

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 3, 2007

Advice Letter 3789

Mr. Sid Newsom
Regulatory Tariff Administration
Southern California Gas Company – GT14D6
555 West Fifth Street
Los Angeles, CA 90013-4957

Subject: Additional Hazardous Substance Site

Dear Mr. Newsom:

Advice Letter 3789 is effective December 8, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



Ken Deremer
Director
Tariffs & Regulatory Accounts

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November 8, 2007

Advice No. 3789
(U 904 G)

Public Utilities Commission of the State of California

Subject: Additional Hazardous Substance Site

Southern California Gas Company (SoCalGas) hereby requests the California Public Utilities Commission (Commission) approval to include Goleta Gas Storage Field (Site) in the Hazardous Substance Cost Recovery Account (HSCRA) as referenced within SoCalGas' Preliminary Statement Part V.C, in compliance with Decision (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 Goleta Natural Gas Storage Field.

Required Information

The relevant information for the Goleta Gas Storage Field Site is as follows:

Site Name: Goleta Storage Field

Location: 1171 More Ranch Road, Goleta, California

Utility Operations (Historical and Current) at the Site

The Site has been used for natural gas field operations and gas storage since 1921. Pacific Lighting Corp. (predecessor to SoCalGas) acquired the field and began using it for gas storage in 1941. The Goleta Gas Storage field is solely owned and operated by SoCalGas, a public utility and subsidiary of Sempra Energy, with the company regional headquarters located in downtown Los Angeles, California. The storage field includes several gas injection and withdrawal wells, a natural gas compressor station, a dehydration unit, ancillary units, and a large underground natural gas storage reservoir, where natural gas is injected and stored during periods of low demand. During heavy demand periods, the gas is withdrawn from the reservoir, dehydrated, odorized, and then routed to pipelines within SoCalGas' service territory.

Source, Nature, and Approximate Date of Contamination

Contaminated soil was discovered in the southeastern portion of MU#9 in March 2004. Both soil and groundwater were sampled and analyzed and found to be impacted with volatile organic compounds (VOCs). In addition, release from a condensate line was discovered in January 1991 and was investigated between 1991 and 1995. Soil and groundwater sampling indicated the presence of VOCs.

Environmental Agency Actions and Oversight

Santa Barbara County Fire Department
4410 Cathedral Oaks Road, Santa Barbara, CA 93110

Nature of Costs

The environmental site investigation and potential 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 investigation and potential 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. SoCalGas anticipates recording investigation costs related to the Goleta Storage Field site in its HSCRA beginning in November 2007 and cleanup costs, if necessary, beginning in the third quarter of 2008.

Protest

Anyone may protest this Advice Letter to the 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. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attn: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas (mas@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 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)
555 W. Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-8020
E-mail: mhosseini@semprautilities.com

Effective Date

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective pending staff approval) pursuant to GO 96-B and respectfully requests that it become effective December 8, 2007, which is 30 calendar days after the date filed.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A, which includes parties in Application 91-04-044.

KEN DEREMER
Director
Tariffs and Regulatory Accounts

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. **SOUTHERN CALIFORNIA GAS COMPANY (U 904-G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: snewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3789

Subject of AL: Additional Hazardous Substance Site

Keywords (choose from CPUC listing): Hazardous Waste; Storage

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D94-05-020, D96-07-016

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: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 12/8/08

No. of tariff sheets: 0

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

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: None

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: None

Protests 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

Attention: Tariff Unit

505 Van Ness Ave.

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West Fifth Street, GT14D6

Los Angeles, CA 90013-1011

snewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3789

(See Attached Service Lists)

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jweil@aglet.org

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