STATE OF CALIFORNIA

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

August 9, 2002

Tel. No. (415) 703-1691



GRAY DAVIS, Governor

Advice Letter 3170

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 3170 is effective August 26, 2002. A copy of the advice letter is returned herewith for your records.

Sincerely,

Douglas Long **Energy Division**



J. Steve Rahon Director Tariffs & Regulatory Accounts

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July 17, 2002

<u>Advice No. 3170</u> (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 the Park Avenue Easement for Line 2003 (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.

Required Information

The relevant information for the Site is as follows:

Site Name: SoCalGas Park Avenue Easement (Line 2003)

Location: 8020 Park Avenue, Cudahy, California

Utility Operations (Historical and Current) at the Site

The Site is currently used as an easement for a high-pressure gas pipeline. The easement is a part of a school property known as "Park Avenue Elementary School" which is owned by Los Angeles County Unified School District (LAUSD). The easement comprises part of a parking area for the Park Avenue Elementary School. The pipeline was constructed during early 50's.

Source, Nature, and Approximate Date of Contamination

The easement is a part of a larger area that was an active dump (known as "Vloedman Dump" and "Park Avenue Dump") from 1927 to 1960. During its operation, Vloedman Dump received waste glass, general rubbish, waste oil, and sludge. The glass was reprocessed in a glass-recycling factory, the rubbish was disposed in an open access dump, and the waste oil and sludge were disposed into a waste impoundment area. From the late 1940's to 1950's the glass-recycling factory reportedly accumulated broken glass, rinsed it with solvents, and reformed the glass into other products. The waste handling practices of the facility is unknown. The open access dump was located southwest of the glass recycling factory. No records were maintained concerning the types of wastes received at the dump. Previous investigations have noted up to 14 feet of fill material containing cable, steel, household trash, concrete, wire, bricks, asphalt, tin, paper, wood, glass, and steel bars have been found in the dump.

The waste impoundments were operated concurrently with the open access dump on the eastern part of the Vloedman Dump, which is now, at least in part, below the School playground, the Easement, and the adjacent Park. No documentation was maintained as to the types of wastes disposed of at the impoundments. Previous investigations noted that aerial photographs indicate the impoundments were approximately 191,000 to 284,000 square feet in area and may have been as much as 10 feet deep. Also, long time residents and City officials were reportedly interviewed and stated that the impoundments received waste oil from service stations, refinery sludge, and refinery tank bottom sludge, and other similar materials. After World War II, a branch of the U.S. military reportedly abandoned several ship-to-shore barges in the impoundment area.

Environmental Agency Actions and Oversight

The oversight environmental agency for this project is California Department of Toxic Substances Control (DTSC).

Nature of Costs

The Park Avenue Easement 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 (<u>jir@cpuc.ca.gov</u>) and to Honesto Gatchalian (<u>inj@cpuc.ca.gov</u>) of the Energy Division. A copy of the protest should also be sent via both e-mail <u>and</u> facsimile to the address 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: <u>mhosseini@SempraUtilities.com</u>

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.

<u>Notice</u>

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

Attachment

ATTACHMENT A

Advice No. 3170

(See Attached Service Lists)

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Case Description: SoCalGas HazWaste Reasonableness

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