



October 6, 2010

Advice Letter 3150-G/3733-E

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

Subject: Add Two New Sites to Hazardous Substance Mechanism

Dear Ms. Yura:

Advice Letter 3150-G/3733-E is effective October 15, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

Jane K. Yura
Vice President
Regulation and Rates

Pacific Gas and Electric Company
77 Beale St., Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

Fax : 415-973-6520

September 15, 2010

3150-G/3733-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 California Public Utilities Commission (“Commission”) approval to include two additional sites in the Hazardous Substance Cost Recovery Account as referenced within Gas Preliminary Statement Part AN and Electric Preliminary Statement Part S, *Hazardous Substance*, 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 Name	Location
Diablo Canyon Clarifier Sludge Pond	Avila Beach, California
Frank Uhler Fire Training Facility	Kern County, 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 **October 5, 2010**, 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 Honest 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: Jane K. Yura
Vice President, Regulation and Rates
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520
E-mail: PG&ETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective on **October 15, 2010**, 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 to the General Order 96-B service list should be directed to e-mail PGETariffs@pge.com. Send all electronic approval letters to

PGETariffs@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 "Jane Yura / PEng". The signature is fluid and cursive, with a small checkmark or mark following the name.

Vice President – Regulation and Rates

cc: Robert Finkelstein - TURN (bfinkelstein@turn.org)

Attachments

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:	Contact Person: <u>Linda Tom-Martinez</u>
<input checked="" type="checkbox"/> ELC <input checked="" type="checkbox"/> GAS	Phone #: <u>(415) 973-4612</u>
<input type="checkbox"/> PLC <input type="checkbox"/> HEAT <input type="checkbox"/> WATER	E-mail: <u>lmt1@pge.com</u>

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3150-G/3733-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.94-05-020

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:

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

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information:

Resolution Required? Yes No

Requested effective date: **October 15, 2010**

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: N/A

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 and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Jane K. Yura

Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

Site Name: Diablo Canyon Clarifier Sludge Pond

Location: Avila Beach, California

Source, Nature, and Approximate Date of Contamination: The Diablo Canyon Clarifier Sludge Pond is a small, unlined settling basin located at and serving the Diablo Canyon Power Plant. PG&E used the pond for disposal of liquids and sludges from the freshwater treatment process, drilling muds and other aqueous waste. The pond has been in use since the construction of the plant during the 1970's.

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: The pond was classified by the Department of Toxic Substances Controls as a Solid Waste Management Unit during the RCRA Facility Assessment phase of the hazardous waste permitting process in 1993.

Nature of Costs: The Diablo Canyon Power Plant Clarifier Sludge Pond 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 substance cleanup costs found appropriate for recovery in the Hazardous Substance Cleanup Cost Recovery Collaborative Report.

Site Name: Frank Uhler Fire Training Facility

Location: Southwest of Enos Lane and Munzer Road
Kern County, California

Source, Nature, and Approximate Date of Contamination: The Frank Uhler Fire Training Facility provided fire fighting training for Kern County Fire Department personnel, as well as employees of County businesses storing large amounts of petroleum products, by simulating refinery fires between 1979 and 1990. As a result of the fire suppression training activities, the soil is contaminated with petroleum hydrocarbons.

The property is currently owned by the Kern Water Bank Authority and is part of a larger parcel used for groundwater storage for municipal use. The on site soil contamination has impacted banked water and poses a continual threat to water quality.

Utility Operations at the Site: The Frank Uhler Fire Training Facility operated on approximately six acres of land now owned by the Kern Water Bank Authority. The County claims that PG&E's Kern Power Plant employees were trained in responding to refinery fires.

Environmental Agency Actions: The Kern Water Bank Authority and the Regional Water Quality Control Board, Central Valley Region, are requiring remediation of the contaminated soil. The Remedial Action Plan dated July 2008 has been approved by the Kern Water Bank Authority and the Regional Water Quality Control Board.

In a letter dated January 7, 2010, an attorney for Kern County claims that PG&E is a potentially responsible party for cleanup of the soil at the site.

Nature of Costs: The Frank Uhler Fire Training Facility 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 substance 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	Defense Energy Support Center	North Coast SolarResources
Alcantar & Kahl	Department of Water Resources	Occidental Energy Marketing, Inc.
Ameresco	Department of the Army	OnGrid Solar
Anderson & Poole	Dept of General Services	Praxair
Arizona Public Service Company	Division of Business Advisory Services	R. W. Beck & Associates
BART	Douglass & Liddell	RCS, Inc.
BP Energy Company	Downey & Brand	Recon Research
Barkovich & Yap, Inc.	Duke Energy	Recurrent Energy
Bartle Wells Associates	Dutcher, John	SCD Energy Solutions
Bloomberg New Energy Finance	Economic Sciences Corporation	SCE
Boston Properties	Ellison Schneider & Harris LLP	SMUD
Brookfield Renewable Power	Foster Farms	SPURR
C & H Sugar Co.	G. A. Krause & Assoc.	San Francisco Public Utilities Commission
CA Bldg Industry Association	GLJ Publications	Santa Fe Jets
CAISO	Goodin, MacBride, Squeri, Schlotz & Ritchie	Seattle City Light
CLECA Law Office	Green Power Institute	Sempra Utilities
CSC Energy Services	Hanna & Morton	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	International Power Technology	Silicon Valley Power
California Energy Commission	Intestate Gas Services, Inc.	Silo Energy LLC
California League of Food Processors	Lawrence Berkeley National Lab	Southern California Edison Company
California Public Utilities Commission	Los Angeles Dept of Water & Power	Sunshine Design
Calpine	Luce, Forward, Hamilton & Scripps LLP	Sutherland, Asbill & Brennan
Cameron McKenna	MAC Lighting Consulting	Tabors Caramanis & Associates
Casner, Steve	MBMC, Inc.	Tecogen, Inc.
Chris, King	MRW & Associates	Tiger Natural Gas, Inc.
City of Glendale	Manatt Phelps Phillips	Tioga Energy
City of Palo Alto	McKenzie & Associates	TransCanada
Clean Energy Fuels	Merced Irrigation District	Turlock Irrigation District
Coast Economic Consulting	Mirant	U S Borax, Inc.
Commerce Energy	Modesto Irrigation District	United Cogen
Commercial Energy	Morgan Stanley	Utility Cost Management
Consumer Federation of California	Morrison & Foerster	Utility Specialists
Crossborder Energy	NRG West	Verizon
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Wellhead Electric Company
Day Carter Murphy	Norris & Wong Associates	Western Manufactured Housing Communities Association (WMA)
	North America Power Partners	eMeter Corporation