January 28, 2009

Advice Letter 2990-G/3404-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 One New Site to Hazardous Substance Mechanism

Dear Mr. Cherry:

Advice Letter 2990-G/3404-E is effective February 14, 2009.

Sincerely,

Julie A. Fitch, Director
Energy Division
January 15, 2009

Advice 2990-G/3404-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Add One New Sites to Hazardous Substance Mechanism

Purpose:

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

<table>
<thead>
<tr>
<th>Site Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mountain House Pipeline Right-of-Way</td>
<td>Mountain House, California</td>
</tr>
</tbody>
</table>

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 **February 4, 2009**, 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 **February 14, 2009**, 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 PGETariffs@pge.com. Advice letter filings can also be accessed electronically at:

http://www.pge.com/tariffs/
Attachment 1 – Site Descriptions
Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: David Poster</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC</td>
<td>Phone #: (415) 973-1082</td>
</tr>
<tr>
<td>☑ GAS</td>
<td>E-mail : <a href="mailto:DXPU@pge.com">DXPU@pge.com</a></td>
</tr>
<tr>
<td>☐ PLC</td>
<td></td>
</tr>
<tr>
<td>☐ HEAT</td>
<td></td>
</tr>
<tr>
<td>☐ WATER</td>
<td></td>
</tr>
</tbody>
</table>

EXPLANATION OF UTILITY TYPE

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

Advice Letter (AL) #: **2990-G/3404-E**
Tier: [2]

Subject of AL: Add One 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: **2/14/2009**
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**
**jnj@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: Mountain House Pipeline Right-of-Way

Location: Near Grant Line Road and Mountain House Parkway
Mountain House, California

Source, Nature, and Approximate Date of Contamination:
PG&E Gas Transmission maintains a right-of-way for two natural gas pipelines which run through the community of Mountain House. A crude oil pipeline owned by Chevron runs within the same right-of-way, parallel to the PG&E natural gas lines.

During the infrastructure development in 2008 for the planned Delta College in Mountain House, the developer discovered soils contaminated with petroleum hydrocarbons in soils within the right-of-way. In October 2008, the developer of the college, PCCP Mountain House, LLC, sent a letter addressed to both PG&E and Chevron requesting that one or both companies take responsibility for the investigation, removal, transportation and disposal of the contaminated soils.

Utility Operations at the Site:
PG&E owns and operates two natural gas pipelines within the Mountain House Pipeline Right-of-Way. Line 401 is the main “backbone” high pressure transmission line from Canada. Line 2 is a high pressure transmission line that branches from Line 401 in Brentwood, California. Both lines supply what is considered “clean, dry” gas, notably free of pipeline liquids.

Environmental Agency Actions:
PG&E has not been contacted by an environmental agency. According to the developer’s on-site representative, remediation activity was being performed per a plan under the jurisdiction of the Delta College Community Services District.

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