

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE
Environmental Branch

RESOLUTION G-2990
April 8, 1992

RESOLUTION

RESOLUTION G-2990. REQUEST OF PACIFIC GAS AND ELECTRIC COMPANY TO RECORD IN A MEMORANDUM ACCOUNT EXPENSES ASSOCIATED WITH PERFORMING REMEDIAL ACTIVITIES AT ITS FORMER STOCKTON MANUFACTURED GAS PLANT SITE.

BY ADVICE LETTER 1678-G, FILED JANUARY 10, 1992.

SUMMARY

1. Pacific Gas and Electric Company (PG&E) filed Advice Letter (AL) 1678-G on January 10, 1992 requesting authority to book up to \$911,280 into a hazardous waste memorandum account for expenses associated with the cleanup and excavation of the former Stockton Manufactured Gas Plant Site.
2. This Resolution approves the authority of PG&E to book up to \$911,280 into a memorandum account.

BACKGROUND

1. Advice Letter 1678-G was filed by PG&E under the procedures adopted by the Commission in Decision (D.) 88-09-020. The decision authorized PG&E to seek approval to record certain hazardous waste expenses in a memorandum account. Under these procedures, the only costs that may be booked into the account are those incurred after the account is authorized by the Commission. The procedure also required a reasonableness review of all expenses and costs which are actually booked into these accounts.
2. The Stockton site is a former manufactured gas plant site located in Stockton, California. PG&E owned and operated the site from 1859 to 1952. PG&E still owns a portion of the site known as Areas I and II. Currently, Areas I and II are the location of a gas service center and electric substation. In 1981, the portion of the property known as Area III was sold to and is now occupied by Morton Paint Company.

3. The conclusions of a 1986 preliminary assessment performed to evaluate the environmental conditions of former gas manufacturing plants indicated the need for additional characterization of the site. PG&E conducted a subsequent investigation which confirmed the presence of groundwater and soil contamination. Based on the investigation performed at the site, the California Environmental Protection Agency, formerly part of the Department of Health Services, listed the Stockton site on its 1988 Annual Workplan of sites scheduled for investigation and cleanup.

4. On June 28, 1991, CAL EPA and PG&E entered into a Consent Order (Docket No. HSA 90/91-008). The purpose of the consent order is to ensure that PG&E thoroughly investigates and cleanups the Stockton site.

COMMENTS

1. The Division of Ratepayer Advocates (DRA) submitted comments February 3, 1992 stating it believes PG&E has filed the necessary information for memorandum account authorization. PG&E did not file a response to DRA's comments.

2. In its comment's, DRA notes that PG&E has already begun cleanup activities and incurred expenses. It is also noted that the total budget shown in Attachment D of the filing is the total budget for the activities from the date the activities began. DRA assumes that PG&E has incurred the \$120,000 from November activities plus additional expenses from activities performed in December 1991 and January 1992.

3. DRA also notes that the remedial activity which is the subject of this filing is "interim" and only meant to reduce immediate exposure risk. The subject activity may not necessarily be the final measure to be undertaken.

DISCUSSION

1. The Commission Advisory and Compliance Division (CACD) reviewed PG&E's Advice Letter filing and DRA's comments.

2. PG&E has met information requirements for filing an advice letter. Included in the filing was the directive to perform the work, a workplan, and a budget. CACD recommends approval of the advice letter as filed.

FINDINGS

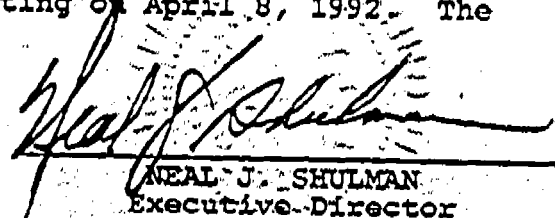
1. CACD recommends approval of the Advice Letter 1678-G as filed. PG&E should record in a memorandum account up to \$911,280 for expenses costs associated with performing remedial activities at its former Stockton Manufactured Gas Plant site in Stockton, California.
2. Authority to implement this account should be effective on the date of this order. No expenses paid or incurred prior to the date of this Resolution shall be included in the account.
3. Expenses recorded in the account should be subject to a subsequent reasonableness review and hould not be placed into rates until ordered by the Commission after the review.
4. PG&E should be authorized to accrue interest at the three-month commercial paper rate on the amount booked into the memorandum account.

April 8, 1992

THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to implement a memorandum account not to exceed \$911,280 for costs associated with remedial activities at the former Stockton Manufactured Gas Plant site.
2. Expenses recorded in the account shall be consistent with documents submitted in Advice Letter 1678-G filed by PG&E on January 10, 1992.
3. These costs shall be subject to a reasonableness review as ordered by Decision 88-09-020, and shall not be placed into rated until ordered by the Commission after the review.
4. PG&E shall be authorized to accrue interest at the three-month commercial paper rate on amounts booked into the memorandum account.
5. PG&E Advice Letter 1678-G shall be marked to show that it was approved by Commission Resolution G-2990.
6. This Resolution is effective today.

I certify that this Resolution G-2990 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. CHANDAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners