



**FILED**

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

Order Instituting an Investigation on Whether Great Oaks Water Company's Failure to Inform the Commission and its Staff of its Treatment of Pump Tax Revenues Collected from Customers Violated the Commission's Rule of Practice and Procedure 1.1, the Uniform System of Accounts for Class A Water Companies, the Rate Case Plan, or Public Utilities Code Sections 451 and 794.

Investigation 12-04-011  
(Filed April 19, 2012)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SETTING PREHEARING CONFERENCE AND  
REQUIRING JOINT PREHEARING CONFERENCE STATEMENT**

**Introduction**

A prehearing conference (PHC) in this matter is set for June 29, 2012, at 10:00 a.m. in the Commission Courtroom located at 505 Van Ness Avenue, San Francisco, California.

**Background**

Great Oaks Water Company (Great Oaks) is a water company regulated by this Commission. During Great Oaks' last general rate case (Application (A.) 09-09-001) the Commission learned that Great Oaks had withheld payment from Santa Clara Valley Water District of pump tax revenue even though Great Oaks continued to collect these amounts from its ratepayers.

On November 19, 2010, the Commission issued Decision 10-11-034 in A.09-09-001. In the decision, the Commission found that there was good cause to investigate Great Oaks' actions in connection with the pump tax revenues to determine if fines should be imposed. The Commission ordered the Consumer Protection and Safety Division to prepare an Order Instituting Investigation (OII) to review further whether Great Oaks' failure to inform the Commission and staff of its actions violated any of the following: 1) the Commission's Rules of Practice & Procedure, Rule 1.1; 2) the Uniform System of Accounts (USOA) for Class A Water Companies; 3) the Rate Case Plan; 4) Public Utilities Code (Pub. Util. Code) Section 451; or 5) Pub. Util. Code § 794.<sup>1</sup>

On April 19, 2012, the Commission filed this OII into the matters described above.

### **Prehearing Conference**

A prehearing conference (PHC) in this matter is set for June 29, 2012, at 10:00 a.m. in the Commission Courtroom located at 505 Van Ness Avenue, San Francisco, California. The PHC is called to (1) determine the parties; (2) accept appearances and establish the permanent service list; (3) determine the positions of the parties; (4) identify issues for inclusion in the scoping memo for this proceeding, (5) discuss the schedule for this proceeding; (6) determine if there are any challenges to either the categorization of this proceeding or to the preliminary determination that there is no need for hearings; and (7) discuss any additional procedural matters relevant to this proceeding.

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<sup>1</sup> Decision 10-11-034, Ordering Paragraph 12.

The parties are directed to file and serve a joint PHC statement no later than five business days before the scheduled PHC. The PHC statement must include the following:

1. The specific factual and legal issues the Commission needs to decide in this case;
2. The parties' views on whether there has been a Rule 1.1 violation;
3. Any undisputed material facts;
4. The status of settlement discussions, if any;
5. Whether any discovery is needed and the anticipated date that discovery will be completed;
6. Whether hearings are needed;
7. If the parties believe that a hearing is needed, the estimated number of days required, and the number of witnesses that each side plans to present at the hearing; and
8. A proposed schedule for this case, including dates for completing discovery, filing prepared written testimony, and for hearing.

Other persons interested in becoming a party to this proceeding must make a motion in accordance with Rule 1.4. Any such persons are requested to file a PHC statement no later than five business days before the date of the scheduled PHC.

### ***Ex Parte* Rules**

Adjudicatory proceedings such as this investigation are subject to the *ex parte* ban set out in Section 1701.2 (b) of the Public Utilities Code as further explained in the Commission's Rules, Article 8 (beginning with Rule 8.1). The prohibition extends to communications between any party and a decision maker (including all Commissioners and the assigned Administrative Law Judge) concerning any substantive matter having to do with the case, unless the

communication occurs in a public hearing or on the record. Accordingly, letters, e-mails, and conversations (whether by telephone or in person) that concern substantive matters, rather than purely procedural ones, are not permitted.

### **Filing, Service, and Service List**

The parties shall file their joint PHC statement that addresses the above subjects with the Commission Docket Office, and send a copy to me, by no later than June 29, 2012. Parties may submit their copy to me by e-mail addressed to [jmo@cpuc.ca.gov](mailto:jmo@cpuc.ca.gov), by personal delivery, or mail. Parties are encouraged to file and serve electronically, whenever possible. This proceeding will follow the electronic service protocols adopted by the Commission in Rule 1.10 for all documents, whether formally filed or just served. This rule allows electronic service of documents, in a searchable format, unless the party or state service list member did not provide an e-mail address. If no e-mail address was provided, service should be made by U.S. mail. Concurrent e-mail service to ALL persons on the service list for whom an e-mail address is available, including those listed under "Information Only," is required. Parties are expected to provide paper copies of served documents upon request. More information regarding electronic filing is available at <http://www.cpuc.ca.gov/puc/efiling>.

Parties are responsible for ensuring that the correct information is contained on the service list, and notifying the Commission's Process Office and other parties of corrections or ministerial changes. (See Rules of Practice and Procedure, Rule 1.9(f).) If either party has questions regarding Commission procedures, please contact the Commission Public Advisor's Office by phone at (866) 849-8390 or (415) 703-2074 or by e-mail at [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov). The Commission's Rules of Practice and Procedure are also available for review on our website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

**IT IS RULED** that:

1. The Commission has set a prehearing conference (PHC) in the above-captioned matter for June 29, 2012, at 10:00 a.m. at the Commission Courtroom, State Building, 505 Van Ness Avenue, San Francisco, California.
2. The parties and any other interested persons shall file and serve their PHC statements, as described above, no later than five business days prior to the PHC. Please also serve the undersigned with the joint PHC statement by same day e-mail service at [jmo@cpuc.ca.gov](mailto:jmo@cpuc.ca.gov).
3. Other persons interested in becoming a party to this proceeding must make a motion in accordance with Rule 1.4.
4. To the extent discovery is required, parties shall not wait for the PHC to commence it.

Dated June 5, 2012, at San Francisco, California.

/s/ JEANNE M. MCKINNEY  
Jeanne M. McKinney  
Administrative Law Judge