

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Environmental Branch

Resolution E-3198
September 12, 1990

R E S O L U T I O N

RESOLUTION E-3198, ORDER AUTHORIZING PACIFIC GAS AND ELECTRIC COMPANY (PG&E) TO RECORD UP TO \$273,500 IN A MEMORANDUM ACCOUNT FOR EXPENSES ASSOCIATED WITH CONDUCTING REMEDIAL INVESTIGATION AND FEASIBILITY STUDIES AND FOR DEVELOPING A REMEDIAL ACTION PLAN FOR FORMER PG&E SERVICE CENTER AT SITE LOCATED IN ANTIOCH, CA; BY ADVICE LETTER NO. 1307-E, FILED JULY 13, 1990.

SUMMARY

1. The Pacific Gas and Electric Company (PG&E) filed Advice Letter (AL) 1307-E on July 13, 1990 requesting authority to book up to \$273,500 for expenses associated with conducting remedial investigation (RI) and feasibility studies (FS) and for developing a remedial action plan (RAP) and RAP workplan for the PG&E site located in Antioch, California.
2. This Resolution approves the request.

BACKGROUND

1. Advice Letter 1370-E was filed by PG&E under the procedures adopted by the Commission in Decision 88-09-020 (September 4, 1988) to expedite the process of authorizing the booking of hazardous waste expenses. Decision 88-09-020 ordered advice letters to be filed on a project-by-project basis and to contain comprehensive and specific information about each site. The Decision also required that expenditures incurred undergo an annual reasonableness review.
2. The Antioch site is a former PG&E service center. PG&E acquired the site when it purchased Coast Counties Gas and Electric Company in 1949. A two-acre portion of the site in the northwestern portion of the site was utilized as a PG&E service center from 1957 to 1984. During this time, a 1000-gallon underground gasoline tank was located at the service center.

3. PG&E initiated investigation of the site in 1984. The investigation revealed high levels of petroleum hydrocarbons existed in the soil. The California Regional Water Quality Control Board (RWQCB) directed PG&E to determine the extent of petroleum hydrocarbons present in the soil.
4. PG&E hired American Environmental Management Corporation (AEMC) to define the extent of petroleum hydrocarbons present in the soil. AEMC performed the analysis and removed the underground tank and the soil contaminated from gasoline that had leaked from the tank.
5. In October 1986, the California Department of Health Services listed the site in the Hazardous Substance Account Bond Act Expenditure Plan pursuant to Health and Safety Code Section 25334.5. The RWQCB then directed PG&E to conduct additional analysis of the soil and groundwater to determine the extent of petroleum hydrocarbons present. PG&E hired Groundwater Technology, Inc. (GTI).
6. PG&E contends based on the findings of GTI, it could not be solely responsible for the soil and groundwater contamination and there is another party responsible for the heavier petroleum hydrocarbons. RWQCB disagreed with PG&E's claim and directed them to assume full responsibility for performing additional RI tasks, conducting a FS, and developing a RAP and RAP workplan.
7. PG&E hired Dames & Moore to perform the additional work.

COMMENTS

1. The Division of Ratepayer Advocates (DRA), in comments filed August 13, 1990, recommended the acceptance of Advice Letter 1307-E, with several conditions that have been previously applied to memorandum accounts for hazardous waste projects. These conditions include: (1) the requirement that costs recorded in the account be subject to a subsequent reasonableness review and should not be placed into rates until ordered by the Commission; (2) the prohibition of booking costs or expenses paid or incurred prior to the date of the order; and (3) an authorization that PG&E should accrue interest on the amounts booked in the memorandum account.

DISCUSSION

1. The Commission Advisory and Compliance Division (CACD) reviewed PG&E's Advice Letter filing and DRA's recommendations. CACD determined that separate hearings on this filing are not necessary.
2. PG&E met the information requirements set out in Decision 88-09-020. Included in the filing was the directive to perform the work, a workplan, and a budget.
3. PG&E has stated that the costs are for conducting RI and FS and for developing a RAP and RAP workplan.

FINDINGS

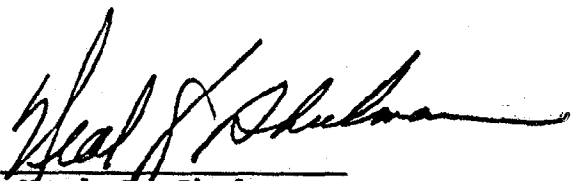
1. PG&E should record in a memorandum account up to \$273,500 for expenses incurred conducting RI and FS and developing a RAP and RAP workplan at the site.
2. Authority to implement this account should be effective on the date of this order. No expenses paid or incurred prior to the date of this order shall be included in the account.
3. Expenses recorded in the account should be subject to a subsequent reasonableness review, as required in Decision 88-09-020, and should 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 amounts booked into the memorandum account.

IT IS ORDERED THAT:

1. Pacific Gas and Electric Company is authorized to implement a memorandum account not to exceed \$273,500 for costs associated with conducting remedial investigation and feasibility studies and developing a remedial action plan and remedial action plan workplan for the former service center located in Antioch, California.
2. Expenses recorded in the account shall be consistent with documents submitted in Advice Letter 1307-E filed by Pacific Gas & Electric on July 13, 1990, and supporting documents, included herein by reference.
3. These costs shall be subject to a reasonableness review, as ordered in Decision 88-02-909, and shall not be placed into rates 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 memorandum account.
5. This Resolution is effective on September 12, 1990.

I certify that this Resolution E-3198, was adopted by the Public Utilities Commission at its regular meeting on September 12, 1990. The following Commissioners approved it.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
PATRICIA M. ECKERT


Neal J. Shulman
Executive Director

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.