

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3090
December 17, 1993

R E S O L U T I O N

RESOLUTION G-3090. PACIFIC GAS AND ELECTRIC COMPANY REQUEST FOR AUTHORIZATION TO ESTABLISH A MEMORANDUM ACCOUNT FOR CONDUCTING SUPPLEMENTAL FIELD STUDIES AT ITS FORMER MANUFACTURED GAS PLANT IN STOCKTON.

BY ADVICE LETTER 1797-G FILED ON SEPTEMBER 23, 1993

SUMMARY

1. Pacific Gas and Electric Company (PG&E) requests approval to book into a memorandum account up to \$637,740 in costs for conducting groundwater investigation (Phase III), completion of the feasibility study and the remedial action plan at its former manufactured gas plant site in Stockton.
2. This Resolution approves the request.

BACKGROUND

1. On August 18, 1993, The California Department of Toxic Substances Control (DTSC), directed PG&E to perform a Phase III groundwater investigation. Therefore, authorization of further funding is needed to implement the order. The Phase II field work authorized by Commission Resolution G-2990 (Advice Letter 1678-G) has been completed, the interim remedial measures have been implemented and work on the Feasibility Study has begun.
2. The utility requests authorization to book into a memorandum account, in accordance with the guidelines of the gas tariffs Preliminary Statement, Part Z -- Environmental Compliance Mechanism, up to \$637,740 of its costs for implementing the DTSC directive.
3. This filing is a Category A project, i.e., one that has been ordered by a government agency. The utility submitted, as required (1) a copy of the DTSC order and directive letter, (2) Workplan for Phase III supplemental field studies, (3) a detailed project schedule, (4) project budget, and (5) background information.
4. The submitted budget represents the utility's estimate of the costs for conducting the required work, viz., installation

of monitoring wells, soil and groundwater sampling and analysis, and the preparation of a report describing the field work and results, followed by three cycles of quarterly groundwater monitoring and reports. When the studies are completed the feasibility study and remedial action plan for the site will be prepared.

NOTICE

The utility has mailed a copy of this Advice Letter to the utilities and interested parties shown on the service list as required by General Order 96-A, Section III. G.

PROTESTS

No protests to this Advice Letter have been received by the Commission Advisory and Compliance Division (CACD).

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, DTSC in this case.
2. PG&E has submitted the required documentation for Category A projects.
3. The cost estimate for carrying out the required work is \$637,740. This includes conducting the Phase III Groundwater Investigation supplemental field studies at the PG&E's Stockton former manufactured gas plant site and the supplemental work needed to complete the feasibility study and the remedial action plan.
4. 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.

FINDINGS

1. PG&E filing of AL 1797-G is in compliance with D.88-09-020 requirements for Category A hazardous waste projects.
2. The California DTSC has found the Stockton Former manufactured gas plant site hazardous.
3. Maximum estimated cost to PG&E for this project is \$637,740 which consists of conducting the Phase III groundwater investigation supplemental field studies at the PG&E's Stockton former manufactured gas plant site and the supplemental work needed to complete the feasibility Study and the remedial Action Plan.
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

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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".

7. DTSC directed PG&E on May 12, 1993, to perform a Phase III groundwater investigation.

THEREFORE, IT IS ORDERED that:

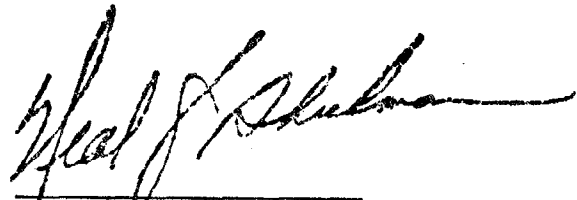
1. Pacific Gas and Electric Company is authorized to record in a memorandum account an amount up to \$637,740, associated with the Phase III groundwater investigation supplemental field studies at its former manufactured gas plant site in Stockton.

2. Pacific Gas and Electric Company is authorized to accrue interest on the amounts booked in the memorandum account as authorized in the Preliminary Statement, Part Z.

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 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