

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3078
September 1, 1993

R E S O L U T I O N

RESOLUTION G-3078. PACIFIC GAS AND ELECTRIC COMPANY REQUEST TO RECORD UP TO \$126,084 IN A MEMORANDUM ACCOUNT EXPENSES RELATED TO THE CONDUCT OF SUPPLEMENTAL FIELD STUDIES AT ITS FRESNO-1 FORMER MANUFACTURED GAS PLANT SITE.

BY ADVICE LETTER 1781-G, FILED ON JULY 8, 1993.

SUMMARY

1. Pursuant to Decision (D.) 88-09-020, Pacific Gas and Electric Company (PG&E) 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 \$126,084 to conduct supplemental field studies at PG&E's Fresno-1 former manufactured gas plant site, in Fresno, California.
2. This Resolution approves the request.

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 were 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. Tests, performed in October 1991, revealed

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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 asked Tetra Tech to submit a cost proposal for the preparation of the RWQCB-directed supplemental field studies workplan. The Commission, in Resolution G-3051, approved PG&E's request to record the costs of the workplan [\$19,658] in a memorandum account. Advice Letter 1781-G is the implementation phase of the approved workplan.

7. The RWQCB, in a directive dated June 16, 1993, has ordered PG&E to begin supplemental field studies at the site as soon as possible.

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 [RWQCB].

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

3. The supplemental field studies are the follow-up of the workplan prepared for that purpose and approved by the Commission in Resolution G-3051 dated April 7, 1993, and prior remedial investigations conducted by PG&E.

4. Supplemental field studies include:

- o installation of monitoring wells
- o ground water monitoring
- o ground water sampling
- o collection of discrete soil samples and their analysis for metals and polycyclic aromatic hydrocarbons
- o preparation of a report at the end of the project.

5. PG&E has retained Tetra Tech, Inc., to carry out the project in a competitive bidding process. The total cost estimate of \$126,084 excludes PG&E's own labor and material but includes a 10% contingency expense of \$11,462.

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.

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.

PROTESTS

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

FINDINGS

1. PG&E AL 1781-G is in compliance with D.88-09-020 requirements for Category A hazardous waste projects.

2. Tetra Tech, Inc., is a retained contractor who will conduct supplemental field studies and bill PG&E up to an estimated \$126,084 for the project.

4. PG&E may 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 may not be booked in the memorandum account. The recorded expenses shall 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 shall accrue interest at the rate and manner prescribed in PG&E's Preliminary Statement, Part Z, "Environmental Compliance Mechanism".

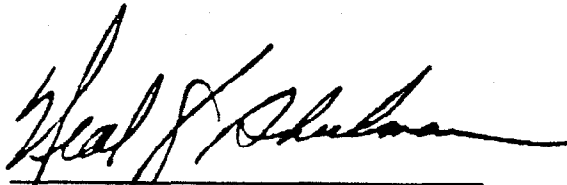
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THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to record in a memorandum account an amount of up to \$126,084 for expenses associated with conducting 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 September 1, 1993. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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