

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 9, 2008

**Advice Letter 2974-G/3370-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 Two New Sites to Hazardous Substance Mechanism**

Dear Mr. Cherry:

Advice Letter 2974-G/3370-E is effective December 31, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Lewis".

Kenneth Lewis, Acting 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

December 1, 2008

**Advice 2974-G/3370-E**  
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Add Two New Sites to Hazardous Substance Mechanism**

**Purpose:**

Pacific Gas & Electric Company (PG&E) hereby requests Commission approval to include two 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>
Diablo Canyon Power Plant Shooting Range	Avila Beach, California
Stone Substation	San Jose, 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 22, 2007**, which is 21 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, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov) and [inj@cpuc.ca.gov](mailto: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](mailto:PG&ETariffs@pge.com)

**Effective Date**

PG&E requests that this advice filing become effective on **December 31, 2008**, 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](mailto: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 "Ben K. Angler". The signature is written in a cursive style with a long horizontal stroke at the beginning.

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) #: **2974-G/3370-E**

Tier: **[2]**

Subject of AL: Add Two 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 AL<sup>1</sup>: \_\_\_\_\_

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: **12/31/2008**

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 proposed<sup>1</sup>: 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**

**[jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto: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](mailto:PGETariffs@pge.com)**

**Site Name:** Diablo Canyon Power Plant Shooting Range

**Location:** Avila Beach, California

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

The Diablo Canyon Power Plant shooting range has been in operation since the early 1980's, and remains an active facility providing required support for security force training. The accumulation of metal fragments, particularly lead, in soil from overshot of mechanical backstops has been a gradual process extending from early operations to the present time.

**Utility Operations at the Site:**

The Diablo Canyon Power Plant is a nuclear electric generating station that has been in operation since 1985, supplying 2100 megawatts of electrical power to northern and central California.

**Environmental Agency Actions:**

None to date. The California Department of Toxic Substances Control and other appropriate agencies will be kept informed of the planning and implementation process for all cleanup measures. Cleanup efforts will be performed in compliance with applicable laws and approved guidance documents.

**Nature of Costs:**

The Diablo Canyon Power Plant cleanup 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 investigation and remediation costs associated with hazardous waste cleanup activities found appropriate for recovery in the Hazardous Substance Cleanup Cost Recovery Collaborative Report.

**Site Name:** Stone Substation

**Location:** 175 Curtner Avenue  
San Jose, California

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

The Stone Substation is a distribution substation that has been in operation since the 1970s. The substation contains numerous transformers, some of which have leaked transformer oil over the lifetime of the facility. In preparation for the demolition of the existing substation and reconstruction of a new substation, an investigation of shallow soil was performed in August 2006. Analytical results from the investigation found that PCBs, metals, and petroleum hydrocarbons were present in shallow soil at the site. The source of the PCBs and petroleum hydrocarbons is likely due to the releases of transformer oil. The source of the metals is likely due to the historic use of metals-based pesticides and herbicides.

**Utility Operations at the Site:**

The Stone Substation has been owned and operated by PG&E since the 1970s. The substation has been de-energized and is currently being demolished. Following remediation of the site, a new substation facility will be constructed at this location.

**Environmental Agency Actions:**

The 2006 soil investigation was performed under the oversight of the California Regional Water Quality Control Board (RWQCB). The RWQCB has approved PG&E's plan to remediate the contaminated soil.

**Nature of Costs:**

The Stone Substation cleanup 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**

Aglet	Department of the Army	Northern California Power Association
Agnews Developmental Center	Dept of General Services	Occidental Energy Marketing, Inc.
Alcantar & Kahl	Division of Business Advisory Services	OnGrid Solar
Ancillary Services Coalition	Douglas & Liddell	PPL EnergyPlus, LLC
Anderson & Poole	Douglass & Liddell	Pinnacle CNG Company
Arizona Public Service Company	Downey & Brand	Praxair
BART	Duke Energy	R. W. Beck & Associates
BP Energy Company	Duncan, Virgil E.	RCS, Inc.
Barkovich & Yap, Inc.	Dutcher, John	RMC Lonestar
Bartle Wells Associates	Ellison Schneider & Harris LLP	Recon Research
Blue Ridge Gas	Energy Management Services, LLC	SCD Energy Solutions
Braun & Associates	FPL Energy Project Management, Inc.	SCE
C & H Sugar Co.	Foster Farms	SESCO
CA Bldg Industry Association	Foster, Wheeler, Martinez	SMUD
CAISO	Franciscan Mobilehome	SPURR
CLECA Law Office	G. A. Krause & Assoc.	Santa Fe Jets
CSC Energy Services	GLJ Publications	Seattle City Light
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sempra Utilities
California Cotton Ginners & Growers Assn	Green Power Institute	Sequoia Union HS Dist
California Energy Commission	Hanna & Morton	Sierra Pacific Power Company
California League of Food Processors	Heeg, Peggy A.	Silicon Valley Power
California Public Utilities Commission	Hitachi	Smurfit Stone Container Corp
Calpine	Hogan Manufacturing, Inc.	Southern California Edison Company
Cameron McKenna	Imperial Irrigation District	St. Paul Assoc.
Cardinal Cogen	Innercite	Sunshine Design
Casner, Steve	International Power Technology	Sutherland, Asbill & Brennan
Cerox	Intestate Gas Services, Inc.	TFS Energy
Chamberlain, Eric	J. R. Wood, Inc.	Tabors Caramanis & Associates
Chevron Company	JTM, Inc.	Tecogen, Inc.
Chris, King	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
City of Glendale	Luce, Forward, Hamilton & Scripps LLP	Tioga Energy
City of Palo Alto	MBMC, Inc.	TransCanada
City of San Jose	MRW & Associates	Turlock Irrigation District
Clean Energy Fuels	Manatt Phelps Phillips	U S Borax, Inc.
Coast Economic Consulting	Matthew V. Brady & Associates	United Cogen
Commerce Energy	McKenzie & Associates	Utility Cost Management
Commercial Energy	Meek, Daniel W.	Utility Resource Network
Constellation	Merced Irrigation District	Utility Specialists
Constellation New Energy	Mirant	Vandenberg Air Force
Consumer Federation of California	Modesto Irrigation District	Verizon
Crossborder Energy	Morgan Stanley	Wellhead Electric Company
Davis Wright Tremaine LLP	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
		White & Case
Day Carter Murphy	New United Motor Mfg., Inc.	eMeter Corporation
Defense Energy Support Center	Norris & Wong Associates	
Department of Water Resources	North Coast SolarResources	