

SAN GABRIEL VALLEY WATER COMPANY

January 9, 2013

Advice Letter No. 422

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Purpose and Background

In compliance with Ordering Paragraph 5 of Decision 07-09-021 in Rulemaking 04-09-003 (Phase Two), San Gabriel Valley Water Company ("San Gabriel") hereby notifies the Commission of its pending sale of certain real property recorded, in part, as a contribution-in-aid-of-construction, which is no longer necessary or useful to the company in the performance of its public utility obligations. The sale of the real property is involuntary and arises from the threat or imminence of condemnation. Pursuant to Ordering Paragraph 7 of D.07-09-021, San Gabriel files this advice letter in lieu of an application in conformance with the rules of the Commission's General Order 173, which authorizes utilities to request by advice letter Commission approval of certain transactions involving the transfer or disposition of interest in utility property valued at \$5 million or less. On January 9, 2013, San Gabriel gave notice of the planned disposition to the Division of Water and Audits and to the Division of Ratepayer Advocates pursuant to Ordering Paragraph 19 of D.06-05-041.

Tier Designation and Effective Date

This advice letter does not have a tier designation. In accordance with Rule 7 of General Order 173, San Gabriel requests disposition by the Director of the Division of Water and Audits.

January 9, 2013

Discussion

Purchaser:

Name: State of California Department of Transportation
Attn: Brian C. Wallace, Associate Right of Way Agent
Address: 100 South Main Street, Los Angeles, CA 90012
Phone: (213) 897-0692
FAX: (213) 897-8902
E-mail: brian_wallace@dot.ca.gov

By Notice to Owner Number 7-12187, dated November 2, 2012 (see Attachment B), the State of California Department of Transportation ("CalTrans") ordered San Gabriel to abandon and remove certain existing pipelines and related appurtenances in the public right of way to accommodate construction of a State highway project, more specifically, a fly-over connector from southbound Interstate 605 to eastbound Interstate 10. The real property to be abandoned consists of underground water lines ranging in size from 6-inch diameter to 24-inch diameter, ten service connections, and four fire hydrants in Dalewood Street east of Interstate 605, located in San Gabriel's Los Angeles County division service area (see Attachment A). Previously, the Commission approved, through Advice Letter 418, filed August 15, 2012, the transfer to CalTrans of a vacant strip of land and a temporary construction easement over a portion of San Gabriel's Parcel 212 to accommodate construction of the same state highway project.

Because of their present location under the proposed fly-over and directly in line with the required supporting columns, a leak on the company's existing pipelines would cause extensive damage to the CalTrans fly-over and costly repairs. Also, because CalTrans has ordered the company to remove the pipelines and, if necessary, will commence eminent domain proceedings, the pipelines are no longer necessary or useful to the company in the performance of its duties as a public utility and their involuntary sale will have no adverse effect on company operations. San Gabriel expects to receive \$942,960 from the pending sale of the pipelines and appurtenances to CalTrans.

San Gabriel will record the net proceeds from this sale of no longer needed utility property in its memorandum account established pursuant to Ordering Paragraph 17 of D.06-05-041 and will invest the gain on sale in new water infrastructure as required by the

Water Utility Infrastructure Improvement Act of 1995, Public Utilities Code Section 789 et seq. The estimated book gain on the sale is calculated in Attachment C. San Gabriel has removed the subject property from Utility Plant and reclassified it to Account No. 110, Other Physical Property (a non-rate base account).

The involuntary sale described in this advice letter meets the eligibility criteria set forth under General Order 173 whereby a utility may elect to file an advice letter in lieu of an application if the transaction is valued at less than \$5 million, the advice letter does not require California Environmental Quality Act review by the Commission as either the Lead Agency or a Responsible Agency and the transaction will not materially impact the utility's ratebase nor will it have any effect on the ability of the company to serve its customers and the public.

The actions requested in the advice letter are not now the subject of any formal filings with the Commission, including a formal complaint.

Notice and Service of Advice Letter

No individuals or utilities have requested notification of filing of tariffs. Distribution of this advice letter is being made to the attached service list in accordance with General Order No. 96-B, Industry Rule 4.1 and General Order 173, Rule 5.

Responses and Protests

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) San Gabriel did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which San Gabriel relies;
- (3) The analysis, calculations, or data in the advice letter contain material errors or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;

January 9, 2013

- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require relitigating a prior order of the Commission.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Division of Water and Audits within 20 days of the date this advice letter is filed. The address for mailing or delivering a response or protest is:

Tariff Unit, Water and Audits Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
e-mail: water_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Division of Water and Audits, the respondent or protestant shall send a copy of the protest by mail to San Gabriel, addressed as follows:

San Gabriel Valley Water Company
Director, Rates and Revenue
11142 Garvey Avenue
El Monte, CA 91733
FAX: (626)448-5530 or
e-mail dadellosa@sgvwater.com

If you have not received a reply to your protest within 10 business days, contact me at 626-448-6183.

San Gabriel Valley Water Company



Daniel A. Dell'Osa
Director of Rates and Revenue

cc: James Boothe, CPUC – Water and Audit Division
Hani Moussa, CPUC – Water Branch, DRA
Danilo Sanchez, CPUC – Water Branch, DRA
Mary Jo Borak - CEQA Team Supervisor, Energy Division (bor@cpuc.ca.gov)

MAINS

Size	Type	Year	Job Number	Quantity
8"	PJKN	1954	1253E-1	494'
8"	PJKN	1957	1611E-1	35'
8"	PJKN	1963	2531E-1	32'
8 5/8"	GWMR	1963	2531E-1	68'
12"	VWBV	1963	2531E-1	68'
8"	PJKN	1963	2531E-1	30'
8 5/8"	GWMR	2002	6923L-1	17'
8 5/8"	GWBR	2009	7631L-1	57'
8 5/8"	GWBR	2009	7631L-1	202'
10"	PJKN	1960	2099E-1	74'
10"	PJKN	1963	2531E-1	215'

FIRE HYDRANTS

6"	2354E	1974	4125E-2
6"	3726E	2009	7631L-3

SERVICES

Connection	Number	26934	Installed	1974
Connection	Number	91050	Installed	2009
Connection	Number	91053	Installed	2009
Connection	Number	91054	Installed	2009
Connection	Number	91055	Installed	2009
Connection	Number	91057	Installed	2009
Connection	Number	91058	Installed	2009
Connection	Number	91059	Installed	2009
Connection	Number	91060	Installed	2009
Connection	Number	91070	Installed	2009

ATTACHMENT ASheet 2 of 2
Job No. 8147L**MAINS**

Size	Type	Year	Job Number	Quantity
6 5/8"	GWBR	2009	7480L-10	22'
8"	QYKN	1991	5926L-6	50'
8"	PJKN	1953	1253E-1	53'
8"	PJKN	1957	1611E-1	34'
8 5/8"	FWBR	1954	1221E-1	20'
12 3/4"	GWMR	1963	2655-13E	400'
12 3/4"	GWMR	1991	5926L-6	342'
12 3/4"	GWMR	1991	5926L-6	230'
25 3/8"	GWBR	2003	7054L-1	62'
25 3/8"	GWBR	2003	7054L-1	645'
25 3/8"	GWBR	2009	7480L-1	158'
25 3/8"	GWBR	2009	7480L-1	45'
25 3/8"	GWBR	2009	7480L-1	200'

FIRE HYDRANTS

6"	1469E	1963	2722E-1
6"	3717E	2009	7480L-3

SERVICES

None

DEPARTMENT OF TRANSPORTATION
DISTRICT 7
100 MAIN STREET.
LOS ANGELES, CA 90012-3606
PHONE (213) 897-0362
FAX (213) 897-0360
TTY (213) 897-4937



*Flex your power!
Be energy efficient!*

11/02/2012

EA: 245401
7- LA-10-PM 31.1/32.3
Notice to Owner No. 07-12187

TO: San Gabriel Valley Water Company
15966 Arrow Route
Fontana, CA 92335

Attn: Paul Garavito

Attached for your file is a copy of Notice to Owner No. 7-12187. The document is a Notice for your Company to relocate your facilities on Interstate Route 10/605 Fly-Over in order to accommodate a Design Build freeway construction project.

If you have any questions, please call me at (213) 897-0692.

A handwritten signature in black ink that reads 'Brian C. Wallace'.

Brian C. Wallace, Associate Right of Way Agent
District 07 R/W Utilities Branch

Attachment
NTO

"Caltrans improves mobility across California"

NOTICE TO OWNER

Number 7-12187

Dist.	County	Route	PM	E.A.
07	LA	10	PM R31.1/R32.3	245401 0700000431
Federal Aid No.: ACNHI P0101 (788)				
Owners File: SGVW				
Date November 02, 2012		Freeway: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Access Code: 245401

TO: San Gabriel Valley Water Company
15966 Arrow Route
Fontana, CA 92335

Attn: Paul Garavito

Because of the State Highway construction project: Construct one/two-lane bridge structure, branching off Southbound of Route 605 to Eastbound of Route 10 at-grade connector ramp.

Which affects your facilities: Underground 8" water line on Dalewood St. West from Sta. 9+00 to Sta. 36+00 and on Dalewood St. East from Sta. 9+00 to Sta. 25+00. Underground 26" raw water line on Dalewood St. East from Sta. 14+00 to Sta. 25+00. There are also Four (4) Fire hydrants in the sidewalks.

You are hereby ordered to: Relocate your facility to accommodate for proposed freeway Connector Ramp project (Per your approved Relocation Plan).

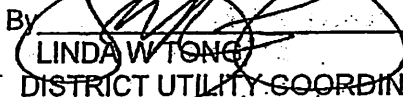
Your work schedule shall be as follows: The relocation shall be completed by 01/30/2013 or prior to Caltrans construction.

Notify Chris Segar, Dokken Engineering, at telephone number (619) 858-0642, 72 hours prior to initial start of work, and 48 hours prior to subsequent restart when your work schedule is interrupted.

Liability for the cost of the work is: The existing facilities are lawfully maintained in their present location and qualify for relocation at STATE expense under the provisions of Section 703 of the Streets and Highways Code.

MICHAEL MILES
DISTRICT DIRECTOR

ANDREW P. NIERENBERG
DEPUTY DISTRICT DIRECTOR

By 
LINDA W. TONG
DISTRICT UTILITY COORDINATOR

CC: Resident Engineer
Permits
R/W
Brian C. Wallace - R/W Utility

THIS NOTICE DOES NOT CONSTITUTE A PERMIT. OBTAIN AN ENCROACHMENT PERMIT BEFORE STARTING WORK.

ATTACHMENT C
(Page 1 of 2)

San Gabriel Valley Water Company
Los Angeles County Division
Gain on Sale Calculation

<u>Sold to</u>	<u>Property Class</u>	<u>Original Cost</u>	<u>Depreciation</u>	<u>Net Book Value</u>	<u>Estimated Proceeds</u>	<u>Estimated Gain (Loss)</u>
CalTrans	Mains, Fire Hydrants and Services near Interstate 10 Fwy	\$322,079	\$49,665	\$272,414	\$942,960	\$670,546

ATTACHMENT C
(Page 2 of 2)

San Gabriel Valley Water Company
Los Angeles Division
Calculation of Net Book Value of Mains, Fire Hydrants and Services near Interstate 10 Fwy

Property Class	Size	Mains Type/Fire Hydrant#/Service Connection#	Year in Service	Job Number	Unit Cost	Average Service Life (Yrs)	Age at 11/30/12 (Yrs)	Original Cost (Including CIAC)			Source of Funds (Company/CIAC)	CIAC			Original Cost (Excluding CIAC)		
								Cost at 11/30/12	Depreciation Reserve at 11/30/12	Net Book Value at 11/30/12		CIAC	CIAC Depreciation Reserve at 11/30/12	CIAC Net Book Value	Original Cost	Depreciation Reserve	Net Book Value
Mains	6 5/8"	GWBR	2009	7480L-10	225.88	50	3	4,969.38	(298.16)	4,671.21	COMPANY				4,969.38	(298.16)	4,671.22
Mains	8"	QYKN	1991	5926L-6	47.58	50	21	2,379.23	(999.28)	1,379.95	COMPANY				2,379.23	(999.28)	1,379.95
Mains	8"	PJKN	1953	1253E-1	3.01	50	59	159.53	(159.53)	-	CIAC and COMPAN	50.77	(50.77)	-	108.76	(108.76)	-
Mains	8"	PJKN	1957	1611E-1	4.53	50	55	154.13	(154.13)	-	CIAC and COMPAN	113.15	(113.15)	-	40.98	(40.98)	(0.00)
Mains	8 5/8"	FWBR	1954	1221E-1	8.53	50	58	170.58	(170.58)	-	CIAC and COMPAN	42.32	(42.32)	-	128.26	(128.26)	-
Mains	12 3/4"	GWMR	1963	2655-13E	9.18	50	49	3,673.52	(3,600.05)	73.47	COMPANY				3,673.52	(3,600.05)	73.47
Mains	12 3/4"	GWMR	1991	5926L-6	48.46	50	21	16,574.61	(6,961.34)	9,613.28	COMPANY				16,574.61	(6,961.34)	9,613.28
Mains	12 3/4"	GWMR	1991	5926L-6	48.46	50	21	11,146.67	(4,681.60)	6,465.07	COMPANY				11,146.67	(4,681.60)	6,465.07
Mains	25 3/8"	GWBR	2003	7054L-1	202.48	50	9	12,553.82	(2,259.69)	10,294.13	CIAC and COMPAN	2,595.80	(467.24)	2,128.55	9,958.02	(1,792.44)	8,165.58
Mains	25 3/8"	GWBR	2003	7054L-1	202.48	50	9	130,600.21	(23,508.04)	107,092.17	CIAC and COMPAN	27,004.66	(4,860.84)	22,143.82	103,595.55	(18,647.20)	84,948.35
Mains	25 3/8"	GWBR	2009	7480L-1	223.79	50	3	35,359.14	(2,121.55)	33,237.59	COMPANY				35,359.14	(2,121.55)	33,237.59
Mains	25 3/8"	GWBR	2009	7480L-1	223.79	50	3	10,070.64	(604.24)	9,466.40	COMPANY				10,070.64	(604.24)	9,466.40
Mains	25 3/8"	GWBR	2009	7480L-1	223.79	50	3	44,758.40	(2,685.50)	42,072.90	COMPANY				44,758.40	(2,685.50)	42,072.90
Mains	8"	PJKN	1954	1253E-1	3.01	50	58	1,486.94	(1,486.94)	-	CIAC and COMPAN	473.17	(473.17)	-	1,013.77	(1,013.77)	-
Mains	8"	PJKN	1957	1611E-1	4.53	50	55	158.66	(158.66)	-	CIAC and COMPAN	116.48	(116.48)	-	42.19	(42.19)	-
Mains	8"	PJKN	1963	2531E-1	23.29	50	49	698.69	(684.72)	13.97	CIAC	698.69	(684.72)	13.97	-	-	-
Mains	8 5/8"	GWMR	1963	2531E-1	23.23	50	49	1,579.36	(1,547.77)	31.59	CIAC	1,579.36	(1,547.77)	31.59	-	-	-
Mains	12"	VWBR	1963	2531E-1	Price included as part of 8-5/8" GWMR Job 2531E-1 above										-	-	-
Mains	8 5/8"	GWMR	2002	6923L-1	42.88	50	10	728.88	(145.78)	583.11	COMPANY				728.88	(145.78)	583.11
Mains	8 5/8"	GWBR	2009	7631L-1	175.13	50	3	9,982.28	(598.94)	9,383.34	COMPANY				9,982.28	(598.94)	9,383.34
Mains	8 5/8"	GWBR	2009	7631L-1	175.13	50	3	35,726.04	(2,143.56)	33,582.48	COMPANY				35,726.04	(2,143.56)	33,582.48
Mains	10"	PJKN	1960	2099E-1	7.40	50	52	547.41	(547.41)	-	COMPANY				547.41	(547.41)	-
Mains	10"	PJKN	1963	2531E-1	11.81	50	49	2,538.09	(2,487.33)	50.76	CIAC	2,538.09	(2,487.33)	50.76	-	-	-
Subtotal - Mains								326,016.20	(58,004.78)	268,011.43		35,212.48	(10,843.78)	24,368.70	290,803.72	(47,161.00)	243,642.72
Hydrants	6"	1469E	1963	2722E-1	407.75	40	49	407.75	(407.75)	-	CIAC	407.75	(407.75)	-	-	-	-
Hydrants	6"	3717E	2009	7480L-3	5,288.95	40	3	5,288.95	(396.67)	4,892.28	COMPANY				5,288.95	(396.67)	4,892.28
Hydrants	6"	2354E	1974	4125E-2	891.95	40	38	891.95	(847.35)	44.60	CIAC	891.95	(847.35)	44.60	-	-	-
Hydrants	6"	3726E	2009	7631L-3	5,688.30	40	3	5,688.30	(426.62)	5,261.68	COMPANY				5,688.30	(426.62)	5,261.68
Subtotal - Fire Hydrants								12,276.95	(2,078.40)	10,198.55		1,299.70	(1,255.10)	44.60	10,977.25	(823.29)	10,153.96
Services		26934	1974			40	38	181.44	(172.37)	9.07	COMPANY				181.44	(172.37)	9.07
Services		91050	2009			40	3	2,235.17	(167.64)	2,067.53	COMPANY				2,235.17	(167.64)	2,067.53
Services		91053	2009			40	3	2,235.17	(167.64)	2,067.53	COMPANY				2,235.17	(167.64)	2,067.53
Services		91054	2009			40	3	2,235.17	(167.64)	2,067.53	COMPANY				2,235.17	(167.64)	2,067.53
Services		91055	2009			40	3	2,235.17	(167.64)	2,067.53	COMPANY				2,235.17	(167.64)	2,067.53
Services		91057	2009			40	3	2,235.17	(167.64)	2,067.53	COMPANY				2,235.17	(167.64)	2,067.53
Services		91058	2009			40	3	2,235.17	(167.64)	2,067.53	COMPANY				2,235.17	(167.64)	2,067.53
Services		91059	2009			40	3	2,235.17	(167.64)	2,067.53	COMPANY				2,235.17	(167.64)	2,067.53
Services		91060	2009			40	3	2,235.17	(167.64)	2,067.53	COMPANY				2,235.17	(167.64)	2,067.53
Services		91070	2009			40	3	2,235.17	(167.64)	2,067.53	COMPANY				2,235.17	(167.64)	2,067.53
Subtotal - Services								20,297.97	(1,681.11)	18,616.86					20,297.97	(1,681.11)	18,616.86
Grand total								358,591.12	(61,764.29)	296,826.84		36,512.18	(12,098.89)	24,413.30	322,078.94	(49,665.40)	272,413.54

DISTRIBUTION LIST
San Gabriel Valley Water Company
Los Angeles County Division
Advice Letter No. 422

City of Arcadia
240 West Huntington Drive
Arcadia, CA 91006

City Clerk, City of Baldwin Park
14403 East Pacific Avenue
Baldwin Park, CA 91706

California-American Water Company
1033 B Ave. Suite 200
Coronado, CA 92118-3439

City of El Monte Water Department
11333 Valley Boulevard
El Monte, CA 91734

City of Industry Waterworks System
Post Office Box 3136
La Puente, CA 91744

City Clerk, City of Irwindale
5050 North Irwindale Avenue
Irwindale, CA 91706

City Clerk, City of La Puente
15900 East Main Street
La Puente, CA 91744

La Puente Valley County Water District
112 North 1st Street
La Puente, CA 91744

City of Montebello Water Department
1600 West Beverly Boulevard
Montebello, CA 90640

City of Monterey Park Water Department
320 West Newmark Avenue
Monterey Park, CA 91754

City of Pico Rivera Water Department
6615 Passons Boulevard
Pico Rivera, CA 90660

Pico Water District
Post Office Box 758
Pico Rivera, CA 90660-0758

City Clerk, City of West Covina
1444 West Garvey Avenue
West Covina, CA 91790

City Clerk, City of Rosemead
8838 Valley Boulevard
Rosemead, CA 91770

City Clerk, City of San Gabriel
425 South Mission Drive
San Gabriel, CA 91778

San Gabriel County Water District
8366 East Grand Avenue
Rosemead, CA 91770

City of Santa Fe Springs Water Department
Post Office Box 2120
Santa Fe Springs, CA 90670

City Clerk, City of South El Monte
1415 Santa Anita Avenue
South El Monte, CA 91733

Golden State Water Company
Attn: Ronald Moore, Regulatory Affairs
630 East Foothill Boulevard
San Dimas, CA 91773

Suburban Water Systems
Attn: Bob Kelly
1211 East Center Court Drive
Covina, CA 91724-3603

Valley County Water District
14521 East Ramona Boulevard
Baldwin Park, CA 91706

City of Whittier Water Department
13230 East Penn Street
Whittier, CA 90602

California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102-4208

Kiki Carlson
Suburban Water Systems
kcarlson@swwc.com