

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



November 18, 2004

Advice Letter 2584-G|2575-E

Ms Rose de la Torre  
Pacific Gas and Electric Company  
77 Beale Street, Room 1088  
Mail Code B10C  
San Francisco, CA 94105

Subject: Addition of Three New Sites to Hazardous Substance Mechanism

Dear Ms de la Torre:

Advice Letter 2584-G|2575-E is effective December 8, 2004. A copy of the advice letter is sent herewith for your records.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clavin".

Director  
Energy Division



**Brian K. Cherry**  
Director  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

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October 29, 2004

**Advice 2584-G/2575-E  
(Pacific Gas and Electric Company ID U 39 M)**

Public Utilities Commission of the State of California

**Subject: Adds Three New Sites to Hazardous Substance Mechanism**

**Purpose:**

Pacific Gas & Electric Company (PG&E) hereby requests Commission approval to include three additional sites in the Hazardous Substance Cost Recovery Account as referenced within gas and electric Preliminary Statements Part AN and Part S *Hazardous Substance Mechanism*, in compliance with Decision (D.) 94-05-020. A description of each site is set forth in Attachment I to this filing. The sites are as follows:

Site:

<u>Site Name</u>	<u>Location</u>
Davis Service Center	Davis, California
Genentech Campus	South San Francisco, California
Oakland GC Yard	Oakland, California

**Background**

Decision 94-05-020 requires California utilities to file an advice letter in order to include additional sites as part of the Hazardous Substance Mechanism. For each site the advice letter shall list: 1) the name of the site(s); 2) the location of the site(s); 3) the source, nature and approximate date of the contamination; 4) utility operations (historical and current) at the site(s), if any; and 5) environmental agency actions and oversight regarding the site(s), if any.

In addition, Decision 96-07-016 requires utilities to demonstrate that: 1) clean-up costs for which recovery is being sought are not being recovered through base

rates or through any other recovery procedure, and 2) all of the costs for which recovery is being sought are hazardous waste clean-up costs (including insurance costs) found appropriate for recovery in the Collaborative Report.

In accordance with Decision 94-05-020, this advice letter shall be treated as a compliance filing under General Order 96-A for Commission approval within 40 days after the filing, **December 8, 2004**, if no protest letters are received. If protests are received, the Commission will either issue a resolution, or require the utility to file an application seeking inclusion of specified costs in the Hazardous Substance Mechanism.

### Protests

Anyone wishing to protest this filing may do so by sending a letter by **November 18, 2004**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief – Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov)

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company  
Attention: Brian K. Cherry  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-7226  
E-mail: [RxDd@pge.com](mailto:RxDd@pge.com)

### Effective Date

PG&E requests that this advice filing become effective on regular notice, **December 8, 2004**, which is 40 days after the date of filing.

**Notice**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Rose De La Torre ([RxDd@gpe.com](mailto:RxDd@gpe.com)) at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs/>

*Brian H. Chernoff*  
Director - Regulatory Relations

Attachments

**Site Name:** Davis Service Center

**Location:** 316 L Street  
Davis, California

**Source, Nature and Approximate Date of Contamination:** No investigative studies have been performed to date and Company records indicate no evidence of spills occurring at the facility. Since most of the site was not paved during the many years of its operations, it is possible that materials used for these operations may exist in soil at the site.

A large fuel spill occurred upgradient of the site in the mid 1980s, when 35,000 gallons of gasoline was reported to have leaked into the ground from the Gas-N-Save. The cleanup of the plume included installation of groundwater monitoring wells and soil vapor extraction wells throughout the Gas-N-Save project area and on the Davis Service Center. However, investigative work abruptly ended in 1996 when the owners ran out of money. PG&E closed the wells in 1998.

**Utility Operations at the Site:** PG&E has owned and operated a service center on the 27-acre property since 1923. The Davis Service Center operations include automotive repair and maintenance, storage of utility and construction materials, and painting. Large quantities of materials for equipment maintenance and fueling are stored and used at the facility. Other former facility operations include gas pipe wrapping, sandblasting and open pit incineration.

**Environmental Agency Actions:** None at present. Historically, the local fire department and Yolo County have overseen the removal and replacement of waste oil and fuel storage tanks. No leaks or issues were reported.

**Nature of Costs:** The Davis Service Center costs for which PG&E is seeking HSM recovery are not being recovered in base rates or through any other recovery procedure. All cleanup costs to be recorded by PG&E in the HSM memorandum accounts will be hazardous waste cleanup costs found appropriate for recovery in the Hazardous Substance Cleanup Cost Recovery Collaborative Report.

**Site Name:** Genentech Campus  
**Location:** 1111 Grandview  
South San Francisco, California

**Source, Nature, and Approximate Date of Contamination:**

Genentech purchased an office park at 1111 Grandview in early 2004 with the intent of establishing a campus for their operations. Soil samples taken as part of the acquisition disclosed low levels of polychlorinated biphenyls (PCBs) in the general area of three pad-mounted transformers serving office buildings at the site. In June 2004, PG&E received a demand from Genentech to remediate the PCB-contaminated soil that they allege resulted from releases from the transformers. Genentech alleges that the releases occurred over the years from the time the transformers were originally installed in 1973.

PG&E has no records of failure with regard to any of the three transformers. However, given the time of installation, it is probable that they are filled with insulating oil containing some level of PCBs.

**Utility Operations at the Site:** The three transformers at issue were originally installed by PG&E in a public utility easement to serve the office park at 1111 Grandview, South San Francisco when it was developed in 1973.

**Environmental Agency Actions:** None to date.

**Nature of Costs:** The costs of responding to this claim for which PG&E is seeking HSM recovery are not being recovered in base rates or through any other recovery procedure. All defense costs and cleanup costs to be recorded by PG&E in the HSM memorandum accounts will be hazardous waste cleanup costs found appropriate for recovery in the Hazardous Substance Cleanup Cost Recovery Collaborative Report.

**Site Name:** Oakland GC Yard

**Location:** 4930 Coliseum Way  
Oakland, California

**Source, Nature, and Approximate Date of Contamination:** In 2001, chlorinated volatile organics began to be detected in groundwater samples from monitoring wells installed following underground tank removals in the late 1980s. The chlorinated solvents are surmised to be from an offsite source due to the location of the wells at the upgradient edge of the property.

The historical use of the surrounding area has been industrial since the 1870s. Recent use of adjacent property included a junkyard and metal shop. During a site visit in 2003, odor and visual contamination was observed in the footings of a new building being constructed on the adjacent property.

**Utility Operations at the Site:** The 4930 Coliseum Way property in Oakland was used by PG&E for gas storage and compression following construction of a compressor station and gas holder in 1926-27. The gas holder was removed in 1990. The site has been used as a yard for storing and distributing materials and equipment for gas and electric operations work crews since at least the 1960s.

**Environmental Agency Actions:** The Alameda County Department of Environmental Health (County) began overseeing remedial activities at the site in 1988 with the removal of underground storage tanks and soil remediation in the tank area in 1991. In 1992, a mitigation cap was constructed to enclose soils containing lead in the former gas holder location. Cap maintenance and semi-annual groundwater monitoring continue to be performed in conjunction with the underground tank removals and cap. PG&E believes the monitoring for the tank removals would no longer be required but for the groundwater contamination from third party sources that appears to be migrating onto the site.

In its 1992 tank closure report, PG&E had concluded that offsite sources of petroleum hydrocarbons existed and requested that the County take action to initiate investigation of these potential sources. PG&E is unaware of any actions taken by the County to date.

**Nature of Costs:** The Oakland GC Yard costs for which PG&E is seeking HSM recovery are not being recovered in base rates or through any other recovery procedure. All cleanup costs to be recorded by PG&E in the HSM memorandum accounts will be hazardous waste cleanup costs found appropriate for recovery in the Hazardous Substance Cleanup Cost Recovery Collaborative Report.

**PG&E Gas and Electric Advice  
Filing List  
General Order 96-A, Section III(G)**

ABAG Power Pool  
Accent Energy  
Aglet Consumer Alliance  
Agnews Developmental Center  
Ahmed, Ali  
Alcantar & Elsesser  
Anderson Donovan & Poole P.C.  
Applied Power Technologies  
APS Energy Services Co Inc  
Arter & Hadden LLP  
Avista Corp  
Barkovich & Yap, Inc.  
BART  
Bartle Wells Associates  
Blue Ridge Gas  
Bohannon Development Co  
BP Energy Company  
Braun & Associates  
C & H Sugar Co.  
CA Bldg Industry Association  
CA Cotton Ginners & Growers Assoc.  
CA League of Food Processors  
CA Water Service Group  
California Energy Commission  
California Farm Bureau Federation  
California Gas Acquisition Svcs  
California ISO  
Calpine  
Calpine Corp  
Calpine Gilroy Cogen  
Cambridge Energy Research Assoc  
Cameron McKenna  
Cardinal Cogen  
Cellnet Data Systems  
Chevron Texaco  
Chevron USA Production Co.  
Childress, David A.  
City of Glendale  
City of Healdsburg  
City of Palo Alto  
City of Redding  
CLECA Law Office  
Constellation New Energy  
Cooperative Community Energy  
CPUC  
Creative Technology  
Cross Border Inc  
Crossborder Inc  
CSC Energy Services  
Davis, Wright Tremaine LLP  
Davis, Wright, Tremaine, LLP  
Defense Fuel Support Center  
Department of the Army

Department of Water & Power City  
Dept of the Air Force  
DGS Natural Gas Services  
DMM Customer Services  
Douglass & Liddell  
Downey, Brand, Seymour & Rohwer  
Duke Energy  
Duke Energy North America  
Duncan, Virgil E.  
Dutcher, John  
Dynegy Inc.  
Ellison Schneider  
Energy Law Group LLP  
Energy Management Services, LLC  
Enron Energy Services  
Exelon Energy Ohio, Inc  
Exeter Associates  
Foster Farms  
Foster, Wheeler, Martinez  
Franciscan Mobilehome  
Future Resources Associates, Inc  
G. A. Krause & Assoc  
Gas Transmission Northwest Corporation  
GLJ Energy Publications  
Goodin, MacBride, Squeri, Schlotz &  
Hanna & Morton  
Heeg, Peggy A.  
Hogan Manufacturing, Inc  
House, Lon  
Imperial Irrigation District  
Integrated Utility Consulting Group  
International Power Technology  
Interstate Gas Services, Inc.  
J. R. Wood, Inc  
JTM, Inc  
Kaiser Cement Corp  
Korea Elec Power Corp  
Luce, Forward, Hamilton & Scripps  
Marcus, David  
Masonite Corporation  
Matthew V. Brady & Associates  
Maynor, Donald H.  
McKenzie & Assoc  
McKenzie & Associates  
Meek, Daniel W.  
Mirant California, LLC  
Modesto Irrigation Dist  
Morrison & Foerster  
Morse Richard Weisenmiller & Assoc.  
Navigant Consulting  
New United Motor Mfg, Inc  
Norris & Wong Associates  
North Coast Solar Resources

Northern California Power Agency  
Office of Energy Assessments  
Palo Alto Muni Utilities  
PG&E National Energy Group  
Pinnacle CNG Company  
PITCO  
Plurimi, Inc.  
PPL EnergyPlus, LLC  
Price, Roy  
Product Development Dept  
R. M. Hairston & Company  
R. W. Beck & Associates  
Recon Research  
Regional Cogeneration Service  
RMC Lonestar  
Sacramento Municipal Utility District  
SCD Energy Solutions  
Seattle City Light  
Sempra  
Sempra Energy  
Sequoia Union HS Dist  
SESCO  
Sierra Pacific Power Company  
Silicon Valley Power  
Simpson Paper Company  
Smurfit Stone Container Corp  
Southern California Edison  
SPURR  
St. Paul Assoc  
Stanford University  
Sutherland, Asbill & Brennan  
Tabors Caramanis & Associates  
Tansev and Associates  
Tecogen, Inc  
TFS Energy  
TJ Cross Engineers  
Transwestern Pipeline Co  
Turlock Irrigation District  
U S Borax, Inc  
United Cogen Inc.  
URM Groups  
Utility Cost Management LLC  
Utility Resource Network  
Wellhead Electric Company  
Western Hub Properties, LLC  
White & Case  
WMA