

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3051
April 7, 1993

R E S O L U T I O N

RESOLUTION G-3051. PACIFIC GAS AND ELECTRIC COMPANY
REQUEST TO RECORD IN A MEMORANDUM ACCOUNT EXPENSES
RELATED TO THE PREPARATION OF A WORKPLAN TO CONDUCT
SUPPLEMENTAL FIELD STUDIES AT FRESNO-1 FORMER
MANUFACTURED GAS PLANT SITE.

BY ADVICE LETTER 1745-G, FILED ON JANUARY 6, 1993.

SUMMARY

1. Pursuant to Decision (D.) 88-09-020, Pacific Gas and Electric Company (PG&E) in Advice Letter (AL) 1745-G filed on January 6, 1993, requests authority to book into a memorandum account under the guidelines specified in its Gas Preliminary Statement, Part Z, Environmental Compliance Mechanism, its costs of up to \$19,658 for the preparation of a workplan to conduct supplemental field studies at PG&E's Fresno-1 former manufactured gas plant site, in Fresno, California.
2. This Resolution authorizes PG&E to record up to \$19,658 in a memorandum account for expenses associated with the preparation of the above workplan.

BACKGROUND

1. Pursuant to D.88-09-020, and under the guidelines specified in the Gas Preliminary Statement, Part Z, Environmental Compliance Mechanism, PG&E submitted the required documentation to support its request for the memorandum account.
2. The site, Fresno-1, PG&E's former manufactured gas plant, is located on North Thorne Avenue in Fresno, California. PG&E owned the property from 1924 to 1963. In 1963, it sold the northern portion of the site, which is now owned by O.J. Shaw family.
3. PG&E's consultant, Tetra Tech, Inc., performed a remedial investigation in April of 1989 on the PG&E-owned portion of the site and found that materials which are contained in gas plant residuals are present on the PG&E property.

4. In April 1991, the City of Fresno requested that PG&E perform soil testing on the portion of the site, a cow pasture, owned by O.J. Shaw. The results of the tests, performed in October 1991, show that materials which are contained in gas plant residuals are present on the Shaw property.

5. In October 1992, the Regional Water Quality Control Board (RWQCB) directed PG&E to submit a workplan by February 1, 1993, to conduct supplemental field studies on the PG&E owned portion of the site.

6. PG&E directed Tetra Tech to submit a cost proposal for the preparation of the RWQCB-directed supplemental field studies workplan. The estimated costs amount to \$19,658, the maximum requested sum for the memorandum account.

DISCUSSION

1. This filing is for a project classified in D.88-09-020 as Category A because the cleanup has been ordered by a government agency.

2. PG&E has submitted the required documentation for Category A projects.

3. The supplemental field studies are the follow-up of prior remedial investigations done by PG&E. The RWQCB requested additional investigative work at the Fresno site.

4. On January 27, 1993 PG&E submitted an outline of the proposed workplan to satisfy the February 1, 1993 deadline by RWQCB. The outline was prepared by Tetra Tech at PG&E's expense.

5. PG&E has retained Tetra Tech, Inc., to carry out the project in a competitive bidding process. The total cost estimate of \$19,658 excludes PG&E's own labor and material but includes a 10% contingency fee of \$1,787.

6. PG&E can 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.

PROTESTS

1. No protests have been received by the Commission Advisory and Compliance Division (CACD) for AL 1745-G.

NOTICE

1. PG&E made public notification of AL 1745-G by mailing copies of the advice letter to other utilities, governmental agencies, and all parties who requested such information. Notice of the advice letter was published in the Commission calendar.

FINDINGS

1. PG&E filing of AL 1745-G is in compliance with D.88-09-020 requirements for Category A hazardous waste projects.
2. The study by Tetra Tech Inc. shows that materials which are contained in gas plant residuals are present on the PG&E property.
3. Tetra Tech, Inc. is a retained contractor who will bill PG&E up to an estimated \$19,658 for the project.
4. PG&E should not record or claim in rates its own labor and material used in the project.
5. The expenses incurred prior to the effective date of this Resolution should not be booked in the memorandum account. The recorded expenses should not be claimed in rates until after a reasonableness review by the Commission has authorized their recovery [D.88-09-020, 29 CPUC 2d, 185, at p.186]
6. The memorandum account balance should accrue interest at the rate and manner prescribed in PG&E's Preliminary Statement, Part Z, "Environmental Compliance Mechanism".

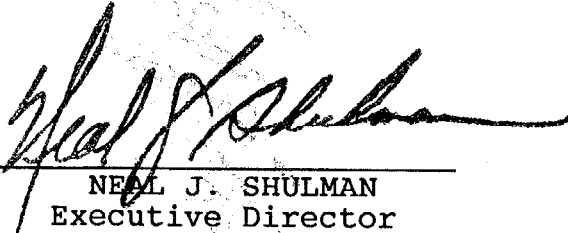
THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to record in a memorandum account an amount of up to \$19,658 for expenses associated with preparation of a workplan to conduct supplemental field studies at PG&E's Fresno-1 site.
2. Pacific Gas and Electric Company is authorized to accrue interest on the amounts booked into the memorandum account as authorized in the Preliminary Statement, Part N.
3. 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 April 7, 1993. The following Commissioners approved it:

DANIEL Wm. FESSLER
PRESIDENT
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
P. GREGORY CONLON
Commissioners


NEAL J. SHULMAN
Executive Director