

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



June 25, 2004

Advice Letter 2545-G|2509-E

Ms Anita Smith, Rate Analyst  
Pacific Gas and Electric Company  
77 Beale Street, 10B Mail Code  
San Francisco, CA 94177

Subject: Addition of Three New Sites to Hazardous Substance Mechanism

Dear Ms Smith:

Advice Letter 2545-G|2509-E is effective June 27, 2004. A copy of the advice letter is sent herewith for your records.

Sincerely,

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

Director  
Energy Division



**Karen A. Tomcala**  
Vice President  
Regulatory Relations

77 Beale Street, Room 1065  
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May 18, 2004

**Advice 2545-G/2509-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:

Sites:

<u>Site Name</u>	<u>Location</u>
Antioch Gas Terminal	Antioch, California
California State University, Chico, UST	Chico, California
Mariposa Service Center	Mariposa, 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, **June 27, 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 **June 7, 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, **June 27, 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 Sharon K. Tatai at (415) 973-2788. Advice letter filings can also be accessed electronically at:

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

*Karen D. Demcalo*  
Vice President - Regulatory Relations

Attachments

**Site Name:** Antioch Gas Terminal

**Location:** 5900 Bridgehead Road  
Antioch, California

**Source, Nature, and Approximate Date of Contamination:** In November 2003, crews removing an 8,000-gallon natural gas condensate tank and associated piping during a capital retirement project witnessed holes in the piping located beneath the tank's concrete pad. Further investigation as these pipes were removed indicated that some of the condensate that traveled in these pipes to the tank had discharged into the soil.

**Utility Operations at the Site:** The Antioch Gas Terminal has functioned as a center for natural gas transmission since its construction in the 1950s. Gas collected from the Delta area gas fields through the terminal was processed and redistributed to industrial customers. Throughout its history, the site has been a location for the collection and handling of liquids that gather in the gas transmission lines located within the area. Since PG&E is no longer in the business of gathering wet gas, obsolete equipment is being removed.

**Environmental Agency Actions:** None to date. Agency oversight of remedial efforts will be requested of the Contra Costa County Department of Environmental Health.

**Nature of Costs:** The Antioch Gas Terminal 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:** California State University Chico UST

**Location:** 950 West First St.  
Chico, California

**Source, Nature, and Approximate Date of Contamination:** In October 2003, California State University at Chico (Cal State Chico) contacted PG&E about an underground storage tank containing oil, uncovered at their utility yard at this location when installing underground communication lines. Cal State Chico believes the tank was installed by PG&E.

**Utility Operations at the Site:** From 1926 until 1965, PG&E operated a service center for its gas and electric crews at the site. A gasholder was located adjacent to the center. The site was purchased by Cal State Chico in 1965.

**Environmental Agency Actions:** We are not aware of any agency involvement in this matter at this time.

**Nature of Costs:** The Cal State Chico UST 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:** Mariposa Service Center

**Location:** Jones Street at Bullion Street  
Mariposa, California

**Source, nature and approximate date of contamination:** In 1991, an irrigation water supply well located one-quarter mile downgradient of the Mariposa Service Center was sampled, as the well was being considered for use as a municipal water supply well. The well was found to contain perchloroethylene (PCE) and trichloroethylene (TCE), common solvents. The California Regional Water Quality Control Board (RWQCB), Central Valley Region, re-sampled the well in 2003 and is now attempting to identify the source of the groundwater contamination.

**Utility Operations Pertaining to the Site:** PG&E has operated the Mariposa Service Center at this location since 1953. The Service Center includes a customer service office, and PG&E maintenance crews stage their work from the center. Other facility uses include temporary storage of electrical equipment and other equipment, and maintenance and fueling of fleet vehicles.

**Environmental Agency Actions:** In January 2004, the RWQCB requested permission from PG&E to collect a groundwater sample from a water supply well situated outside the perimeter fence to the Mariposa Service Center. PG&E found the well pump to be inoperable. The well would need to be redeveloped to obtain a water sample representative of current groundwater conditions. The RWQCB is asserting that a dry cleaner/laundry was located on the property prior to PG&E's ownership. Research of its historic records by PG&E did not confirm this use of the property nor establish its ownership of the water well.

**Nature of Costs:** Costs for the Mariposa Service Center for which PG&E is seeking recovery are not being recovered in base rates or through any other recovery procedure. Any and all cleanup costs to be recorded by the Company 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  
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  
Downey, Brand, Seymour & Rohwer  
Duke Energy  
Duke Energy North America  
Duncan, Virgil E.  
Dutcher, John  
Dynergy Inc.  
Ellison Schneider  
Energy Law Group LLP  
Enron Energy Services  
Exelon Energy Ohio, Inc  
Exeter Associates  
Foster Farms  
Foster, Wheeler, Martinez  
Franciscan Mobilehome  
Future Resources Associates, Inc  
G. A. Krause & Assoc  
GLJ Energy Publications  
Goodin, MacBride, Squeri, Schlotz &  
Grueneich Resource Advocates  
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  
Provost Pritchard  
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