

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Union Pacific Railroad
Company, d/b/a Keene Water System
(U0434W) for Adjustments to Revenue
Requirement, Rate Design, and Rates.

Application 25-03-016

PROTEST OF THE PUBLIC ADVOCATES OFFICE

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I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits¹ this Protest to Union Pacific Railroad Company’s (UPRR) application (Application). In its Application, UPRR requests authorization to implement water rates in Keene, California that are by its own admission “not affordable.”² However, as the Public Utilities Code states, “[a]ccess to an adequate supply of healthful water is a basic necessity of human life, and shall be made available to all residents of California at an **affordable** cost.”³

II. ISSUES TO BE ADDRESSED

Cal Advocates will be conducting discovery and analysis to address the issues raised in the Application, including the reasonableness of UPRR’s proposal in an accompanying application to abandon service in Keene, California if this Application to implement unaffordable rates is not granted by the Commission.⁴

¹ Cal Advocates’ protest is timely filed under Commission Rules 1.15 and 2.6(a). The notice of the filing of the Application first appeared on the Commission’s Daily Calendar on April 1, 2025.

² Application (A.) 25-03-016, *Application of Union Pacific Railroad Company, d/b/a Keene Water System (U 0434 W) for Adjustments to Revenue Requirement, Rate Design, and Rates*, March 28, 2025, (Application) at 2, line 13.

³ Public Utilities Code (Pub. Util. Code) § 739.8 (emphasis added).

⁴ See A.25-03-017 at 1-2, *In the Matter of Application of Union Pacific Railroad Company d/b/a Keene Water System (0434W) for Authorization to be Relieved of its Public Utility Status and Water Service Obligations*, March 28, 2025.

Cal Advocates has preliminarily identified the following issues that the Commission should consider within the scope of this proceeding:

1. Whether UPRR has been a reasonable and prudent manager of the Keene Water System.
2. Whether UPRR is compliant with all regulations pertaining to the operation of a water utility in California.
3. To what extent UPRR has reasonably pursued all feasible alternatives to its proposal to either abandon service or implement unaffordable water rates in Keene, California.
4. Whether the Commission should grant, modify, or dismiss UPRR's proposal or require something completely different.

In addition to the above issues, as Cal Advocates gathers more information through discovery, Cal Advocates may raise further issues for the Commission's consideration.

III. NEED FOR HEARINGS

It has been nearly twenty years since UPRR's water operations in Keene, California have been examined in a formal Commission proceeding.⁵ Cal Advocates' analysis is expected to be fact-intensive. Therefore, Cal Advocates anticipates evidentiary hearings will be necessary.

If in-person evidentiary hearings are held, Cal Advocates recommends that they be held in Keene, California.⁶ This location will be the most convenient and cost-effective for affected customers who may wish to attend the hearings.

IV. PROCEDURAL SCHEDULE

UPRR's proposed schedule does not provide reasonable time for the development of intervenor testimony. Although UPRR's water system is designated as a Class D Water Utility, given the significance of UPRR's proposals and the extensive discovery and

⁵ See generally *Decision Authorizing Initial Rates for Union Pacific Railroad Company on Behalf of its Keene Water System* issued July 20, 2006. (D.06-07-034).

⁶ Similarly, Cal Advocates recommends that should the Commission decide in-person Public Participation Hearings (PPHs) are required, they should take place in Keene, CA. This would ensure that the residents who will directly be affected by the proceeding's outcome have an opportunity to express their views.

analysis required to develop an adequate record, Cal Advocates' proposed schedule is based on the Rate Case Plan schedule for Class A Water Utilities with multiple districts.⁷

Procedural Event	Cal Advocates Proposed Schedule
Application Placed on Daily Calendar	April 1, 2025
Public Participation Hearing (PPH)	August - September 2025
Cal Advocates Testimony / Report	October 22, 2025
Other Parties Serve Testimony	November 5, 2025
Applicant's Rebuttal Testimony	December 21, 2025
Evidentiary Hearings (if required)	January 2 - 14, 2026
Opening Briefs Filed and Served	March 9, 2026
Reply Briefs Filed and Served	March 17, 2026
Proposed Decision Mailed	July 6, 2026
Comments on Proposed Decision	July 28, 2026
Reply Comments	August 3, 2026
Commission's Decision	August 13, 2026

V. CATEGORIZATION

Cal Advocates agrees with UPRR that the categorization of this proceeding should be ratesetting and supports UPRR's motion to consolidate Applications 25-03-016 and 25-03-017 into a single proceeding.

VI. CONCLUSION

The proposal contained in UPRR's Application would have disastrous ramifications to the residents of Keene, California. Cal Advocates respectfully submits this Protest and requests that the Commission: (1) include the identified issues in the scope of the proceeding; (2) adopt Cal Advocates' proposed schedule, (3) hold any in-person Public Participation and evidentiary hearings in Keene, California for the convenience of those

⁷ *Opinion Adopting Revised Rate Case Plan for Class A Water Utilities*, issued May 24, 2007. (D.07-05-062) at 5-9.

who will directly be impacted by the outcome of this proceeding; and (4) consolidate Applications 25-03-016 and 25-03-017 into a single ratesetting proceeding.

Respectfully submitted,

/s/ **MARTIN MCCORMACK**

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