

SAN GABRIEL VALLEY WATER COMPANY

June 25, 2008

Advice Letter No. 364

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Purpose and Background

In compliance with D.07-09-021 in Rulemaking 04-09-003 filed September 2, 2004 (Phase Two), San Gabriel Valley Water Company ("San Gabriel") files this advice letter in lieu of a Section 851 application in conformance with adopted General Order 96-B, as adopted in Resolution ALJ-186 (August 30, 2005) and extended by Resolution ALJ-202.

San Gabriel hereby notifies the Commission of its pending sale of certain company-owned real property, recorded as a contribution-in-aid-of-construction, which is no longer necessary and useful in the performance of the company's public utility obligations. The sale of the real property is involuntary and arises from the threat or imminence of condemnation.

Discussion

By notice dated July 26, 2007 the California Transportation Commission notified San Gabriel of its intent to acquire by eminent domain (see Attachment A) certain San Gabriel real property consisting of: (1) a 12.5-foot wide strip of landscaped land comprised of 270.4 square meters along the frontage of the company's Plant B25 well site, known as 13032 Bess Avenue in the City of Baldwin Park, California (Los Angeles County Assessors parcel numbers 8559-009-030 Lot 55, 8559-009-031 Lot 56, and 8559-009-032 Lot 57) and (2) 1,900 lineal feet of 25-3/8-inch pipeline and pipeline right-of-way. CalTrans is taking the property to widen the southerly portion of Interstate 10 freeway as shown in Attachment C. The subject real property is no longer necessary or useful (see Attachment F pages 3 and 4 of 5) to San Gabriel because it will be in the CalTrans freeway right of way and as such, inaccessible to San Gabriel. Therefore, the involuntary sale to CalTrans will have no adverse effect on company operations. CalTrans is paying \$174,397 for

taking the B25 land and property rights, and \$912,000 for taking the pipeline. The book gain on sale is calculated in Attachment D.

Purchaser:

Name: State of California Department of Transportation
Address: 100 South Main Street, Los Angeles, CA 90012
Phone: (213) 897-6946

San Gabriel's proposed transaction described in this advice letter meets the eligibility criteria set forth in Resolution ALJ-186 and extended by Resolution ALJ-202 related to Section 851 Pilot Program. 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) as shown in Attachment E.

San Gabriel previously filed notice with the Commission of the planned disposition as shown in Attachment F.

Tier Designation and Effective Date

Pursuant to Resolution ALJ-186 (August 2005) and extended by Resolution ALJ-202, this advice letter should be classified as Tier III under the Section 851 Pilot Program effective upon approval.

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) The utility 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 the utility relies;

- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (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 Water and Audits Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

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

On the same date the response or protest is submitted to the Water and Audits Division, the respondent or protestant shall send a copy of the protest by mail (or by e-mail) to us, addressed to:

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 this person at 626-448-6183.

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water and Audits Division, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

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The actions requested in the advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

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.

San Gabriel Valley Water Company

Daniel A. Dell'Osa
Director of Rates and Revenue

c: Fred L. Curry, CPUC – Water and Audit Division
Hani Moussa, CPUC – Water Branch, DRA
Danilo Sanchez, CPUC – Water Branch, DRA