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,

Julie A. Fitch, Director
Energy Division
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:

<table>
<thead>
<tr>
<th>Site Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diablo Canyon Clarifier Sludge Pond</td>
<td>Avila Beach, California</td>
</tr>
<tr>
<td>Frank Uhler Fire Training Facility</td>
<td>Kern County, 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 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 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: 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:

Vice President – Regulation and Rates

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

Attachments
**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**ADVICE LETTER FILING SUMMARY**

**ENERGY UTILITY**

<table>
<thead>
<tr>
<th>MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company name/CPUC Utility No.</strong> Pacific Gas and Electric Company (ID U39 M)</td>
</tr>
<tr>
<td><strong>Utility type:</strong> Contact Person: Linda Tom-Martinez</td>
</tr>
<tr>
<td>☑ ELC ☑ GAS</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
</tr>
</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

<table>
<thead>
<tr>
<th>ELC = Electric</th>
<th>GAS = Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLC = Pipeline</td>
<td>HEAT = Heat</td>
</tr>
<tr>
<td>WATER = Water</td>
<td></td>
</tr>
</tbody>
</table>

(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 AL: __________________________

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 proposed: 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

jnij@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
Alcantar & Kahl
Ameresco
Anderson & Poole
Arizona Public Service Company
BART
BP Energy Company
Barkovich & Yap, Inc.
Bartle Wells Associates
Bloomberg New Energy Finance
Boston Properties
Brookfield Renewable Power
C & H Sugar Co.
CA Bldg Industry Association

CAISO
CLECA Law Office
CSC Energy Services
California Cotton Ginters & Growers Assn
California Energy Commission
California League of Food Processors
California Public Utilities Commission
Calpine
Cameron McKenna
Casner, Steve
Chris, King
City of Glendale
City of Palo Alto
Clean Energy Fuels
Coast Economic Consulting
Commerce Energy
Commercial 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
Douglass & Liddell
Downey & Brand
Duke Energy
Dutcher, John
Economic Sciences Corporation
Ellison Schneider & Harris LLP
Foster Farms
G. A. Krause & Assoc.
GLJ Publications
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
International Power Technology
Intestate Gas Services, Inc.
Lawrence Berkeley National Lab
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP
MAC Lighting Consulting
MBMC, Inc.
MRW & Associates
Manatt Phelps Phillips
McKenzie & Associates
Merced Irrigation District
Mirant
Modesto Irrigation District
Morgan Stanley
Morrison & Foerster
NRG West
New United Motor Mfg., Inc.
Norris & Wong Associates

North America Power Partners
North Coast Solar Resources
Occidental Energy Marketing, Inc.
OnGrid Solar
Praxair
R. W. Beck & Associates
RCS, Inc.
Recon Research
Recurrent Energy
SCD Energy Solutions
SCE
SMUD
SPURR
San Francisco Public Utilities Commission
Santa Fe Jets
Seattle City Light

Sempra Utilities
Sierra Pacific Power Company
Silicon Valley Power
Silo Energy LLC
Southern California Edison Company
Sunshine Design
Sutherland, Asbill & Brennan
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 Specialists
Verizon
Wellhead Electric Company
Western Manufactured Housing
Communities Association (WMA)
eMeter Corporation