

L/SEE/bjk

Decision 88 12 049 DEC 9 1988**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC GAS AND ELECTRIC COMPANY for)
 authority, among other things, to)
 accrue the costs of certain)
 environmental compliance projects)
 for subsequent review and recovery,)
 as appropriate, in future ECAC or)
 GAC (or successor) proceedings.)

Application 87-10-019
 (Filed October 12, 1987)

ORDER MODIFYING DECISION 88-09-020
AND DENYING REHEARING

A petition for rehearing of Decision 88-09-020 has been filed by Pacific Gas & Electric Company. We have carefully reviewed the allegations contained in the petition and are of the opinion that good cause for granting rehearing has not been demonstrated. However, the decision should be modified to clarify the treatment of expenses for certain hazardous waste management projects which were incurred prior to March 9, 1988, the issuance date of D.88-03-017, in which the Commission authorized interim memorandum account treatment for the specified projects. Therefore,

IT IS HEREBY ORDERED:

Decision 88-09-020 is modified as follows:

1. The second full paragraph on page 45 is modified to read:

"As mentioned earlier, PG&E chose to expend funds for capital projects outside of this procedure and accordingly, cannot recover these costs through the memorandum account treatment. This does not, however, absolutely preclude all recovery of such capital costs, to the extent they are found to be reasonable during PG&E's next general rate case."

Conclusion of Law No. 2 is modified to state:

"2. PG&E should not book into the memorandum account any expenses incurred prior to March 9, 1988, the effective date of the interim decision in this proceeding. This does not, however, absolutely preclude eventual recovery of capital costs, to the extent they are determined to be reasonable in PG&E's next general rate case."

IT IS FURTHER ORDERED:

Rehearing of Decision 88-09-020, as modified herein, is denied.

Dated DEC 9 1988, at San Francisco, California.

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
C. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

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

Victor Weisser
Victor Weisser, Executive Director