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

Joint Application of James Water Company, Inc. (WTD407) and California Water Service Company (U60W), a California corporation, for an order authorizing (1) the sale and transfer of ownership to California Water Service Company of the James Water Company Inc. Systems, and (2) the discontinuance of service by James Water Company, Inc. in the territories now served by them, and the commencement of service in said territories by California Water Service Company at the rates then effective in the Kern River Valley service area.

Application 11-07-004  
(Filed July 8, 2011)

**ADMINISTRATIVE LAW JUDGE'S RULING SETTING  
A PREHEARING CONFERENCE/EVIDENTIARY HEARING AND REQUIRING  
AN ADDITIONAL FILING ON THE STIPULATION**

On July 8, 2011, James Water Company, Inc. (James Water) and California Water Service Company (Cal Water) filed the above-captioned application (jointly referred to as Applicants). On August 11, 2011, Applicants and the Division of Ratepayer Advocates (DRA) filed their *Joint Comments and Stipulation of The Division of Ratepayer Advocates, James Water Company, Inc. (WTD 407), and California Water Service Company (U-60-W)* (Joint Comments and Stipulation). This ruling sets a prehearing conference (PHC)/evidentiary hearing (EH) for September 2, 2011 at 10:00 a.m. This PHC/EH will be held at the Commission

Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

The Applicants and DRA must file response(s) to the following questions by August 29, 2011, titled *Response to Inquiries of the Assigned Administrative Law Judge*. The Applicants and DRA must also provide witnesses at the September 2, 2011 hearing, that are prepared to respond to questions regarding their Joint Comments and Stipulation, including but not limited to their written responses to the following questions:

1. Section III - Item 4 of Joint Comments and Stipulation – Customer Notice
  - a. When do Applicants plan on providing a draft of the new notice to the Commission’s Public Advisor’s Office for review?
2. Section III - Item 5 of Joint Comments and Stipulation – Public Participation Hearing
  - a. How many days after issuance of the new notice do Applicants and DRA believe it is reasonable to give customers to comment on the stipulation?
  - b. What threshold number of customers commenting on the new notice do Applicants and DRA believe is reasonable to justify a public participation hearing? Provide justification for this threshold.
3. Provide a brief history of James Water, including but not limited to:
  - a. When James Water received it’s original certificate of public convenience and necessity;
  - b. Names of all previous owners of James Water and changes of ownership; and
  - c. Resolution number of James Water’s last general rate case.

4. Expand on the discussion of Cal Water's qualifications to purchase James Water, provided on page 2 of Application (A.) 11-04-007.
5. Expand on the discussion at pages 2 and 3 of A.11-04-007, which briefly discusses the benefits of the sale to James Water customers, including:
  - a. Service Quality; and
  - b. Continuity of Service.
6. Do Applicants believe the California Environmental Quality Act is applicable to this sale?
  - a. If not, provide legal and factual rationale.
  - b. If so, provide all applicable information.
7. Pursuant to the California Health and Safety Code §116525(a), when there is a change in ownership of a water utility, the new owner must apply for a permit to operate from the California Department of Public Health.
  - a. Provide a copy of the new permit issued to Cal Water for the operation of James Water.

**IT IS RULED that:**

1. A prehearing conference/evidentiary hearing in this proceeding will be held on September 2, 2011 at 10:00 a.m., at the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco.

2. James Water Company, Inc., California Water Service Company, and the Division of Ratepayer Advocates must file response(s) to the questions listed in the body of this ruling. The response(s) must be filed by August 29, 2011, and titled Response to Inquiries of the assigned Administrative Law Judge.

3. James Water Company, Inc., California Water Service Company, and the Division of Ratepayer Advocates must provide witnesses at the September 2, 2011 hearing that are able to respond to all questions listed in the body of this ruling, as well as all other issues pertinent to their Joint Comments and Stipulation of The Division of Ratepayer Advocates, James Water Company, Inc. (WTD 407), and California Water Service Company (U-60-W).

Dated August 22, 2011, at San Francisco, California.

/s/ SEANEEN M. WILSON

Seaneen M. Wilson  
Administrative Law Judge