

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3357
December 17, 1993

R E S O L U T I O N

RESOLUTION E-3357. SAN DIEGO GAS AND ELECTRIC COMPANY REQUEST TO RECORD IN A MEMORANDUM ACCOUNT REMEDIAL ACTION EXPENSES OF UP TO \$1,530,059 FOR ITS FORMER MAIN STREET STORAGE YARD IN SAN DIEGO, CALIFORNIA.

BY ADVICE LETTER 893-E FILED ON OCTOBER 12, 1993.

SUMMARY

1. San Diego Gas and Electric Company (SDG&E) is making this request as authorized by Resolution G-2987 dated March 31, 1992. This filing is made as part of the utility's Hazardous Waste Management mechanism. The utility requests approval of a hazardous waste memorandum account in which to book up to \$1,530,059 for investigation and remediation at its former Main Street Storage Yard in San Diego and that these costs be subject to refund.
2. This Resolution approves the request.

BACKGROUND

1. San Diego Gas and Electric Company (SDG&E) requests approval to book into its Hazardous Waste Management (HWM) Memorandum Account up to \$1,526,659, plus agency oversight costs of \$55 per hour not to exceed 80 hours, for performing certain investigation and remediation activities at its former Main Street Storage Yard in San Diego. The total cost is not expected to exceed \$1,530,059. The utility further requests that all costs booked into the Hazardous Waste Management Memorandum Account for the property in question be subject to refund unless, or until further regulatory action is taken.
2. SDG&E was authorized to establish its Hazardous Waste Management Memorandum Account by Resolution G-2987, dated March 31, 1992. This filing is being made as a part of the HWM mechanism which requires a project-specific finding in order to establish a specific memorandum account for each project.

3. The Main street site consists of a 4.2 acre parcel bounded by Newton Avenue and Dewey, Main and Evans Streets in San Diego. SDG&E owned the site until February 15, 1993. The site is now being prepared by the City of San Diego Redevelopment Agency and the Metropolitan Area Advisory Committee Corporation (MAAC) for a low income housing project.

4. The Redevelopment Agency and MAAC retained Tetra Tech, Inc. to perform limited assessment of potential subsurface soil contamination at the site. The investigation was to test for the presence of specified contaminants.

5. During its investigation Tetra Tech found an underground storage tank which SDG&E removed at the request of the Redevelopment Agency. The San Diego County Department of Health Services issued a Notice of Corrective Action and Reimbursement Responsibility on February 19, 1993 to SDG&E, MAAC and the City of San Diego Redevelopment Agency.

4. On February 25, 1993, Tetra Tech directed the remediation of the soil at the tank excavation site. The utility believes that this process has reduced the presence of the total petroleum hydrocarbons below the detection limits as specified in the method preferred by the Department of Health Services and that any problems involving soil contamination associated with this excavation have been corrected. The utility has requested site closure for the corrective action ordered by the DHS notice of February 19, 1993.

NOTICE

1. Public notice of this filing has been made by publication in the Commission calendar, and by San Diego Gas and Electric mailing a copy of this filing to the interested parties on the service list attached to the Advice Letter No. 893-G.

PROTESTS

1. No protests have been received by the Commission Advisory and Compliance Division (CACD).

DISCUSSION

1. D. 88-09-063, Ordering Paragraph 3 and Conclusion of Law 7, requires SDG&E to file an advice letter for approval of establishing a memorandum account for hazardous waste expenditures. It also required that any hazardous waste cleanup project that has been ordered by a government agency include the following items:

- a copy of the order(s), or directive(s) to undertake site work;
- a detailed work plan and schedule: and,
- a detailed budget.

2. SDG&E has complied with D. 88-09-063.¹
3. D. 88-09-063 (Finding of Fact 17) allows SDG&E to record expenses in a hazardous waste memorandum account only after receiving authorization to book such expenses consistent with the policy applicable to Pacific Gas and Electric Company, Southern California Gas Company and Southern California Edison Company (D. 86-12-095, D87-05-027 and D.87-12-066). Therefore, any expenses incurred prior to the effective date of this Resolution may not be booked in the memorandum account.
4. SDG&E's Preliminary Statement (Preliminary Statement, Part 16, Section (e) specifies how SDG&E will maintain its Hazardous Waste Memorandum Accounts.
5. D. 88-09-063 also requires that the expenses recorded in the hazardous waste memorandum accounts not be placed in rates until after a reasonableness review by the Commission has authorized their recovery.
6. CACD recommends approval of this advice letter.

FINDINGS

1. San Diego Gas and Electric Company has complied with Decision 88-09-063.
2. Costs incurred prior to the effective date of this Resolution may not be included in SDG&E's hazardous waste memorandum account.
3. The hazardous waste memorandum account balance accrue interest at the rate and in the manner prescribed in SoCalGas' Preliminary Statement, Part 16, Section (e).
4. SoCalGas may recover in rates, after a reasonableness review, only those costs which it ultimately must spend on the project after the effective date of this Resolution.
5. CACD recommends approval of advice letter 893-E.

1 The utility states in its Advice Letter that the project under consideration falls under Category B as specified in Decision 88-09-063, page 11, mimeo. However, attached to the Advice Letter is Notice of Corrective Action issued on February 19, 1993 which is, in effect, an order of a government agency which makes the project fall under Category A as specified in the above Decision. By filing the supporting material specified by the more demanding Category B requirements the utility has met the requirements of both categories.

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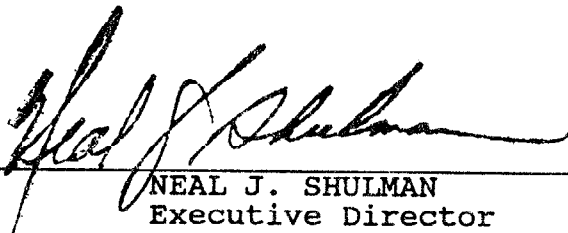
THEREFORE, IT IS ORDERED that:

1. San Diego Gas and Electric Company is authorized to record up to \$1,530,059 in expenses, associated with hazardous substance cleanup at its former Main Street Storage Yard in San Diego, California in an interest bearing hazardous waste memorandum account, under the terms and conditions of the Hazardous Waste Management Account in Part 16, Section (e), of its Preliminary Statement.

2. The expenses recorded in the hazardous waste 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 December 17, 1993. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
Commissioners