

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION COMPLIANCE
AND ADVISORY DIVISION
Energy and Environmental
Advisory Branch

RESOLUTION E-3306
FEBRUARY 3, 1993

R E S O L U T I O N

RESOLUTION E-3306. REQUEST OF SAN DIEGO GAS AND ELECTRIC COMPANY TO RECORD IN A MEMORANDUM ACCOUNT EXPENSES ASSOCIATED WITH INVESTIGATION AND REMEDIATION OF THE ESCO SUBSTATION, A FORMER MANUFACTURED GAS PLANT SITE;.

BY ADVICE LETTER 861-E, FILED ON NOVEMBER 13, 1992.

SUMMARY

1. San Diego Gas and Electric Company (SDG&E) filed Advice Letter 861-E on November 13, 1992 requesting authority to book up to \$198,917 into a hazardous waste memorandum account for expenses associated with investigation and remediation of the ESCO Substation, a former Manufactured Gas Plant (MGP) site in Escondido, California.
2. This Resolution approves the authority of SDG&E to record in a memorandum account up to \$198,917 for these costs.

BACKGROUND

1. Advice Letter 861-E was filed by SDG&E under the procedures adopted by the Commission in Decision (D.) 88-09-063. This decision granted SDG&E authority to file advice letters requesting authorization to record hazardous waste cleanup costs in a memorandum account provided certain information criteria are satisfied. The information criteria are an order or directive to perform the work, a detailed work plan, and detailed budget.
2. The ESCO MGP site is located at the northeast corner of Spruce and 3rd Streets, Escondido, CA. SDG&E purchased the site in 1917. Prior to the aquisition and until 1936, the site operated as a MGP.

3. The site is now used as a substation. In June 1990, during site preparation for expansion and replacement of the ESCO Substation, contamination was discovered in the soils at the west side of the site. SDG&E initiated cleanup/removal of the contaminated soil. During this process, more contamination, underground storage tanks, and underground structures were discovered.

4. SDG&E reported its findings of contamination to the County of San Diego Department of Health Services (DHS). SDG&E proceeded to clean up the west side of the site under the oversight of the DHS through an operational agreement with the San Diego Regional Water Quality Control Board, and in accordance with the County of San Diego Site Assessment and Mitigation (SAM) Manual.

5. SDG&E completed remediation of the west side of the ESCO site. In a letter dated August 28, 1991, the DHS confirmed the west side of the site had been fully remediated and required no further delineation.

6. SDG&E performed a site assessment on the Northeast Quarter of the site in and performed remedial activities to cleanup the site from August to December of 1991. SDG&E submitted a Site Assessment and Closure Report for the Northeast Quarter in March 1992 and is currently waiting to receive a letter from the DHS confirming the Northeast Quarter of the site is fully remediated and requires no further delineation.

REQUEST

1. SDG&E is requesting authority to record expenses associated with investigation and remediation of the remaining areas of the ESCO site that have not been remediated. This includes the southeast quarter and areas surrounding the parameter of the site.

2. In its original filing, SDG&E requested authority to record \$197,569 into a memorandum account. On December 11, 1992, SDG&E filed a revision changing the amount from \$197,569 to \$198,917. SDG&E provided the following detailed budget.

Phase III Assessment, Groundwater Monitoring, Remediation of K100 & Z2, and Action Plan/Closure Report	\$ 73,334
Agency Costs	\$ 5,500
Soil Disposal	\$ 92,000
Consulting Fees	\$ 10,000
10% Contingency	\$ 18,083
TOTAL	\$198,917

PROTESTS

1. No protests to Advice Letter 861-E were received.

DISCUSSION

1. The Commission Advisory and Compliance Division (CACD) reviewed SDG&E's Advice Letter filing 861-E. SDG&E has met the filing requirements as specified in Decision 88-09-063. CACD recommends approval of the advice letter as filed.

2. The conditions that normally apply to authority to record hazardous waste costs into a memorandum account should also apply here. The conditions are that authority to record the expenses should remain in effect until December 31, 1993, no expenses incurred prior to the date of this order should be included in the account, all expenses recorded into the account should be subject to reasonableness review and should not be placed into rates until ordered by the Commission.

FINDINGS

1. SDG&E should be authorized to record in a memorandum account up to \$198,917 for investigation and remediation expenses associated with the ESCO site. Expenses recorded into the account should be consistent with documentation in the advice letter.

2. Authority to record expenses into a memorandum account should remain in effect until December 31, 1993.

3. No expenses incurred prior to the date of this order should be included in the account.

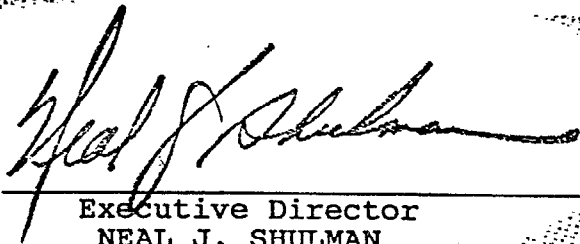
4. All expenses recorded in the account should be subject to reasonableness review and should not be placed into rates until ordered by the Commission.

February 3, 1993

THEREFORE, IT IS ORDERED that:

1. San Diego Gas & Electric Company is authorized to record in a memorandum account an amount up to \$198,917 for investigation and remediation expenses associated with the ESCO site.
2. Authority to record expenses into a memorandum account shall remain in effect until December 31, 1993.
3. No expenses incurred prior to the date of this order shall be included in the account.
4. All expenses recorded in the account shall be subject to reasonableness review and should not be placed into rates until ordered by the Commission.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 3, 1993. The following Commissioners approved it:


Executive Director
NEAL J. SHULMAN

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners