

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Environmental and Energy  
Advisory Branch

RESOLUTION E-3307  
FEBRUARY 3, 1993

R E S O L U T I O N

RESOLUTION E-3307. REQUEST OF SOUTHERN CALIFORNIA EDISON COMPANY TO RECORD IN A MEMORANDUM ACCOUNT EXPENSES ASSOCIATED WITH THE INVESTIGATION AND CLEANUP OF THE VISALIA POLE YARD; BY ADVICE LETTER NO. 968-E, FILED OCTOBER 15, 1992.

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SUMMARY

1. Southern California Edison Company (Edison) filed Advice Letter 986-E on October 15, 1992 requesting authority to record up to \$1,400,000 into a hazardous waste memorandum account for expenses associated with the remediation of the Visalia Pole Yard. Edison requests that authority to record these costs remain in effect until December 31, 1993. Edison also requests that its current authorization for the Non-remedial Investigation/Feasibility Study activities granted in Resolution E-3285 remain in effect until December 31, 1993.

2. This Resolution approves the authority of Edison to record in a memorandum account up to \$743,000 for these costs.

BACKGROUND

1. Advice Letter 968-E was filed by Edison under the procedures adopted by the Commission in Decision (D.) 89-07-039. This decision granted Edison authority to file advice letters requesting authorization to record hazardous waste cleanup costs in a memorandum account provided certain informational criteria are satisfied. The information criteria are an order or directive to perform the work, a detailed work plan, and detailed budget.

2. The Visalia Pole Yard is located at 432 Ben Moddox Way, Visalia, CA. Edison operated a pole treating facility at the site from the early 1920's through 1980. During the operation of the plant, pole treating fluids and transformer oil were spilled on the ground resulting in soil and groundwater contamination.

3. The Central Valley California Regional Water Quality Control Board ordered Edison to clean up the site in 1976. The site was placed on the state superfund list in 1985 by the Department of Health Services and on the federal superfund list in 1989 by the Environmental Protection Agency.

4. Edison has requested and been granted authority to record costs associated with the Visalia Pole Yard in four previous filings. In November 1988, by Application 89-11-019, Edison requested authority to record cleanup costs in a memorandum account. Edison was granted authority to record the costs by D.89-03-045.

5. In February 1990, by Resolution E-3180, Edison was granted authority to record \$4,380,000 in a memorandum account as follows.

A. Pumping/Monitoring Program	1,032,304
B. Demolition Waste Characterization and Disposal	1,000,000
C. Remedial Investigation	2,011,500
D. Draft Feasibility Study and Draft Remedial Action Plan	162,000
E. Non-Remedial Investigation/Feasibility Study Contaminant Source Activity	75,000
F. DHS Direct Costs (Payments)	100,000
TOTAL	4,380,000

6. In December 1990, Resolution E-3210 authorized Edison to record costs for an additional activity (G. Baseline Risk Assessment) and modify costs authorized for Category D and E in Resolution E-3180.

D. Draft Feasibility Study and Draft Remedial Action Plan	170,000
E. Non-Remedial Investigation/Feasibility Study Contaminant Source Activity	70,000
G. Baseline Risk Assessment	250,000
TOTAL ADDITION TO E-3180	253,000

In July 1992, Resolution E-3285 authorized Edison to record up to \$4,347,275 in a memorandum account as follows.

A. Pumping/Monitoring Program	3,749,275
C. Remedial Investigation	250,000
D. Draft Feasibility Study and Draft Remedial Action Plan	178,000
E. Non-Remedial Investigation/Feasibility Study Contaminant Source Activity	60,000
F. DHS Direct Costs	100,000
G. Baseline Risk Assessment	10,000
TOTAL	4,347,275

REQUEST

1. In Advice Letter 968-E, Edison specifically requests authority to record the following expenses in a memorandum account.

A. Monitoring/Pumping Program	399,000
D. Feasibility Study/Remedial Action Plan	35,000
E. Non-Remedial Investigation/Feasibility Study	20,000
F. Department Direct Costs	100,000
H. Remedial Design	657,000
I. Technical Consulting/Project Coordination	189,000
TOTAL	1,400,000

2. The proposed work is a continuation of work authorized in Edison's three previous filings for the Visalia Pole Yard with the exception of activities in categories H and I which are new. Edison provided estimates from consultants as budgets for the activities in categories A, D, E, and I. Edison stated that a detailed workplan and schedule for the Remedial Design (category H) could not be developed at this time since it must be based on a Department-approved Remedial Action Plan which Edison has not received. Edison's request is based on its best-available estimate. Edison states there will not be sufficient time to develop an Advice Letter and obtain Commission authorization while meeting its regulatory compliance schedule.

3. Edison requests that authorization to record these costs remain in effect until December 31, 1993 and that authorization to record expenses associated with Groundwater Monitoring & Pumping remain in effect until December 31, 1994. It also requests that authorization to record expenses associated with Non-remedial Investigation/Feasibility Study activities granted by Resolution E-3285 remain in effect until December 31, 1993.

PROTESTS

No protests or comments to Advice Letter 968-E were received.

DISCUSSION

1. CACD has reviewed Edison's Advice Letter filing 968-E requesting authorization to record costs associated with the cleanup of the Visalia Pole Yard. CACD recommends that Edison be authorized to record up to \$743,000 in a memorandum account for these costs as follows.

A. Monitoring/Pumping Program	399,000
D. Feasibility Study/Remedial Action Plan	35,000
E. Non-Remedial Investigation/Feasibility Study	20,000
F. Department Direct Costs	100,000
I. Technical Consulting/Project Coordination	189,000
TOTAL	743,000

2. Despite Edison's position that there is insufficient time to develop an advice letter and obtain Commission authorization and meet its regulatory compliance schedule, D.89-07-039, the decision which grants Edison authority to file advice letters specifies definitive budgets are a requirement in advice letter filings. While it is not the Commission's intent to obstruct compliance with an enforceable agreement, the estimate for the Remedial Design must be substantiated with a detailed budget. While CACD does not recommend approval of expenses associated with the Remedial Design at this time, it does recommend that Edison be allowed to file a supplemental advice letter when the Remedial Action Plan is finalized and approved and a detailed workplan and schedule for the Remedial Design is developed.

3. The Commission's normal practice is to grant authorization through the end of the current year. The authorization to record expenses in a memorandum account for Non-remedial Investigation/Feasibility Study granted in Resolution E-3285 remains in effect until December 31, 1992. If Edison plans to incur the expenses beyond that date, it should file an advice letter requesting authorization to do so.

FINDINGS

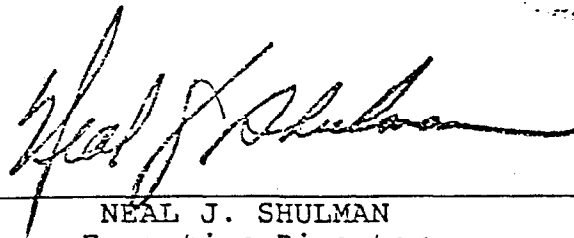
1. Edison may record in a memorandum account up to \$743,000 for cleanup expenses associated with the Visalia Pole Yard. Edison may file a supplemental advice letter for expenses associated with the Final Remedial Action when the Remedial Action Plan is finalized and approved and a detailed workplan and schedule for the Remedial Design is developed.
2. Edison's authority to record these expenses should remain in effect until December 31, 1993 and its authority to record expenses associated with Groundwater Monitoring and Pumping should remain in effect until December 31, 1994.
3. Edison should file an advice letter for authorization to record expenses associated with the Remedial Design when there is a detailed budget for the work.
4. Authorization to record expenses associated with Non-remedial Investigation/Feasibility Study activities granted in Resolution E-3285 will remain in effect to December 31, 1992. If Edison plans to incur expenses beyond this date, it should file an advice letter requesting authorization to do so.

THEREFORE, IT IS ORDERED that:

1. Southern California Edison Company is authorized to record in a memorandum account an amount up to \$743,000 for expenses associated with the cleanup of the Visalia Pole Yard in Visalia, California. Southern California Edison may file a supplemental advice letter for expenses associated with the Final Remedial Action when the Remedial Action Plan is finalized and approved and a detailed workplan and schedule for the Remedial Design is developed.
2. Authorization to record these expenses shall remain in effect until December 31, 1993 except expenses associated with Groundwater Monitoring & Pumping which shall remain in effect until December 31, 1994.
3. Southern California Edison Company's authorization to record expenses associated with Non-remedial Investigation/Feasibility Study activities granted in Resolution E-3285 shall remain in effect until December 31, 1992.
4. Expenses recorded in the account should be consistent with documents submitted in Edison Advice Letter 942-E, filed October 15, 1992. If the cost of the project change significantly, the company shall file an additional advice letter. Costs recorded in the memorandum account shall be subject to reasonableness review and shall not be placed into rates until ordered by the Commission.
5. Southern California Edison shall be authorized to accrue interest at the three-month commercial paper rate on amounts booked into the memorandum account.

This Resolution is effective today.

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:



NEAL J. SHULMAN  
Executive Director

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