

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED
04-08-10
04:59 PM

In the Matter of the Updated and Corrected Application of GREAT OAKS WATER CO. (U-162-W) for an Order Authorizing an Increase in Rates Charged for Water Service, increasing the revenue requirement by \$1,846,100 or 14.94% in 2010, by \$254,425 or 1.79% in 2011 and by \$165,822 or 1.14% in 2012.

Application No.: A.09-09-001
(Filed September 3, 2009)
(Updated and Corrected Caption filed 11/12/2009)

**NOTICE OF *EX PARTE* COMMUNICATION
OF GREAT OAKS WATER COMPANY**

Pursuant to Rule 8.3 of the California Public Utilities Commission Rules of Practice and Procedure, Great Oaks Water Company (“Great Oaks”) files this Notice of an *ex parte* communication.

On April 5, 2010, at approximately 1:30 p.m., Great Oaks’ Chief Executive Officer John W.S. Roeder and General Counsel Timothy S. Guster met with Laura Krannawitter, Advisor to Commissioner Bohn, Amy Yip-Kikugawa, Legal Advisor to Commissioner Bohn and Raminder Kahlon, Director of the Division of Water and Audits at the offices of the California Public Utilities Commission (“Commission”) in San Francisco, California. The meeting was requested by Great Oaks and lasted between 30 and 60 minutes.

During the meeting, the representatives of Great Oaks advised Ms. Krannawitter, Ms. Yip-Kikugawa and Mr. Kahlon of Great Oaks’ position with respect to the Motion of

the Division of Ratepayer Advocates (“DRA”) to Reopen the Record to Admit Great Oaks’ Nondisclosure of Lack of Payment of Groundwater Charges and Request that the Commission Issue an Order to Show Cause for Violation of Rule 1.1 and Possible Violation of Section 2114 (the “DRA Motion”).

Matters discussed included the fact that Great Oaks complied with all applicable accounting, reporting and forecasting requirements of the Commission with respect to groundwater charges and that the accusations of wrongdoing by Great Oaks in the DRA Motion are without basis in fact or law. Also discussed was pending litigation between Great Oaks and the Santa Clara Valley Water District (“Water District”) and the legal positions taken by Great Oaks and the Water District with respect to payment and refunds of groundwater charges, including information not provided by DRA during its *ex parte* communications of March 24, 2010 and not included in the DRA Motion.

Great Oaks also provided information regarding how the Water District has used the filing of and the baseless accusations in the DRA Motion to publicly damage the reputation of Great Oaks and its Chief Executive Officer. Great Oaks provided the attendees of the April 7, 2010 with copies of two documents, both of which are attached hereto. The first document is a copy of an email from the Water District’s Government Relations Manager to Susan Valenta of the City of Gilroy, California, dated April 1, 2010, specifically referencing the DRA Motion and thereby publishing the false accusations made against Great Oaks and its Chief Executive Officer in the DRA Motion. The second document is an Open Letter to District Stakeholders and the Silicon Valley Community posted on the Water District website. Great Oaks informed the attendees of the April 7, 2010 meeting that by acting upon Water District information through the

filing of the DRA Motion, without conducting any investigation as to the truth or accuracy of the Water District information, including the Water District's flawed legal analysis of Great Oaks' legal rights, DRA has made itself a direct party to the damage caused to the reputations of Great Oaks and its Chief Executive Officer.

Great Oaks also informed the April 7, 2010 meeting attendees that groundwater charges have been paid by Great Oaks into a secured account since late April, 2009 with instructions to protect the funds against illegal collection by the Water District until a court of competent jurisdiction and the Commission determine the appropriate disposition of the funds. Until that time, the groundwater charges remain under all applicable accounting and Commission rules and standard practices as payable operating expenses properly reportable and forecast in exactly the manner employed by Great Oaks in its general rate case application and accompanying submissions.

Great Oaks further advised that the Water District refused to accept payment of groundwater charges to be held in trust for Great Oaks and its ratepayers. Instead, the Water District indicated it would not hold the funds in trust. The Water District has also taken the position that it is not legally obligated to refund illegally collected groundwater charges, a position rejected by the Santa Clara County Superior Court.

Great Oaks advised that under current law and court decisions related to the groundwater charges illegally levied and collected from Great Oaks and others, the Water District is likely to be required to refund in excess of \$15 million to Great Oaks. Great Oaks further advised that San Jose Water Company and several cities in Santa Clara County have taken action to preserve their legal rights to follow Great Oaks' lead on the

Great Oaks Water Co.
Service List

Municipal Water System
City of San Jose
3025 Tuers Road
San Jose, CA 95121

County Clerk
County of Santa Clara
70 W. Hedding Street
San Jose, CA 95110

Safe Drinking Water Office
Department of Water Resources
1416 9th Street, Room 804
Sacramento, CA 95814

Office of Regulatory Affairs
California Water Service Company
1720 North First Street
San Jose, CA 95112

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

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The Honorable Christine M. Walwyn
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