

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



August 9, 2002

Advice Letter 3169

Mr. Sid Newsom
Regulatory Tariff Administration
Southern California Gas Company – GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011

Subject: Additional hazardous substance site

Dear Mr. Newsom:

Advice Letter 3169 is effective August 26, 2002. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas Long".

Douglas Long
Energy Division



J. Steve Rahon
Director
Tariffs & Regulatory Accounts

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July 17, 2002

Advice No. 3169
(U 904 G)

Public Utilities Commission of the State of California

Subject: Additional Hazardous Substance Site

Southern California Gas Company (SoCalGas) hereby requests Commission approval to include Aliso Canyon Gas Storage Field (Site) in the Hazardous Substance Cost Recovery Account as referenced within SoCalGas' Preliminary Statement Part V.C, in compliance with Decision No. (D.) 94-05-020.

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, 2) the location of the site; 3) the source, nature and approximate date of the contamination; 4) utility operations (historical and current) at the site, if any; and 5) environmental agency and oversight regarding the site, 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.

SoCalGas owns and operates the Aliso Canyon Gas Storage Field.

Required Information

The relevant information for the Aliso Canyon Storage Field Site is as follows:

Site Name: Aliso Canyon Gas Storage Field Sesnon Fee 2 Tank Farm

Location: 12801 Tampa Avenue, Northridge, California

Utility Operations (Historical and Current) at the Site

The Site has been used for oil field operations and gas storage. Southern California Gas Company primarily utilizes the Aliso Canyon Gas Storage Field for the purpose of subterranean gas storage. The Storage Field is located in unincorporated territory of Los Angeles County directly north of the community of Northridge. The storage field is predominantly undeveloped hillside terrain with a network of paved and unpaved access roads that transects the Site. Improvements at the Site include oil and gas wells, a natural gas compressor station, aboveground and belowground piping, aboveground storage tanks, office buildings and other ancillary features. The gas storage process includes the compression of imported natural gas and the subsequent injection into permeable reservoir rocks for temporary storage during periods of low demand. When demand increases, gas is withdrawn from wells, passed through a dehydration unit to remove moisture, and then piped offsite for distribution and consumption.

Source, Nature, and Approximate Date of Contamination

The storage field was originally developed, from natural hillside terrain, for oil production in the 1940's. Based on an aerial photograph, dated 1954, six above ground storage tanks (ASTs) were located in a berm area (tank farm) approximately 200 feet southeast of the Sesnon Fee 2 Sump (the subject area to be cleaned up). It is understood that Chevron Oil Company operated the tank farm, as well as the oil wells in the general vicinity. The Sesnon Fee 2 Sump appears to have been used for the containment of spent drilling mud and/or other oilfield-related wastes. Field evidence suggests that the sump was covered with soil that was derived from earthwork cuts in the Aliso Canyon Storage Field.

Environmental Agency Actions and Oversight

None currently.

Nature of Costs

The Sesnon Fee 2 cleanup costs that SoCalGas is seeking to recover through the procedure are not being recovered through base rates or through any other recovery procedure. All cleanup costs included by SoCalGas in the procedure will be hazardous waste cleanup costs found appropriate for recovery in the Hazardous Substance Cleanup Cost Recovery Collaborative Report, dated November 19, 1993.

Protest

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jjr@cpuc.ca.gov) and to Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the addresses shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Attn: Masood Hosseini
Site Assessment and Mitigation Senior Project Manager – GT16G2
(Authorized Representative for SoCalGas Company)
555 W. Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-8020
E-Mail: mhosseini@SempraUtilities.com

Effective Date

In accordance with D.94-05-020, this advice letter shall be treated as a compliance filing under General Order 96-A for Commission approval within 40 days after the filing, which is August 26, 2002, if no protest letters are received. If protests are received, the Commission will either issue a resolution, or require the utility to file an application seeking inclusion of specified costs in the Hazardous Substance Mechanism.

Notice

In accordance with Section III.G of General Order No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A, which includes the parties in Application No. 91-04-044.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

Attachments

ATTACHMENT A

Advice No. 3169

(See Attached Service Lists)

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