

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 17, 2007

Advice Letter 2796-G/2960-E

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

Subject: Add Five New Sites to Hazardous Substance Mechanism

Dear Ms. de la Torre:

Advice Letter 2796-G/2960-E is effective January 26, 2007. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R Dela Torre	S Ramaiya
B Lam	
JAN 19 2007	
_____ Records _____	
Return to _____	File _____
cc to _____	



Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Internet: BKC7@pge.com

December 27, 2006

Advice 2796-G/2960-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Add Five New Sites to Hazardous Substance Mechanism

Purpose:

Pacific Gas & Electric Company (PG&E) hereby requests Commission approval to include five 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:

<u>Site Name</u>	<u>Location</u>
French Camp Gas GC Yard	French Camp, California
Martin Service Center	Daly City, California
Old Sonora Service Center	Sonora, California
Red Bluff Service Center	Red Bluff, California
Santa Rosa Service Center (UST)	Santa Rosa, California

Background

D. 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, D. 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.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **January 16, 2007**, 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:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Honesto Gatchalian, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company 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
Vice President, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226

E-mail: PG&ETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective on **January 26, 2007**, which is 30 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 (415) 973-4716. Advice letter filings can also be accessed electronically at:

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

A handwritten signature in black ink, appearing to read "Rose De La Torre". The signature is written in a cursive, somewhat stylized font.

Vice President - Regulatory Relations

Attachment 1 – Site Descriptions

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. Pacific Gas and Electric Company U39M

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: David Poster

Phone #: (415) 973-1082

E-mail: dxpu@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2796-G/2960-E

Subject of AL: Add Ten Five Sites to Hazardous Substance Mechanism

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.94-05-020, D.96-07-016

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Resolution Required? Yes No

Requested effective date: **01-26-2007**

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets:

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Utility Info (including e-mail)

Pacific Gas and Electric Company

Attn: Brian Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail code B10C

P.O. Box 770000

San Francisco, CA 94177

Facsimile: (415) 973-7226

E-mail: PG&ETariffs@pge.com

Attachment 1 – Site Descriptions

PG&E Advice 2796-G/2960-E

Site Name: French Camp Gas GC (General Construction) Yard

Location: 401 French Camp Road
French Camp, CA

Source, Nature, and Approximate Date of Contamination: Results of a limited subsurface investigation of the Gas GC Yard in June 2006 identified petroleum hydrocarbons in shallow soil from two areas where fuels had been stored and dispensed. The areas included the location of a con-vault removed in 1995 that had held two aboveground fuel tanks, and the location of steel aboveground storage tanks in service prior to the con-vault. The full extent of petroleum hydrocarbons has not yet been determined, as the investigation was limited by a hard pan encountered at 3 feet below soil grade.

Utility Operations at the Site: From the 1950's until late 2005, PG&E gas construction crews mobilized from the yard for routine construction and for emergency response. The facility was used for storage of gas supply and transmission equipment and vehicle maintenance. Prior to purchasing the site in 1991, PG&E leased the property for its operations.

Environmental Agency Actions: A report that discusses the finding of the 2006 investigation was submitted to San Joaquin County Environmental Health Department (SJCEHD).

Nature of Costs: The French Camp GC Gas 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.

Site Name: Martin Service Center

Location: 731 Schwerin Street
Daly City, California

Source, Nature, and Approximate Date of Contamination: Residual petroleum hydrocarbons are present in soil and groundwater at the Martin Service Center from former underground storage tanks (USTs). The soil contamination was found in 1988 during the removal of three original USTs. Additional removal of contaminated soil and groundwater occurred during the 2004 removal of the replacement USTs. A network of groundwater monitoring wells, including one extraction well, was installed in 1989, and groundwater has been monitored since that time. Approximately 44 gallons of gasoline/diesel product was removed from the extraction well between 1989 and 2003. MTBE in groundwater was first detected in 1996. As required by the regulatory oversight agency, PG&E is performing semi-annual groundwater monitoring.

Utility Operations at the Site: The Martin Service Center has been in operation since 1981. The facility contains offices but is primarily used for warehousing supplies, parking and fueling vehicles, temporarily storing equipment, and as a distribution substation. The site was a Manufactured Gas Plant between 1905 and 1916, and in the process of producing gas, the plant generated hydrocarbon residues of lampblack and oil tars, some of which has been found in site soils.

Environmental Agency Actions: The Regional Water Quality Control Board (RWQCB), San Francisco Bay Region has overseen the various soil and groundwater investigations conducted since 1988 at the Martin Service Center. Currently the RWQCB requires semi-annual groundwater monitoring in the vicinity of the former tanks.

Nature of Costs: The Martin 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: Old Sonora Service Center

Location: 326 North Washington Street
Sonora, California

Source, Nature, and Approximate Date of Contamination: As required by the regulatory oversight agency, PG&E is performing semi-annual groundwater monitoring to monitor for natural attenuation (biodegradation) of petroleum hydrocarbons released from a former gasoline underground storage tank (UST) at the Old Sonora Service Center. Dissolved petroleum hydrocarbons and MTBE have been detected in groundwater from monitoring well locations both on- and off-site. The primary source of the contamination at the site is the release from PG&E's former UST prior to its removal in 1988. However, documented releases of diesel, gasoline, and MTBE from nearby fuel USTs owned by third parties may have contributed to the contamination at and in the vicinity of the site.

Utility Operations at the Site: The Old Sonora Service Center site was a PG&E service center from the early 1920s until 1998 when the property was sold to the City of Sonora with a deed restriction on future groundwater use and soil excavation. The City uses the property as a corporation yard. During its operation, the service center provided electric and gas service for customers, and stored equipment, materials, and fleet vehicles.

Environmental Agency Actions: The Central Valley Regional Water Quality Control Board (RWQCB) is the lead agency for remediation and groundwater monitoring of the site. At the RWQCB's request, PG&E installed an on-site groundwater extraction and treatment system in 1993. The operation of the system was discontinued in 2001 and the RWQCB requested a remedial strategy for residual hydrocarbons in groundwater. The agency concurred with PG&E's proposal to perform monitored natural attenuation, which consists of monitoring the natural biodegradation of hydrocarbons in groundwater.

Nature of Costs: The Old Sonora 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: Red Bluff Service Center

Location: 515 Luther Road
Red Bluff, California

Source, Nature, and Approximate Date of Contamination: Residual petroleum hydrocarbon compounds and MTBE are present in soil and groundwater at the Red Bluff Service Center. Soil and groundwater samples were collected in the immediate vicinity of the former tanks. The contamination was found during the removal of a waste oil underground storage tank (UST) and a combination gasoline/diesel UST in November 2003. The tanks were installed in 1987.

Utility Operations at the Site: PG&E operates the Red Bluff Service Center to provide customer service and as a key operational center for Electric and Gas Distribution. The service center includes office space, warehouses, equipment lay-down areas, and service garages for fleet vehicles.

Environmental Agency Actions: No agencies have required any follow-up investigations or remedial actions at this time.

Nature of Costs: The Red Bluff 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: Santa Rosa Service Center (UST)

Location: 3965 Occidental Road
Santa Rosa, California

Source, Nature, and Approximate Date of Contamination: As required by the regulatory oversight agency, PG&E is performing annual groundwater monitoring for petroleum hydrocarbons compounds and MTBE from historical releases from former underground storage tanks (USTs) at the Santa Rosa Service Center. Contamination was found in soil and groundwater in 1994 during the removal of the three USTs and previously during the removal of four USTs in 1987. MTBE was first detected in groundwater in 2001. Residual petroleum hydrocarbons remain in soil and groundwater despite considerable removal of contaminated soil and groundwater.

Utility Operations at the Site: The Santa Rosa Service Center was constructed in 1969 and is used for storing and distributing materials and equipment for gas and electric operations work crews, as well as maintenance of PG&E vehicles.

Environmental Agency Actions: The North Coast Regional Water Quality Control Board (RWQCB) is the primary oversight agency for the soil and groundwater investigations and remediation performed at the site. Presently, the RWQCB requires PG&E to perform annual groundwater monitoring and reporting.

Nature of Costs: The Santa Rosa 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.

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

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Kahl	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Stanford University
California ISO	International Power Technology	Sutherland, Asbill & Brennan
Calpine	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Calpine Corp	IUCG/Sunshine Design LLC	Tecogen, Inc
Calpine Gilroy Cogen	J. R. Wood, Inc	TFS Energy
Cambridge Energy Research Assoc	JTM, Inc	Transcanada
Cameron McKenna	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
Cardinal Cogen	Manatt, Phelps & Phillips	U S Borax, Inc
Cellnet Data Systems	Marcus, David	United Cogen Inc.
Chevron Texaco	Matthew V. Brady & Associates	URM Groups
Chevron USA Production Co.	Maynor, Donald H.	Utility Cost Management LLC
City of Glendale	MBMC, Inc.	Utility Resource Network
City of Healdsburg	McKenzie & Assoc	Wellhead Electric Company
City of Palo Alto	McKenzie & Associates	Western Hub Properties, LLC
City of Redding	Meek, Daniel W.	White & Case
CLECA Law Office	Mirant California, LLC	WMA
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	