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A2605001

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Great Oaks Water Company (U162W) for an Order establishing its authorized cost of capital for the period from July 1, 2027 through June 30, 2030.

Application 26-05-001

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling 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

On May 1, 2026, Great Oaks Water Company (Great Oaks) filed Cost of Capital Application 26-05-001 for the period of July 1, 2027 to June 30, 2030 (Requested Period). On June 4, 2026, Public Advocate Office at the California Public Utilities Commission (Cal Advocates) filed a protest (Protest). On July 7, 2026, Great Oaks and Cal Advocates filed a Joint Prehearing Conference Statement.

A prehearing conference (PHC) was held on July 14, 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 Application, Protest and discussion at the PHC, I have determined the issues and initial schedule of the proceeding to be 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:

1. Whether the Applicant complied with Rule 3.2 and the minimum data requirements outlined in Attachment 2 of the Water General Rate Case Plan (RCP)?
2. What is a just and reasonable rate of return on rate base for the requested period?
3. What is a reasonable rate of return on common equity for the requested period?
4. What is a reasonable weighted average cost of debt for the requested period?
5. What is a reasonable capital structure for the requested period?
6. Whether it is appropriate to discontinue the Water Cost of Capital Mechanism (WCCM) for the requested period?

Cal Advocates recommends including whether Great Oaks satisfied its burden of providing sufficient supporting information, including financial models, to justify the proposals in its Application, and whether the Application otherwise complies with the requirements of the Rate Case Plan decision. This issue is included within the scope of the issues mentioned above and does not require its own separate issue.

3. Need for Evidentiary Hearing

Issue Nos. 1-6 are potentially contested, material issues of fact. Accordingly, we will allow parties to present evidence on these issues and evidentiary hearings are needed.

4. Schedule

The following schedule is adopted here and may be modified by the Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the Application:

EVENT	DATE
Cal Advocates' Rebuttal Testimony Served	August 14, 2026
Great Oaks Rebuttal Testimony Served	September 4, 2026
Public Participation Hearing in San Jose	October 5, 2026, in-person 2:00 p.m. and 6:00 p.m.
Public Participation Hearing Virtual	October 14, 2026, virtual 2:00 p.m. and 6:00 p.m.
Evidentiary hearings	November 9, 2026, in-person 10:00 a.m.
Opening briefs	December 18, 2026
Reply briefs [matter submitted]	January 22, 2027
Proposed decision	[no later than 90 days after submission]
Commission decision	[no sooner than 30 days after Proposed Decision]

We intend to hold public participation hearings (PPH) in this proceeding. The PPHs will be held in-person and virtually. A subsequent ruling will provide the date and other specifics regarding the PPHs. The 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.

The proposed decision is expected to be filed no later than 90 days from today for public review and comment pursuant to Public Utilities Code

Section 311(d) except that, if it grants the uncontested requested relief, public review and comment shall be waived pursuant to Rule 14.6(c)(2).

5. Alternative Dispute Resolution 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.

The schedule set forth in this Scoping Memo includes a date for the completion of settlement talks. No later than this date, the parties will submit to the assigned ALJ a status report of their efforts, identifying agreements reached and unresolved issues requiring hearing. Any settlements 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.

¹ <https://www.cpuc.ca.gov/PUC/adr/>.

The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

**6. Category of Proceeding and
Ex Parte Restrictions**

This ruling confirms the Commission's preliminary determination² that this is a ratesetting proceeding. I decline to adopt Cal Advocates' request to ban or limit *ex parte* communications. California law allows *ex parte* communications pursuant to certain restrictions and Cal Advocates has not presented a specific basis to justify its proposed limitations. However, I remind parties that *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Rules.

7. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter was noticed on the Commission's daily calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission's External Affairs Division with local governments and other interested parties.

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 13, 2026, 30 days after the PHC.

² Resolution ALJ-176-3581 at 1.

9. 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.

10. 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 <http://cpuc.ca.gov/pao> or contact the Commission’s Public Advisor at 866-849-8390 or send an email to public.advisor@cpuc.ca.gov.

11. 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. The ALJ requires only an electronic copy of filed or served documents.

³ 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>.

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.

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 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.

12. 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.

13. Assignment of Proceeding

Matthew Baker is the assigned Commissioner, and Minh LeQuang is the assigned ALJ 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 is needed.
4. The presiding officer is Administrative Law Judge Minh LeQuang.
5. The category of the proceeding is ratesetting.

Dated August 17, 2026, at San Francisco, California.

/s/ MATTHEW BAKER

Matthew Baker
Assigned Commissioner