

Decision 26-02-042 February 26, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to review the existing guiding framework set forth in Decision 99-10-064 (consistent with Public Water System Investment and Consolidation Act of 1997) regarding acquisitions involving water utilities under the Commission's jurisdiction.

Rulemaking 22-04-003

ORDER EXTENDING STATUTORY DEADLINE

Summary

This decision extends the statutory deadline of this proceeding to July 31, 2026.

1. Background

Public Utilities Code (Pub. Util. Code) Section 1701.5(a) provides that the Commission shall resolve the issues raised in the scoping memo and ruling of a quasi-legislative proceeding within 18 months of the date the proceeding is initiated, unless the Commission makes a written determination that the deadline cannot be met and issues an order extending that deadline. The current statutory deadline for completion of this proceeding is March 31, 2026.

On April 18, 2022, the Commission approved this Order Instituting Rulemaking (OIR) to improve the current acquisition process and develop a framework which will better guide the Commission in reviewing water utility acquisitions for regulated water utilities. Attached to the OIR was a White Paper drafted by staff of the Commission's Water Division. Respondents and other interested parties were provided with the opportunity to file opening and reply comments on the OIR and White Paper. A prehearing conference was conducted remotely on August 5, 2022. On October 21, 2022, the assigned Commissioner's Scoping Memo and Ruling was issued.

The first of four Workshops was conducted on November 29, 2022.¹ The Workshop Report for Workshop 1 was issued on February 10, 2023. The second Workshop was held on March 9, 2023, and the Workshop Report for Workshop 2 was issued on June 26, 2023.² The third Workshop was held on June 13, 2023, and the Workshop report for Workshop 3 was issued on September 18, 2023.³ The fourth and final Workshop was held on December 5, 2023, and the Workshop report for Workshop 4 was issued on March 8, 2024.⁴ Parties were provided with the opportunity to make opening and reply comments on all Workshop Reports.

On March 7, 2024, Decision (D.) 24-03-019 was issued extending the statutory deadline in this matter to December 31, 2024. On June 3, 2024, this matter was reassigned from Commissioner Genevieve Shiroma to Commissioner

¹ The topic for Workshop 1 was *Options for Inadequately Operated and Maintained Systems*.

² The topic for Workshop 2 was *Price and Valuation*.

³ The topic for Workshop 3 was *Ratepayer Impacts*.

⁴ The topic for Workshop 4 was *Wrap-up*.

John Reynolds. On December 19, 2024, D.24-12-048 was issued extending the statutory deadline in this matter to September 30, 2025. On January 9, 2025, the Water Division's Staff Proposal was issued for comment. Parties were presented with the opportunity to file opening and reply comments on the Staff Proposal. On September 18, 2025, D.25-09-019 was issued extending the statutory deadline in this matter until March 31, 2026.

2. Discussion

Currently the deadline for completing this matter is March 31, 2026. As noted above, this is a complex matter with over 100 parties. There have been four workshops conducted in this matter and the Commission received numerous comments on the Staff Proposal.

The Commission is evaluating the multiple and complex competing issues raised in this proceeding and expects to have a resolution shortly. However, it is unlikely that a final decision will be issued by March 31, 2026, which is the current statutory deadline for this matter. Accordingly, it is appropriate to extend the statutory deadline in this matter to July 31, 2026.

3. Waiver of Comment Period

Under Rule 14.6(c)(4) of the Commission's Rules of Practice and Procedure, the Commission may reduce or waive the period for public review and comment of proposed decisions extending the deadline for resolving a proceeding. Accordingly, the otherwise applicable period for public review and comment on an extension order issued pursuant to Pub. Util. Code § 1701.5(a) is being waived.

4. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Gerald F. Kelly is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The current statutory deadline for resolving this proceeding is March 31, 2026.
2. This proceeding cannot be completed by March 31, 2026.
3. An extension of the statutory deadline until July 31, 2026, is necessary to provide adequate time for the Commission to adequately address the complex issues presented in this matter prior to issuing a proposed decision.

Conclusion of Law

1. Pursuant to the Commission's authority under Pub. Util. Code § 1701.5(a) the statutory deadline should be extended until July 31, 2026.

O R D E R

IT IS ORDERED that the statutory deadline in this proceeding is extended until July 31, 2026.

This order is effective today.

Dated February 26, 2026, Santa Maria, California.

ALICE REYNOLDS
President
DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS

Commissioners

Commissioner Matthew Baker recused himself from this agenda item and was not part of the quorum in its consideration.