

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 21, 2013

Advice Letter 3398-G/4251-E

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: Add Seven New Sites to Hazardous Substance Mechanism

Dear Mr. Cherry:

Advice Letter 3398-G/4251-E is effective August 4, 2013.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 21, 2013

Advice Letter 3398-G/4251-E

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: Add Seven New Sites to Hazardous Substance Mechanism

Dear Mr. Cherry:

Advice Letter 3398-G/4251-E is effective August 4, 2013.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



July 5, 2013

Advice 3398-G/4251-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Add Seven New Sites to Hazardous Substance Mechanism

Purpose

Pacific Gas and Electric Company (PG&E) hereby requests California Public Utilities Commission (Commission or CPUC) approval to include seven 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.

As a result of the attack on the Metcalf Substation on April 16, 2013, damaged transformers released mineral oil containing polychlorinated biphenyls (PCBs). As described further in Attachment I to this filing, PG&E took immediate action to contain the release and to minimize the environmental impacts from this event. However, PG&E intends to undertake further investigation and remediation as needed at the site.

In addition, PG&E has identified six facilities where historical operations included the use, storage, and/or repair of utility equipment that may have contained mercury, PCBs, or other hazardous substances. PG&E plans to conduct environmental assessments at these sites to identify what steps are needed to protect worker safety, public health, and the environment.

A description of all seven additional sites is set forth in Attachment I to this filing. The sites are as follows:

Site Name	Location
Metcalf Substation	150 Metcalf Road, San Jose, Santa Clara County
San Rafael Service Center	1220 Andersen Drive, San Rafael, Marin County

Stockton Service Center	535 S. Center Street, Stockton, San Joaquin County
Hollister Gas Meter Station	1980 Santa Ana Road, Hollister, San Benito County
Irvington Gas Control Station	Albrae Road, Fremont, Alameda County
Richmond Service Center	1100 S 27th Street, Richmond, Contra Costa County
Oakland Service Center	4810 Oakport Street, Oakland, Alameda County

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 July 25, 2013, 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
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter. (General Order 96-B, Section 7.4.) The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this advice filing become effective on **August 4, 2013**, 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 and all electronic approvals should be directed to e-mail PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs/>.

Brian Cherry /IG

Vice President – Regulatory Relations

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:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Igor Grinberg

Phone #: 415-973-8580

E-mail: ixg8@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Advice Letter (AL) #: **3398-G/4251-E**

Tier: 2

Subject of AL: **Add Seven New Sites to Hazardous Substance Mechanism**

Keywords (choose from CPUC listing): Hazardous Waste

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: N/A

Is AL requesting confidential treatment? No.

If so, what information is the utility seeking confidential treatment for: N/A

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

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: **August 4, 2013**

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

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

ED Tariff Unit

505 Van Ness Avenue, 4th Floor

San Francisco, California 94102

E-mail: EDTariffUnit@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: Metcalf Substation

Location: 150 Metcalf Road, San Jose, Santa Clara County

Source, Nature, and Approximate Date of Contamination: On April 16, 2013, vandals with high powered rifles trespassed onto PG&E property adjacent to the Metcalf Substation and fired over 100 bullets into 13 large transformers located at the site. Mineral oil releases from these holes in the equipment in excess of 50,000 gallons contaminated much of the ground surface around the equipment and exceeded the facility's oil spill containment structure capacity. Some of the leaked oil left the site and flowed towards a nearby creek channel. Oil from three of the larger transformers contained PCBs at a maximum concentration of 12 parts per million.

Utility Operations at the Site: Metcalf Substation was constructed in 1966 and is one of the 20 largest facilities in PG&E's electric system.

Environmental Agency Actions: The initial release associated with the vandalism was reported promptly to all applicable agencies, and meetings with the following have occurred:

- Santa Clara County Environmental Health (Lead Agency for clean-up)
- Santa Clara Valley Water District (Adjacent Creek Property Owner)
- California Department of Fish and Wildlife (Game warden observed creek efforts)
- US Environment Protection Agency (lead on Spill Plan review)
- Cal EPA Department of Toxic Substances Control (advises County Health on Clean-up)
- San Francisco Bay Regional Water Quality Control Board (advises County Health on Clean-up)

Other interested parties have also been on-site, including: the Federal Energy Regulatory Commission, U.S. Department of Defense, and Federal Bureau of Investigation

Nature of Costs: PG&E took immediate action to contain the release and to minimize the environmental impacts from this event. All accessible surface impacts have already been addressed, and PG&E is not requesting recovery of these initial emergency costs through HSM. However, PG&E plans to perform necessary follow-up investigations to assess the longer-term impacts from the release, and the applicable environmental agencies may require remedial actions. This Advice Letter filing seeks to add this site to the HSM in order to recover necessary long-term investigation and remediation costs.

The 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: San Rafael Service Center

Location: 1220 Andersen Dr., San Rafael, Marin County

Source, Nature, and Approximate Date of Contamination: An environmental assessment identified historical operations that may have resulted in a release of mercury and/or other constituents of potential concern. Mercury is known to have been present historically at this site. The exact date of the potential mercury release at this facility is unknown. However, PG&E completed the removal of mercury-filled meters and controls from all of its sites by 1991, therefore, the mercury release would have occurred prior to 1991.

Utility Operations at the Site: PG&E's San Rafael Service Center was constructed in 1985 as an office and maintenance facility serving San Rafael and Marin County. Site facilities include a vehicle yard and eight buildings. A portion of one of the buildings was used as a Gas Transmission and Regulation meter repair shop. Some of the meters that were repaired contained mercury, and PG&E is exploring the potential for a historic release at this site.

Environmental Agency Actions: There has been no agency involvement to date.

Nature of Costs: The 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: Stockton Service Center

Location: 535 S. Center Street, Stockton, San Joaquin County

Source, Nature, and Approximate Date of Contamination: An environmental assessment identified historical operations that may have resulted in a release of

mercury and/or other constituents of potential concern. Mercury is known to have been present historically at this site. The exact date of the potential mercury release at this facility is unknown. However, PG&E completed the removal of mercury-filled meters and controls from all of its sites by 1991, therefore, the mercury release would have occurred prior to 1991.

Utility Operations at the Site: PG&E's Stockton Service Center was constructed in the 1957 as an office and maintenance facility serving Stockton and San Joaquin County. Site facilities include a vehicle yard, nine buildings, and ten work trailers. A portion of one of the buildings was used as a Gas Transmission and Regulation meter repair shop. Some of the meters that were repaired contained mercury, and PG&E is exploring the potential for a historic release at this site.

Environmental Agency Actions: There has been no agency involvement to date.

Nature of Costs: The 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: Hollister Gas Meter Station

Location: 1980 Santa Ana Road, Hollister, San Benito County

Source, Nature, and Approximate Date of Contamination: PG&E's Hollister Gas Meter Station was constructed in 1949, and consists of four buildings. The site previously used mercury-filled equipment as part of regular gas transmission operations, and it is possible that there has been a historic release in the vicinity of this equipment. The exact date of the potential mercury release at this facility is unknown. However, PG&E completed the removal of mercury-filled meters and controls from all of its sites by 1991, therefore, the mercury release would have occurred prior to 1991.

Utility Operations at the Site: The meter station was constructed in 1949. The site comprises approximately 4 acres, and is presently used by PG&E's Gas Operations to support gas service to Northern California. Site facilities include four buildings including an office, a warehouse, a garage, and a small residence.

Some of the meters at the station contained mercury, and PG&E is exploring the potential for a historic release at this site.

Environmental Agency Actions: There has been no agency involvement to date.

Nature of Costs: The 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: Irvington Gas Control Station

Location: Albrae Road, Fremont, Alameda County

Source, Nature, and Approximate Date of Contamination: An environmental assessment identified historical operations at PG&E's Irvington Gas Control Station that may have resulted in a release of mercury and/or other constituents of potential concern. Mercury is known to have been present historically at this site. The exact date of the potential mercury release at this facility is unknown. However, PG&E completed the removal of mercury-filled meters and controls from all of its sites by 1991, therefore, the mercury release would have occurred prior to 1991.

Utility Operations at the Site: PG&E's Irvington Gas Control Station was constructed in 1963 to support the operations of the gas transmission system and various associated facilities. Site facilities include an unmanned building used to house gas valve instrumentation and controls. Some of the control instrumentation contained mercury, and PG&E is exploring the potential for a historic release at this site.

Environmental Agency Actions: There has been no agency involvement to date.

Nature of Costs: The 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: Richmond Service Center

Location: 1100 S 27th Street, Richmond, Contra Costa County

Source, Nature, and Approximate Date of Contamination: An environmental site assessment identified historical operations at PG&E's Richmond Service Center that may have resulted in a release of mercury and/or other constituents of potential concern. Mercury is known to have been present historically at this site. The exact date of the potential mercury release at this facility is unknown. However, PG&E completed the removal of mercury-filled meters and controls from all of its sites by 1991, therefore, the mercury release would have occurred prior to 1991.

Utility Operations at the Site: PG&E's Richmond Service Center comprises 17.3 acres. It was constructed in 1964 to support gas and electric operations and maintenance serving Richmond and western Contra Costa County. Site facilities include several buildings currently used for offices, shops, and warehousing. A portion of one of the buildings was previously used as a Gas Transmission and Regulation meter repair shop. Some of the meters that were repaired contained mercury, and PG&E is exploring the potential for a historic release at this site.

Environmental Agency Actions: There has been no agency involvement to date.

Nature of Costs: The costs for which PG&E is now 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: Oakland Service Center

Location: 4810 Oakport Street, Oakland, Alameda County

Source, Nature, and Approximate Date of Contamination: An environmental site assessment identified historical operations at PG&E's Oakland Service Center that may have resulted in a release of mercury and/or other constituents of potential concern. Mercury is known to have been present historically at this site. The exact date of the potential mercury release at this facility is unknown. However, PG&E completed the removal of mercury-filled meters and controls

from all of its sites by 1991, therefore, the mercury release would have occurred prior to 1991.

Utility Operations at the Site: PG&E's Oakland Service Center comprises approximately 25 acres. It was constructed in 1962 to support gas and electric operations and maintenance serving Oakland and western Alameda County. Site facilities include several buildings currently used for offices, shops, and warehousing. A portion of one of the buildings was used as a Gas Transmission and Regulation meter repair shop. Some of the meters that were repaired contained mercury, and PG&E is exploring the potential for a historic release at this site.

Environmental Agency Actions: No agency involvement to date.

Nature of Costs: The costs for which PG&E is now 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**

1st Light Energy	Douglass & Liddell	Occidental Energy Marketing, Inc.
AT&T	Downey & Brand	OnGrid Solar
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
Anderson & Poole	G. A. Krause & Assoc.	Praxair
BART	GenOn Energy Inc.	Regulatory & Cogeneration Service, Inc.
Barkovich & Yap, Inc.	GenOn Energy, Inc.	SCD Energy Solutions
Bartle Wells Associates	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCE
Bear Valley Electric Service	Green Power Institute	SDG&E and SoCalGas
Braun Blaising McLaughlin, P.C.	Hanna & Morton	SPURR
California Cotton Ginners & Growers Assn	In House Energy	San Francisco Public Utilities Commission
California Energy Commission	International Power Technology	Seattle City Light
California Public Utilities Commission	Intestate Gas Services, Inc.	Sempra Utilities
Calpine	Kelly Group	SoCalGas
Casner, Steve	Linde	Southern California Edison Company
Cenergy Power	Los Angeles Dept of Water & Power	Spark Energy
Center for Biological Diversity	MAC Lighting Consulting	Sun Light & Power
City of Palo Alto	MRW & Associates	Sunshine Design
City of San Jose	Manatt Phelps Phillips	Tecogen, Inc.
Clean Power	Marin Energy Authority	Tiger Natural Gas, Inc.
Coast Economic Consulting	McKenna Long & Aldridge LLP	TransCanada
Commercial Energy	McKenzie & Associates	Utility Cost Management
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Power Solutions
Crossborder Energy	Morgan Stanley	Utility Specialists
Davis Wright Tremaine LLP	NLine Energy, Inc.	Verizon
Day Carter Murphy	NRG Solar	Water and Energy Consulting
Defense Energy Support Center	Nexant, Inc.	Wellhead Electric Company
Dept of General Services	North America Power Partners	Western Manufactured Housing Communities Association (WMA)