

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 3, 2007

Advice Letter 2887-G/3157-E

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: Add Three New Sites to Hazardous Substance Mechanism

Dear Mr. Cherry:

Advice Letter 2887-G/3157-E is effective December 20, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



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

Fax: 415.973.7226

November 20, 2007

Advice 2887-G/3157-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Add 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:

<u>Site Name</u>	<u>Location</u>
Buckeye Creek Pressure Limiting Station	Yolo County, California
Former Richmond Substation S	Richmond, California
Jackson Service Center	Jackson, 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 **December 10, 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 inj@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 **December 20, 2007**, which is 30 days after the date of filing. This Advice Letter is submitted as a Tier 2 filing.

Notice

In accordance with General Order 96-B, Section IV, 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. Approval letters should be sent to PG&E Tariffs at PG&ETariffs@pge.com. Advice letter filings can also be accessed electronically at:

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

A handwritten signature in black ink, appearing to read "Brent K. Anglin". The signature is written in a cursive style with a long horizontal stroke at the end.

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 (ID U39 M)**

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) #: **2887-G/3157-E**

Tier: **[2]**

Subject of AL: Add Three New Sites to Hazardous Substance Mechanism

Keywords (choose from CPUC listing): HSM

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.95-05-020

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Resolution Required? Yes No

Requested effective date: **12/20/2007**

No. of tariff sheets: N/A

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, dispositions, 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

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

Site Name: Buckeye Creek Pressure Limiting Station

Location: 5.3 miles west of Dunnigan
Yolo County, California

Source, Nature, and Approximate Date of Contamination: Buckeye Creek Pressure Limiting Station is a gas transmission facility that has operated since 1961 when PG&E installed the Line 400 gas line from Canada. The station contains numerous valves that control the flow of gas along this main gas supply line. Some of the valves at the site are operated with a hydraulic fluid that is stored in tanks attached to the valve bodies. The oil in these tanks has on past occasions leaked due to tubing failures or other malfunctions. Clean-up of a minor oil release that occurred on June 12, 2007 was initiated in July. This limited clean-up revealed a larger release from past operations that expanded the scope of the remediation at this valve. The date and extent of the historic release are unknown.

Utility Operations at the Site: Since its construction in 1961, the Buckeye Creek Pressure Limiting Station has provided continuous gas regulation services to PG&E's backbone gas transmission system.

Environmental Agency Actions: PG&E notified the Yolo County Health Department and the California State Office of Emergency Services of the release and is keeping both agencies apprised of the remedial efforts that are ongoing at the site.

Nature of Costs: The Buckeye Creek Pressure Limiting Station clean-up 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: Former Richmond Substation S

Location: 130 Nevin Avenue
Richmond, California

Source, Nature, and Approximate Date of Contamination: PG&E operated the Richmond Substation S at 130 Nevin Avenue from 1927 to 1984. Through multiple property sales from 1957 through 1963, PG&E sold off all but a small, 50 by 50 foot portion of the property for housing a pad-mounted electrical transformer. The transformer was removed in 1984 and the retained lot has been vacant since then.

Substation operation included use of mineral oil containing dielectric fluid. Minor oil leakage from substation equipment may have occurred. Weed control was performed using arsenical herbicides, a common weed abatement method at the time.

From 1974 to present, Electro Forming Co. has operated an electroplating shop in the former substation building. During this period there were numerous documented releases of plating chemicals, notices of violation, and complaints regarding that facility. Early in 2007 during a site visit, Cal-EPA's Department of Toxic Substances Control (DTSC) and PG&E observed that Electro Forming Inc. had taken over PG&E's lot by removing gate locks and a fence and installing an office trailer, shed, and equipment on the lot.

Utility Operations at the Site: PG&E provided power to Richmond residents in this area from the electric distribution substation and transformer equipment formerly located at the site from 1927 through 1984.

Environmental Agency Actions: On June 11, 2007 DTSC gave notice of their intent to issue an Order of Imminent and Substantial Endangerment (ISE) Determination to PG&E and Electro Forming Inc. for the site, specifically addressing impacted soils. The parties met with DTSC on June 26, 2007 to coordinate the next steps to comply with the Order. PG&E now plans to enter a Voluntary Clean-up Agreement (VCA) with DTSC rather than staying within the ISE order with Electro Forming Co. Under the VCA, PG&E would perform a Preliminary Endangerment Assessment for the entire property once owned and would perform soil sampling on its retained parcel to determine appropriate remedial measures.

Nature of Costs: The Former Richmond Substation S clean-up 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: Jackson Service Center

Location: 1630 Jackson Gate Road
Jackson, California

Source, Nature, and Approximate Date of Contamination: In May 2007 during construction of a handicap ramp at the Jackson Service Center, a previously unknown cesspool with standing water was discovered southeast of the service center building.

The standing water was pumped out of the cesspool until a sheen on the water and a hydrocarbon odor were noticed, at which point an environmental investigation was initiated. Analytical results from the investigation found that volatile organic compounds, metals, and petroleum hydrocarbons were present in soil and groundwater in and around the cesspool. Following the investigation, remedial activities were performed to remove the affected soil and groundwater from the cesspool area.

The brick-lined cesspool was approximately 14 feet deep by 5 feet in diameter, with an unlined bottom. It was determined that the cesspool dates to at least the 1950s. A physical investigation of the facility found that a sink located in the service center garage drains to the cesspool.

Utility Operations at the Site: The site is an active service center and serves as a base for PG&E crews in their performance of gas and electric operations. PG&E has been conducting operations at the site since the 1950s.

Environmental Agency Actions: The investigation and remedial activities were performed under the oversight of Amador County Environmental Health (ACEH). A report of the results was submitted to both the ACEH and the California Regional Water Quality Control Board. ACEH subsequently stated in a letter to PG&E that, since shallow groundwater has been impacted, oversight of future remedial activities is being referred to the California Regional Water Quality Control Board.

Nature of Costs: The Jackson Service Center clean-up 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-B, Section IV**

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	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
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	