

Decision 88 03 012 MAR 09 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Southern California Edison Company)
for an Ex Parte order authorizing)
the establishment of a deferred)
debit account for the cost of a)
manufactured gas plant site)
management program.)

Application 86-09-003
(Filed September 3, 1986)

(Electric) (U 338 E)

OPINION

On September 3, 1986, Southern California Edison Company (Edison) filed Application (A.) 86-09-003 requesting an ex parte order authorizing the establishment of a deferred debit account for the purpose of accruing costs incurred in conjunction with Edison's manufactured gas plant site management program. The Commission's Division of Ratepayer Advocates (DRA), on October 20, 1986, filed a motion to dismiss Edison's application. Edison responded to DRA's motion on November 3, 1986.

In early 1985, Edison embarked upon a program to identify, investigate, and possibly restore sites where Edison or its predecessor companies previously operated manufactured gas plants. Edison's program was undertaken as the result of a number of factors: (1) concerns expressed by the Environmental Protection Agency and other governmental agencies with respect to residues from former manufactured gas plants, (2) the availability of more complete information regarding the location of these sites, (3) Edison's concern regarding potential health and environmental risks associated with exposure to manufactured gas plant residues, and (4) the enactment of federal and state legislation regarding hazardous waste sites.

Edison seeks authority to accumulate the program costs without carrying charges in a deferred debit account because these expenses could not have been requested in Edison's test year 1985 general rate case application and potential program costs are unknown, but could become significant.

DRA argues that Edison's application should be dismissed due to the following:

1. Edison is not required by law to incur any particular level of expenses and thus the management of the program and its costs remains within the discretion of Edison's management.
2. These program costs are operating expenses incurred by the utility in its day-to-day operations and no special accounting treatment should be accorded.
3. Decision (D.) 85-12-076 precludes recovery of expenses between general rate cases unless they are major and due to extreme circumstances.

In response to DRA's motion Edison states that: (1) it is not seeking rate recovery but rather an interim accounting mechanism, (2) program costs represent a significant, unforeseeable, and uncertain expense, and (3) it faces potential responsibility under federal and state laws.

Discussion

Since this application was filed, D.87-12-066 in Edison's general rate case has been issued. D.87-12-066 provides Edison with the opportunity to recover reasonable expenses incurred as the result of hazardous waste cleanup at manufactured gas sites owned by Edison or its predecessor companies. As a result of D.87-12-066 there is no need to establish a deferred debit account for the cost of a manufactured gas plant site management program. These costs are recoverable through the procedures established in D.87-12-066.

Therefore, Application (A.) 86-09-003 is unnecessary and should be dismissed.

Findings of Fact

1. Edison requests authority to establish a deferred debit account for the purpose of accruing costs incurred in conjunction with its manufactured gas plant site management program.

2. D.87-12-066 provides Edison the opportunity to recover reasonable costs associated with hazardous cleanup at sites which Edison or its predecessor companies previously operated manufactured gas plants.

Conclusion of Law

A.86-09-003 is unnecessary and should be dismissed.

ORDER

IT IS ORDERED that A.86-09-003 is dismissed.

This order becomes effective 30 days from today.

Dated MAR 09 1988, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
C. MITCHELL WILK
JOEN B. OHANIAN
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.



Victor Weissor, Executive Director

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