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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates.

Application 12-04-019
(Filed April 23, 2012)

**ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING
DATA ON RATEMAKING AND GEOSCIENCE PATENTS**

This proceeding involves the application of California-American Water Company for approval of the Monterey Peninsula Water Supply Project (MPWSP). The Commission is the lead agency for the environmental review of this project under the California Environmental Quality Act.

The Commission hired Environmental Science Associates (ESA) to prepare the Draft Environmental Impact Report. The Commission has learned that one of the sub-contractors hired by ESA, an entity called Geoscience Support Services, Inc. (Geoscience), may have one or more conflicts of interest relating to this proceeding. In particular, it appears that (1) Geoscience also has a contractual relationship with Cal-Am, the MPWSP's proponent, and that Geoscience's contract with Cal-Am pertains to the MPWSP; and (2) the President of Geoscience, Dennis Williams, holds one or more patents related to slant well technology that Cal-Am could or might use in the construction of the MPWSP. This raises issues about whether Geoscience may have a conflict of interests in representing both Cal-Am and serving as a sub-contractor to the Commission.

We seek the data specified below to further inform the Commission and the public on this issue, with the data provided no more than 10 days from today.

1. Dennis Williams, President of Geoscience, shall:
 - a. Describe each of his patents, including a brief explanation of all valid and assertable claims, including claims related to MPWSP.
 - b. Describe whether the work done on the MPWSP likely fall within the scope of the claims of any of his patents?
 - c. Explain each potential patent claim and its integration into the MPSWP.
 - d. Disclose any pending patent applications with claims that, if granted, the project would potentially infringe.
 - e. Disclose any pending patent applications that will become relevant to MPSWP now or in the future?
 - f. State anything else necessary for a reasonably complete statement regarding the relationship of his patents to the MPWSP.
2. Cal-Am shall:
 - a. Provide a copy of the signed and executed contract between Cal-Am and Geoscience, along with any supplemental documents that accompanied the signed and executed contract (e.g., scope of work, amendments, modifications, extensions) and any written communications related to that contract and those documents;
 - b. Provide a copy of the signed and executed subcontract between RBF Consulting (RBF) and Geoscience, along with any supplemental documents that accompanied the signed and executed contract (e.g., scope of work, amendments, modifications, extensions), and any written communications related to that contract and those documents;

- c. Provide a copy of any and all patents held by Dennis Williams, as well as any related illustrative documents, that were exchanged between Geoscience and Cal-Am and/or RBF, and any written communications related to such patents;
- d. Detail whether Williams, as patent holder, has entered into any agreements with Cal-Am or RBF regarding patents and/or licenses with regards to the MPWSP.
- e. Explain if Williams, as patent holder, has executed any contracts or agreements with Cal-Am and/or RBF with respect to limiting patent and/or licensing claims;
 - i. If so, is this only for current claims?
 - ii. If so, does this include future claims?
 - iii. If so, produce all documents related to such contracts or agreements.
- f. Determine and explain if Williams, the patent holder, has patents pending or intends to file future patents that may assert claims that MPWSP infringes upon:
 - i. Has Williams indicated to Cal-Am that he intends to claim patent infringement in the future?
 - ii. Has Williams entered into any contract or agreement with Cal-Am and/or RBF promising not to make future claims of patent infringement?
- g. Explain what steps, if any, Cal-Am has taken to ensure that Williams' patents are not relevant to the MPWSP and state when those steps were taken;
- h. State whether Cal-Am has examined and analyzed the potential for Williams to later contend that the MPWSP infringes on his patents and that he will therefore seek a license and, if so, provide a copy of that examination and analysis and any documents related thereto;
- i. State the degree, if any, to which ratepayers may be asked to pay any costs related to the patents of Williams, and identify those costs and produce any documents related to any such assertion;

- j. State the steps Cal-Am has taken to ensure that ratepayers will not be subject to any future impact from patents held by Williams and produce any documents related to any such assertion;
- k. State the steps Cal-Am is prepared to take to ensure that ratepayers will not be subject to any future impact from patents held by Williams; and
- l. State anything else necessary for a reasonably complete statement regarding the relationship of William's patents to the MPWSP, and costs related to those patents that Cal-Am may seek to recover from ratepayers.

IT IS RULED that, within 15 days of the date of this Ruling, Dennis Williams, President of Geoscience, shall file and serve responses to the inquiries stated in Item 1 in the body of this Ruling. Within 15 days of the date of this Ruling, California-American Water Company shall file and serve responses to the inquiries stated in Item 2 in the body of this Ruling.

Dated July 14, 2015, at San Francisco, California.

/s/ GARY WEATHERFORD
Gary Weatherford
Administrative Law Judge