



FILED

07/29/26

09:30 AM

A2604010

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAN JOSE WATER
COMPANY (U168W) for Approval of
Cost Recovery for PFAS Remediation.

Application 26-04-010

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling (Scoping Memo) sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

San Jose Water Company (San Jose Water) filed the instant application on April 10, 2026, requesting authorization to increase rates for water service to fund its PFAS Compliance Program. Specifically, San Jose Water seeks authorization to:

1. Design and construct a PFAS remediation system at its Williams Station;
2. Track the associated capital and operation and maintenance costs for recovery; and,
3. Adjust rates via annual rate base filing offsets.

On May 13, 2026, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed a timely protest to the Application. On May 26, 2026, San Jose Water filed a timely reply.

On June 25, 2026, San Jose Water and Cal Advocates (hereafter referred to as the Joint Parties) filed a joint Prehearing Conference (PHC) statement. The assigned Administrative Law Judge (ALJ) held a PHC on July 2, 2026, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary.

After considering the discussion at the PHC, I have determined the issues and initial schedule of the proceeding to be as set forth in this Scoping Memo. I have also determined that no environmental and social justice issues have been raised at this time.

2. Issues

The issues to be determined or otherwise considered are as follows:

- Whether San Jose Water's forecasted Per- and polyfluoroalkyl substances ("PFAS") Compliance Program Capital Cost for design and construction of a PFAS remediation system at its Williams Station (including ion exchange treatment technology) is just and reasonable and whether alternative, cost-effective solutions were considered;
- Whether San Jose Water's proposed PFAS ratemaking and cost recovery framework is reasonable and lawful;
- Whether San Jose Water's estimated revenue requirement and rate impacts associated with its PFAS Compliance Program for Williams Station, including the methodology used to estimate revenue impacts and whether that methodology accounts for potential cost savings or alternative funding sources, is reasonable;
- Whether the proposed PFAS Compliance Program expenditures are reasonably necessary to comply with existing or anticipated state and federal PFAS drinking water requirements, and whether San Jose Water has provided sufficient justification for the necessity of each cost;

- Whether proposed allocation and recovery of PFAS Compliance Program costs among customer classes are reasonable and equitable; and
- Evaluate potential grants, subsidies, settlement proceeds, potential insurance recoveries, or other funding mechanisms that could offset costs and reduce the financial impact on customers.

3. Need for Evidentiary Hearing

San Jose Water stated at the PHC that they do not believe evidentiary hearings are necessary in this proceeding, while Cal Advocates stated that they cannot be certain whether evidentiary hearings will be required until Cal Advocates has conducted discovery. Cal Advocates requested the Scoping Memo find that evidentiary hearing may be needed.

Accordingly, I find that evidentiary hearing may be needed, provided a party moves to request an evidentiary hearing. The schedule in this Scoping Memo identifies a deadline by which parties may move to request an evidentiary hearing. If and when a party moves to request an evidentiary hearing, any such motion must identify and describe: i) the material issues of disputed fact; ii) the evidence the party proposes to introduce at the requested hearing; and iii) the proposed schedule for conducting the hearing. The motion shall also state a justification for hearing and what the moving party would seek to demonstrate through hearing. It shall also contain anything else necessary for the ALJ to make an informed decision on the motion.

Any right that a party may otherwise have to an evidentiary hearing will be waived if the party does not submit a timely motion requesting an evidentiary hearing. The record shall be composed of all filed and served documents and shall include evidence received at a hearing if a motion for hearing is granted.

4. Schedule

The following schedule is adopted here and may be modified by the ALJ or Assigned Commissioner as required to promote the efficient and fair resolution of the application:

Event	Date
Application Filed	4/10/2026
Prehearing Conference, held	7/2/2026
Scoping Memo and Ruling, issued	7/29/2026
San Jose Testimony, Due	8/19/2026
Cal Advocates Testimony, Due	9/14/2026
Rebuttal Testimony Due	9/28/2026
Motion for Evidentiary Hearing (if any) Motion for Settlement (if any) Motion for Admission of Evidence (if no motion for evidentiary hearing)	10/12/2026
Response to any Motion for Evidentiary Hearing, Settlement or Admission of Evidence	10/19/2026
Evidentiary hearing (if needed)	11/12/2026 – 11/13/2026
Opening briefs, filed and served	11/30/2026
Reply briefs [<i>matter submitted</i>]	12/10/2026
Proposed Decision, issued	No later than 90 days after submission (Est. Q1 2027)

This proceeding will stand submitted upon the filing of reply briefs, unless the ALJ requires further evidence or argument. Based on this schedule, the

proceeding will be resolved within 18 months as required by Public Utilities Code Section 1701.5.

5. Instructions Regarding Prepared Testimony and Briefs

The organization of prepared testimony and briefs must correlate to the identified issues. Parties are to comply with Rule 1.9, Rule 1.10, and Rule 13.7(f). Rule 1.10 typically requires service on the ALJ of both an electronic and a paper copy of filed or served documents. However, due to remote working conditions, parties shall not serve a paper copy of filed or served documents on the ALJ. Rather, parties shall ensure that the ALJ is provided with electronic access to all documents filed and served, including testimony.

6. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.¹

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

¹ See D.07-05-062, Appendix A, § IV.O.

7. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination² that this is a ratesetting proceeding. Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

Public Outreach

Pursuant to Public Utilities Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and businesses that subscribe to it and posted on the Commission's website.

8. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by August 3, 2026, 30 days after the prehearing conference.

Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at

² Resolution ALJ-___ at page __.

<http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.³

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 typically requires service on the ALJ of both an electronic and a paper copy of filed or served documents. However, due to remote working conditions, parties shall not serve a paper copy of filed or served documents on the ALJ. Rather, parties shall ensure that the ALJ is provided with electronic access to all documents filed and served, including testimony.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

³ As of this writing, the form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

11. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

12. Assignment of Proceeding

Matthew Baker is the assigned commissioner and Syche Cai is the assigned Administrative Law Judge and presiding officer for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearing may be needed.
4. The presiding officer is Administrative Law Judge Syche Cai.

5. The category of the proceeding is ratesetting.

This order is effective today.

Dated July 29, 2026, at San Francisco, California.

/s/ MATTHEW BAKER

Matthew Baker
Assigned Commissioner