

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3091
November 23, 1993

R E S O L U T I O N

RESOLUTION G-3091. SOUTHERN CALIFORNIA GAS COMPANY
REQUEST TO RECORD UP TO \$342,032 IN A MEMORANDUM ACCOUNT
FOR EXPENSES ASSOCIATED WITH HAZARDOUS SUBSTANCE CLEANUP
AT ITS ORANGE TOWNE GAS SITE IN ORANGE, CALIFORNIA.

BY ADVICE LETTER 2216 FILED ON SEPTEMBER 27, 1993.

SUMMARY

1. Pursuant to Decision (D.) 88-07-059, as amended by D.90-01-016, Southern California Gas Company (SoCalGas) requests approval to record in a memorandum account up to \$342,032 in hazardous waste cleanup costs of the Orange Towne Gas site in Orange, California.
2. This Resolution approves the request because SoCalGas is the current owner of the site.

BACKGROUND

1. The 0.25-acre site is located on the east side of Pixley Street, between Chapman and Almond Avenues. It was used to manufacture gas by cracking crude oil from about 1905 to 1911. Lampblack was the primary byproduct of the manufacturing process. The site is owned and operated by SoCalGas which uses it as a natural gas meter and regulating station.
2. On February 27, 1991, the California Environmental Protection Agency's Department of Toxic Substance Control (DTSC) issued a directive to SoCalGas to proceed with a Preliminary Endangerment Assessment (PEA) on the site to determine the nature and extent of contamination as a result of former gas operations. In accordance with this directive, SoCalGas submitted a PEA on March 15, 1993. The DTSC further directed SoCalGas to present a Removal Action Workplan which the company submitted on August 19, 1993.
3. The directive requires SoCalGas to establish a schedule for remediating the release of hazardous substances and correcting the conditions that threaten their further release [Section 25355.5 (a)(1)(B) of the California Health and Safety Code (CHSC)].

4. SoCalGas has filed this advice letter pursuant to Ordering Paragraph 2.B. of D.88-07-059. Ordering Paragraph 2.B contains the requirements for requesting memorandum account treatment of hazardous waste sites that are owned by SoCalGas, but unordered by any governmental agency.

NOTICE

1. SoCalGas served notice of the filing of Advice Letter (AL) 2216 by mailing copies of it 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 for AL 2216.

DISCUSSION

1. This filing is made under the authority of D.88-07-059, as amended by D.90-01-016, and satisfies the requirements for such demands as site description, history of ownership, actions taken by the agencies to date, pertinent correspondence, an implementation workplan, a budget, and a detailed schedule of operations.

2. SoCalGas is a responsible party under the CHSC chapter 6.8 because it owns the property containing hazardous substances associated with gas manufacturing activities. As a responsible party, SoCalGas is liable for costs of cleaning up the site [CHSC sections 25323.5, 25360]. SoCalGas is also a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. sections 9601 et seq., (a.k.a. Superfund). Both statutes impose strict liability for cleanup costs on owners of contaminated property.

3. The major by-products of gas manufacturing process on the site (tar, lampblack, lightoil) include substances designated as carcinogens in Section 25316 of the CHSC. A health hazard may exist if employees are exposed to these substances during maintenance activities.

4. The engineering firm of Aman Environmental Construction, Inc. was selected as the general contractor based on the lowest qualified bid, responsible for the on-site remediation work. The engineering firm of Tetra Tech was selected for construction management and laboratory sampling. The latter will perform the field engineering and sampling analysis, and prepare the closure report for submittal to DTSC.

5. SoCalGas 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.

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6. The memorandum account balance shall accrue interest at the rate and manner prescribed in Section Part VI, Section C of SoCalGas' Preliminary Statement.

FINDINGS

1. SoCalGas filing of AL 2216-G is in compliance with D.88-07-059 requirements for Category B hazardous waste projects.

2. The State of California has found the Orange Towne Gas site to be hazardous.

3. SoCalGas's estimated cost of the remedial action for the cleanup of Orange site is \$342,032.

4. SoCalGas shall claim in rates only the net amount that it finally has to spend for the project, with interest, after the effective date of this Resolution, and only after a reasonableness review by the Commission has authorized the recovery.

THEREFORE, IT IS ORDERED that:

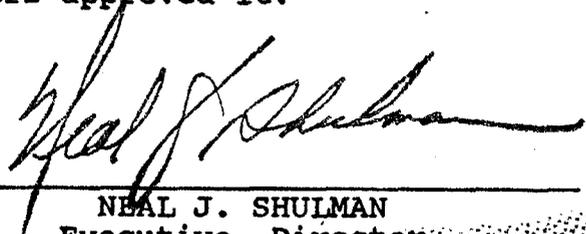
1. Southern California Gas Company is authorized to record in a memorandum account up to \$342,032 for expenses related to remedial action at the Orange Towne Gas site.

2. Southern California Gas Company is authorized to accrue interest under the terms and conditions shown in Part VI, Section C of its Preliminary Statement.

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 November 23, 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