impact is based on a five (5) year average import production cost of \$10,334.00 per year less a current power cost credit of \$5,000.00 resulting in a net per customer per month imported water cost of \$5.69 under the flat rate tariff schedule.

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 contents 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.

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 CPUC 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,
Water Division
505 Van Ness Avenue
San Francisco, California 94102
E-Mail : water_division@cpuc.ca.gov

and

Director of Community Relations
Drawer 5172
Chico, CA 95927
(530) 894-6739 / Fax: (530) 894-7645
E-Mail: kma@corporatecenter.us

If you have not received a reply to your protest within ten (10) business days, contact Del Oro Water Company at 1-530-894-6739.

→ Notice Mailed: July 10, 2008