

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3054
April 21, 1993

R E S O L U T I O N

RESOLUTION G-3054. REQUEST OF PACIFIC GAS AND ELECTRIC COMPANY TO RECORD IN A MEMORANDUM ACCOUNT EXPENSES ASSOCIATED WITH INSTALLATION OF A PERMANENT SITE CAP AT THE FORMER MANUFACTURED GAS PLANT SITE IN SACRAMENTO, CA;

BY ADVICE LETTER 1731-G, FILED ON NOVEMBER 13, 1992

SUMMARY

1. Pacific Gas & Electric Company (PG&E) filed Advice Letter 1731-G on November 13, 1992, requesting authority to record up to \$1,125,000 into a hazardous waste memorandum account for expenses associated with the installation of a permanent site cap at a former manufactured gas plant (MPG) site located in Sacramento, CA.
2. This Resolution approves the request.

BACKGROUND

1. Advice Letter 1731-G was filed by PG&E under the procedures adopted by the Commission in Decision (D.) 88-09-020. This decision granted Edison 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 PG&E former manufactured gas plant site is located at 2000 Front Street, Sacramento, CA. PG&E acquired the site in 1908. The site was operated as a MGP from 1873 until 1957, operating the last 27 years on standby basis only. The plant ceased operation in 1961 and was used as a materials storage yard until 1987.
3. In 1986, PG&E performed a preliminary site assessment at the site. Thereafter, the former Department of Health (DHS) Services now the Department of Toxic Substance Control (DTSC) and the Central Valley Regional Water Quality Control Board

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directed PG&E to perform a detailed site characterization study. The site was listed on the state superfund list. PG&E entered into an enforceable agreement with DHS to cleanup the site.

4. PG&E retained Tetra Tech, Inc. to prepare a Remedial Action Plan (RAP) and Remedial Action Plan Design Plan. PG&E filed Advice Letter 1356-E May 16, 1991 requesting \$9,400,000 for preparation of the RAP Design Plans and implementation of the remedial action. PG&E was granted authority to record the costs August 1, 1991. The authority granted approved expenses associated with remedial activities such as excavation and disposal of contaminated soil and replacement soil.

5. Upon completion of the soil remedial action design plan implemented in the fall of 1991, a temporary cap comprised of chip seal asphaltic surface was placed over the site to seal the site until such time a final permanent site cap design was completed, approved by the DTSC, and installed.

6. After the site cap was installed, ground water quality data were collected and evaluated for the purpose of preparing the Ground Water Remedial Action Design Plan. The plan was submitted to the DTSC for approval in July 1992. The DTSC approved the permanent site cap in September 1992.

REQUEST

1. In this advice letter, PG&E is requesting \$1,250,000 to construct a permanent site cap as follows.

| | |
|--------------|-------------|
| Construction | \$ 975,000 |
| Maintenance | |
| 1993 | \$ 50,000 |
| 1994 | \$ 50,000 |
| 1995 | \$ 50,000 |
| TOTAL | \$1,125,000 |

NOTICE

1. Public notice that PG&E filed Advice Letter 1731-G requesting authority to record \$1,125,000 for expenses associated with the Sacramento MGP site appeared in the California Public Utilities Commission's Daily Calendar.

PROTESTS

1. No protests to Advice Letter 1731-G were received.

DISCUSSION

1. The Commission Compliance and Advisory Division (CACD) has reviewed PG&E's Advice Letter filing 1731-G requesting authorization to record costs associated with the construction

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and maintenance of the former MGP site located in Sacramento, CA. PG&E has met the filing requirements as specified in Decision 88-09-063 which are an order to perform the work by a regulatory agency, a detailed budget, and a workplan. 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 the end of the current year or in this case, 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. PG&E should be authorized to record in a memorandum account up to \$1,125,000 for the construction and maintenance of a permanent site cap at the former MGP site in Sacramento, CA. 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.

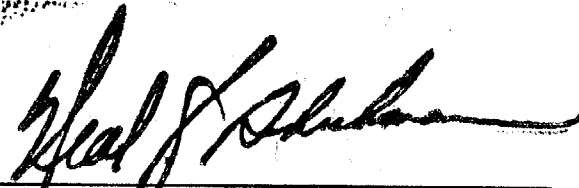
4. All expenses recorded in the account should be subject to reasonableness review and should not be placed into rates until ordered by the Commission.

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THEREFORE, IT IS ORDERED that:

1. Pacific Gas & Electric Company is authorized to record in a memorandum account an amount up to \$1,125,000 for the construction and maintenance of a permanent site cap at the former manufactured gas plant site located in Sacramento, CA.
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 April 21, 1993. The following Commissioners approved it:



Executive Director
NEAL J. SHULMAN

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