PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3319
February 16, 1994

# R E S O L U T I O N

**RESOLUTION E-3319. SOUTHERN CALIFORNIA EDISON COMPANY REQUESTS TO RECORD IN TWELVE MEMORANDUM ACCOUNTS THE EXPENSES ASSOCIATED WITH CONDUCTING PRELIMINARY ENDANGERMENT ASSESSMENT AT TWELVE MANUFACTURED GAS PLANT SITES OF MONROVIA, POMONA, RIVERSIDE, SAN BERNARDINO, SANTA ANA I, WHITTIER, COLTON, LONG BEACH II, LONG BEACH III, REDLANDS II, SAN PEDRO, AND SANTA ANA II.**

**BY ADVICE LETTERS 981-E AND 981-E-A, FILED ON DECEMBER 29, 1992 AND NOVEMBER 2, 1993.**

## SUMMARY

1. Pursuant to Decision (D.) 89-01-039, as amended by D.93-09-066, Southern California Edison Company (Edison) requests authority to revise Part N of its Preliminary Statement to record up to $100,000 in each of twelve requested interest-bearing memorandum accounts the expenses associated with conducting Preliminary Endangerment Assessments (PEA) at each of the twelve manufactured gas plant (MGP) sites at Monrovia, Pomona, Riverside, San Bernardino, Santa Ana I, Santa Ana II, Whittier, Colton, Long Beach II, Long Beach III, Redlands II, and San Pedro.

2. This Resolution approves the request because Edison is a former owner and potentially responsible party (PRP) and there is an order by a governmental agency to clean the sites.

## BACKGROUND

1. On February 1, 1991, the California Environmental Protection Agency's (EPA), Department of Toxic Substance Control (DTSC) sent Southern California Gas Company (SoCalGas) a letter, with copies to Edison, stating DTSC's position regarding PEAs for manufactured gas plant sites formerly owned by Edison and SoCalGas. In that letter DTSC required that a PEA be performed for certain town gas sites. The twelve sites named in AL 981-E belong to the category that requires PEAs.

2. Edison is a former owner and operator of the sites and, therefore, under Sections 25323.5 and 25360 of the California

Health and Safety Code, a PRP for any contamination found at the sites.

3. Edison and SoCalGas have agreed, in principle, that each will take the lead in conducting PEAs at six of the sites.

**NOTICE**

1. Edison served notice of AL 981-E and 981-E-A by mailing copies of the advice letters to other utilities, governmental agencies, and all parties who requested such information. Notice of the advice letters was published in the Commission Calendar.

**PROTESTS**

1. No protests have been received by the Commission Advisory and Compliance Division for AL 981-E and 981-E-A.

**DISCUSSION**

1. Edison, in compliance with D.89-01-039, has provided for each of the twelve sites the information required under Category B of that Decision concerning site history and description, potential liability for site remediation, workplan, budget, and record of communication with third parties regarding site contamination.

2. The twelve sites are part of Edison's Hazardous Waste Management Program [see Edison's 1992 Annual Report on Hazardous Waste Management submitted on January 31, 1993, in compliance with D.87-12-066] because the major by-products of the gas manufacturing process (lamp black, tar, light oil) include carcinogens.

3. Both Edison and SoCalGas have in the past owned and operated each of the twelve sites. Consequently, these are joint-interest sites of SoCalGas and Edison, who may share financial responsibility for the clean-up of any potential environmental contamination at the sites.

4. Edison has a cost sharing agreement with SoCalGas to divide the cleanup costs equally until the project is over and, thereafter, negotiate cost reallocation based on each party's responsibility for the contamination.

5. Edison owns none of the twelve sites. Decision 93-09-066 allows the utility company to apply for opening a memorandum account to record its hazardous waste expenses even if the site is not owned by the company, provided that it is obliged to clean up the site. Edison, as a former owner of the twelve sites, is a PRP.

6. Edison is a recipient of the copy of the February 1, 1991 DTSC letter addressed to SoCalGas. Edison was, therefore,

notified of the DTSC's official position regarding the requirement to do PEAs at the sites.

7. Edison requests that a cap of $100,000 be imposed on each of the twelve Memorandum Accounts.

8. In its supplementary AL 981-E-A, Edison requests extention of the original expiration date to record its share of expenses from December 31, 1993 to December 31, 1994.

**FINDINGS**

1. Edison is in compliance with D.89-01-039 as amended by D.93-09-066 concerning the opening of memorandum accounts for expenses related to hazardous waste.

2. The California Environmental Protection Agency has found the twelve sites to be contaminated and hazardous.

3. Edison is a Potentially Responsible Party in the cleanup of the twelve sites because it is a former owner of the sites.

4. Edison will share the estimated costs of the PEAs of the twelve sites with SoCalGas. Each company will take the lead to conduct PEAs in six of the sites.

5. Edison's maximum liability for the PEA of each of the twelve sites is $100,000.

6. Edison's expiration date to record its share of the PEA costs is December 31, 1994.

**THEREFORE, IT IS ORDERED that:**

1. Southern California Edison Company is authorized to record in a memorandum account expenses related to the Preliminary Endangerment Assessment of each of the twelve sites of Monrovia, Pomona, Riverside, San Bernardino, Santa Ana I, Whittier, Colton, Long Beach II, Long Beach III, Redlands II, San Pedro, and Santa Ana II.

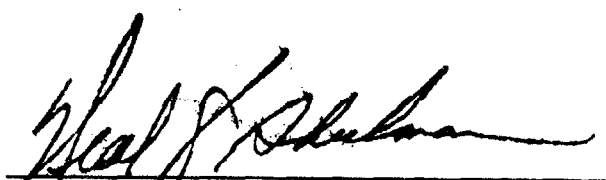
2. The amount recorded in each of the twelve memorandum accounts shall not exceed $100,000.

3. Southern California Edison Company is authorized to accrue interest on the balance of the twelve accounts under terms and conditions shown in Section N, Cal. PUC Sheet No. 17642-E, of its Preliminary Statement.

4. The recorded expenses in the memorandum account shall be subject to a reasonableness review and shall not be placed in rates until so ordered by the Commission.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 16, 1994. The following Commissioners approved it:



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