

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Environmental Branch

RESOLUTION G-2989
April 8, 1992

RESOLUTION

RESOLUTION G-2989. ORDER AUTHORIZING SOUTHERN CALIFORNIA GAS COMPANY TO RECORD UP TO \$188,814 IN A MEMORANDUM ACCOUNT FOR EXPENSES ASSOCIATED WITH THE REMEDIATION OF HEAVY-METALS CONTAMINATED SOILS AT ITS NORTH NEEDLES COMPRESSOR STATION IN NEEDLES, CALIFORNIA

BY ADVICE LETTER 2102, FILED FEBRUARY 14, 1992.

SUMMARY

1. The Southern California Gas Company (SoCalGas) filed Advice Letter (AL) 2102 on February 14, 1992 requesting authority to book up to \$188,814 for expenses associated with the remediation of heavy-metals contaminated soils for the SoCalGas site located in North Needles, California.
2. This Resolution approves the request.

BACKGROUND

1. Advice Letter 2102 was filed by SoCalGas under the procedures adopted by the Commission in Decision (D.) 88-07-059 to expedite the process of authorizing the booking of hazardous waste expenses. D. 88-07-059 ordered advice letters to be filed on a project-by-project basis and to contain comprehensive and specific information about each site.
2. The North Needles Compressor Station is owned by SoCalGas. The station boosts the pressure of natural gas as it crosses the border into California. From 1960 to 1984, wastewater from the gas compressor-engine cooling systems was discharged into an unlined surface impoundment. In 1986, the impoundment was covered with fill material, and a short-term hazardous waste storage facility was constructed over the south end of the backfilled impoundment. The Regional Water Quality Board (RWQCB) notified SoCalGas in December 1988 that a survey had identified the abandoned waste water impoundment at the North Needles Compressor Station as a facility that was potentially subject to requirements for investigation under the Toxic Pits Cleanup Act.

3. Pursuant to a request by the RWQCB, SoCalGas retained CH2M Hill to conduct a soils investigation. The requested soils investigation was performed June 12 through 14, 1989. The RWQCB then required SoCalGas to submit a hydrogeological assessment report (HAR) and to close of the impoundment. The HAR was prepared by Dames & Moore and submitted to the RWQCB in March 1990. The HAR concluded that while it was possible that leakage from the surface impoundment migrated to the ground water beneath it, significant migration was unlikely considering the impoundment was discontinued and backfilled.

4. An addendum to the HAR was filed pursuant to another request from the RWQCB. The RWQCB deemed the HAR requirement fulfilled and requested SoCalGas complete closure activities by October 1, 1991. This deadline has been extended to May 31, 1992.

5. The RWQCB and SoCalGas agreed that soil removal and treatment are the best solution for achieving the site's closure in accordance with TPCA. SoCalGas selected Greenfield Environmental to conduct remediation at North Needles site.

COMMENTS

1. The Division of Ratepayer Advocates (DRA), in comments filed March 5, 1992 recommended the acceptance of Advice Letter 2102, with several conditions that have been previously applied to memorandum accounts for hazardous waste projects. These conditions include: (1) an expenditure limit of \$188,814 be imposed on SoCalGas; (2) the prohibition of booking costs or expenses paid or incurred prior to the date of the resolution; (3) all expenditures be consistent with the activities set forth in the subject advice letter filing, and (4) costs recorded in the account be subject to a subsequent reasonableness review and should not be placed into rates until ordered by the Commission. SoCalGas did not file a response to DRA's comments.

DISCUSSION

1. The Commission Advisory and Compliance Division (CACD) reviewed SoCalGas's Advice Letter filing and DRA's recommendations.

2. SoCalGas met the information requirements set out in (D.) 88-07-059. Included in the filing was the directive to perform the work, a workplan, and a budget. CACD recommends approving the advice letter as filed.

FINDINGS

1. CACD recommends approval of the advice letter as filed. Southern California Gas Company should record in a memorandum account up to \$188,814 for expenses associated with remediation of heavy-metals contaminated soil at the North Needles Compressor Station.
2. Authority to implement this account should be effective on the date of this Resolution. No expenses incurred prior to the date of this order should be included in the account.
3. Expenses recorded in the account should be subject to a subsequent reasonableness review and should not be placed into rates until ordered by the Commission after the review.
4. SoCalGas should be authorized to accrue interest at the three-month commercial paper rate on amounts booked into the memorandum account.

April 8, 1992

THEREFORE, IT IS ORDERED that:

1. Southern California Gas Company is authorized to implement a memorandum account not to exceed \$188,814 for costs associated with the remediation of heavy-metals contaminated soils at the North Needles Compressor Station in Needles, California.
2. Expenses recorded in the account shall be consistent with documents submitted in Advice Letter 2102 filed by SoCal on February 14, 1992 and supporting documents.
3. These costs shall be subject to reasonableness reviews, as ordered in Decision 88-07-059, and shall not be placed into rates until ordered by the Commission after the review.
4. SoCal shall be authorized to accrue interest at the three-month commercial paper rate on amounts booked into memorandum account.
5. SoCal Advice Letter 2102 shall be marked to show that it was approved by Commission Resolution G-2989.
6. This Resolution is effective today.

I certify that this Resolution G-2989, was adopted by the Public Utilities Commission at its regular meeting on April 8, 1992. The following Commissioners approved it.



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
JOHN B. CHANIAN
PATRICIA M. ECKERT
NORMAN D. SHIMWAY
Commissioners