

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

In the Matter of the Application of Fruitridge Vista Water Company, a trust, for an order:  
1) establishing a moratorium on new service connections; and 2) clarification of Tariff Rule 15 regarding payment for new facilities servicing new applicants.

Application 05-10-005  
(Filed October 7, 2005)

Sacramento Housing and Redevelopment Agency and the Housing Authority of the County of Sacramento,

Complainants,

vs.

Fruitridge Vista Water Company,

Defendant.

Case 05-10-007  
(Filed October 11, 2005)

County of Sacramento,

Complainant,

vs.

Fruitridge Vista Water Company,

Defendant.

Case 05-10-011  
(Filed October 7, 2005)

David R. Gonzalez & Donna L. Gonzalez,

Complainants,

vs.

Fruitridge Vista Water Company,

Defendant.

Case 05-09-011  
(Filed September 6, 2005)

Mercy Properties California,  Complainant,  vs.  Fruitridge Vista Water Company,  Defendant.	Case 05-09-012 (Filed September 6, 2005)
Victoria Station, LLC,  Complainant,  vs.  Fruitridge Vista Water Company,  Defendant.	Case 05-09-027 (Filed September 22, 2005)
Park Place LLC.,  Complainant,  vs.  Fruitridge Vista Water Company,  Defendant.	Case 05-11-015 (Filed November 15, 2005)

## **SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER**

### **1. Introduction**

Pursuant to Rule 6(a)(3) and 6.3 of the Commission's Rules of Practice and Procedure, this scoping memo confirms the category for this proceeding, designates the principal hearing officer, and sets forth the issues and schedule for

hearing pursuant to a prehearing conference conducted on December 6, 2005, in Sacramento.

Application (A.) 05-10-005 was filed on October 7, 2005, by the Fruitridge Vista Water Company (Fruitridge). Fruitridge seeks an order establishing a moratorium on new service connections and a clarification of Tariff Rule 15 regarding payment for new facilities servicing new applicants. Fruitridge seeks a moratorium on the utility's obligation to provide water service because contamination of some of its wells has limited its ability to supply water.

Consolidated with this application are six complaints by entities seeking to require Fruitridge to obtain purchased water to serve its current customers and provide service to some 550 new connections in Fruitridge's service territory.

Fruitridge serves as the sole provider of water in a Sacramento County area bounded by the Union Pacific railroad tracks on the west, Stockton Boulevard on the east, Fruitridge Road on the north and Florin Road on the south.

At the prehearing conference on December 6, Fruitridge stated that it has taken three of its wells offline because of MTBE contamination, and that it has instituted suit against various oil companies that it believes are responsible for contamination. Complainants assert that a \$1.8 million grant is available from an MTBE contamination fund administered by the California Department of Health Services (DHS) and that this money should be used to permit importation of available water from the City of Sacramento. Fruitridge believes that there are less costly solutions to its supply problem. The parties invoked the Commission's mediation process and were to meet with a mediation-trained Administrative Law Judge in December 2005.

## **2. Categorization of Proceeding; Principal Hearing Officer**

By Resolution ALJ 176-3161 on October 27, 2005, the Commission preliminarily categorized this application as “Ratesetting,” as defined in Rule 5(c) of the Rules of Practice and Procedure. The complaint cases, while adjudicatory, were made part of this ratesetting categorization when they were consolidated with the application pursuant to Rule 55 of the Rules of Practice and Procedure. Because of the complaints, an evidentiary hearing is deemed necessary. This ruling is appealable only as to category of this proceeding under the procedures in Rule 6.4.

The principal hearing officer for this proceeding is ALJ Glen Walker.

## **3. Ex Parte Rules**

Because much of this matter is adjudicatory, the Commission’s ex parte rules applicable to this proceeding are set forth in Rule 7(b). The category of individuals subject to our ex parte rules is defined in Pub. Util. Code § 1701.1(c)(4).

## **4. Scope**

The scope of this proceeding is governed by Pub. Util. Code §§ 2701 through 2714 and by the assertions in the application and complaints. The following specific issues are to be addressed at hearing:

- What is the effect of the Compliance Order issued by the DHS on existing and new customer water supply?
- Should a moratorium on new water service connections be imposed? What is the effect of Tariff Rule 15, concerning authority to deny connections until the utility establishes a viable long-term water supply?
- What are the potential sources for additional water supply?

- How will the utility and ratepayers pay for any additional sources of water supply?
- Can and should Fruitridge be required to accept water from the City of Sacramento to resolve water pressure problems for current customers and serve new customers?
- Is Fruitridge currently able to provide adequate water pressure for effective fire protection by the City of Sacramento Fire Department?
- Is there a conflict between CCR sections 64562 and 64566 and Commission code sections requiring the issuance of will-serve letters by Fruitridge?

**5. Public Participation Hearing**

No public participation hearing has been scheduled in this proceeding.

**6. Procedural Schedule**

The schedule below is adopted for the service of testimony and hearing.

All parties serve direct written testimony	January 6, 2006
All parties serve reply written testimony	January 13, 2006
Evidentiary hearing in Sacramento	January 24-27, 2006 at 10 a.m.
Proposed ALJ Decision	February, 2006

The location of the evidentiary hearing in Sacramento will be announced later.

**7. Discovery Matters**

In the event that parties are not able to resolve any disputes over discovery on a reasonably prompt basis, they are directed to bring the dispute before the Commission in the form of a motion to compel. Any such motion shall identify specifically the nature of any dispute, with justification for the production of any discovery materials. Responses to such motions shall be filed and served within three business days.

**IT IS RULED** that:

1. This ruling confirms the categorization of this proceeding as ratesetting.
2. The principal hearing officer for this proceeding is ALJ Glen Walker.
3. The ex parte rules set forth in Rule 7(b) shall apply to this proceeding.
4. The scope of this proceeding is described in Section 4 above, and the procedural schedule described in Section 6 is adopted.

Dated December 14, 2005, at San Francisco, California.

          /s/ JOHN A. BOHN            
John A. Bohn  
Assigned Commissioner

