

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



October 23, 2009

Advice Letter 2390-E

Akbar Jazayeri
Vice President, Regulatory Operations
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

**Subject: Addition of the EPC Eastside Disposal Facility to the
Hazardous Substance Cleanup Cost Recovery Mechanism**

Dear Mr. Jazayeri:

Advice Letter 2390-E is effective November 8, 2009.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

October 9, 2009

ADVICE 2390-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Addition of the EPC Eastside Disposal Facility to the
Hazardous Substance Cleanup Cost Recovery Mechanism

In compliance with Decision (D.) 94-05-020, Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The revised tariff sheets are listed on Attachment A, and are attached hereto.

PURPOSE

This advice filing revises SCE's Preliminary Statement, Part V, Hazardous Substance Cleanup Cost Recovery Mechanism (Mechanism), to add the EPC Eastside Disposal Facility to the list of sites listed in Section 2.D within Table A of the tariff.

BACKGROUND

D.94-05-020, among other things, authorized SCE to establish a mechanism relating to hazardous substance cleanup costs. On June 8, 1994, SCE filed Advice 1055-E-A, to establish Preliminary Statement, Part V, Hazardous Substance Cleanup Cost Recovery Mechanism. In D.94-05-020, the Hazardous Substance Cost Recovery Mechanism provided a methodology for allocating costs and related recoveries between SCE's ratepayers and shareholders associated with the cleanup of certain properties contaminated with hazardous substances. This methodology allowed for 90% of the cleanup costs to be assigned to utility ratepayers and 10% of the cleanup costs to be assigned to utility shareholders.

SCE has the option to add additional sites to the Mechanism under the terms of the Hazardous Substance Cleanup Cost Recovery Collaborative Report submitted in response to D.92-11-030 and the associated Settlement Agreement (Collaborative Settlement Agreement) adopted by the California Public Utilities Commission (Commission) in D.94-05-020.

PROPOSED TARIFF CHANGE

SCE proposes to add the EPC Eastside Disposal Facility to Preliminary Statement, Part V, Hazardous Substance Cleanup Cost Recovery Mechanism (Mechanism), Section 2.D, Table A .

The Collaborative Settlement Agreement requires that the following information be provided to the Commission in order to include an additional site in the Mechanism: (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 actions and oversight regarding the site, if any. Attachment B contains the relevant information for the EPC Eastside Disposal Facility.

In addition, D.96-07-016, dated July 3, 1996, requires that a utility seeking recovery of hazardous waste cleanup costs through an advice letter filing demonstrate that: (1) cleanup 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 cleanup costs (including insurance litigation costs) found appropriate for recovery in the Collaborative Report. SCE's current rate levels adopted in various regulatory proceedings, such as the General Rate Case, do not include recovery for hazardous substance cleanup costs and related insurance litigation costs associated with the EPC Eastside Disposal Facility identified in this advice filing. Instead, these costs, net of applicable insurance recoveries, will be recovered pursuant to the Mechanism.

Upon the effective date of this advice filing, the hazardous substance cleanup costs, insurance litigation costs, and insurance recoveries associated with the EPC Eastside Disposal Facility will be accounted for using unique accounting codes which distinguish them from other routine operation and maintenance expenses and insurance receipts. Costs and recoveries recorded under these unique accounting codes will be reviewed internally by SCE on a monthly basis to ensure that they are appropriate for inclusion in the Mechanism¹ and are related to covered sites. These accounting procedures ensure that cleanup costs are captured correctly in the Mechanism and that these costs are not included for recovery in other regulatory proceedings. D.94-05-020 requires that costs and recoveries recorded under the Mechanism be reported to the Commission annually.

No cost information is required for this advice filing.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

¹ D.94 05 020, Appendix A, Pages 4 through 7.

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

This advice filing will become effective on November 8, 2009, the 30th calendar day after the date filed.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: inj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B service list. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-4039. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters>.

For questions, please contact Bill Ostrander at (626) 302-9465 or by electronic mail at William.Ostrander@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:wo:jm
Enclosures

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 Edison Company (U 338-E)

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2390-E

Tier Designation: 2

Subject of AL: Addition of the EPC Eastside Disposal Facility to the Hazardous Substance Cleanup Cost Recovery Mechanism

Keywords (choose from CPUC listing): Compliance

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: _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required? Yes No

Requested effective date: 11/8/09

No. of tariff sheets: 3

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: Preliminary Statement Part V and Table of Contents

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

¹ Discuss in AL if more space is needed.

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
inj@cpuc.ca.gov and mas@cpuc.ca.gov

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
E-mail: Karyn.Gansecki@sce.com

ATTACHMENT B

Site Name: EPC Eastside Disposal Facility

Location: The EPC Eastside Disposal Facility site (Site) is located on Round Mountain Road approximately 15 miles northeast of Bakersfield, California, in a portion of Section 30, Township 28 South, Range 29 East, Mount Diablo Baseline and Meridian.

Source, Nature and Approximate Date of Contamination: The Environmental Protection Corporation (EPC) operated a waste disposal facility at the Site from 1971 through November of 1985. During that time, EPC accepted for disposal a variety of liquid and solid wastes, including hazardous substances.

After its permit for landfill operations was revoked, EPC entered into an agreement with the California Department of Toxic Substances Control (DTSC) in 1994 pursuant to which EPC's assets were liquidated and placed in a trust fund for use in Site investigation and cleanup. In 1996, DTSC entered into a settlement agreement with 12 responsible parties to investigate the Site and evaluate potential ways to clean up the Site. In 2005, DTSC entered into an agreement with Chevron Environmental Management Corporation (Chevron) to prepare and implement a cleanup plan at the Site. DTSC is aware that, as part of its cleanup effort, Chevron will be offering "buy-out" settlements to responsible parties associated with the Site. DTSC does not intend to take enforcement action against those parties that settle with Chevron for the Site, provided Chevron successfully implements the RAP; performs long-term operation, monitoring, and maintenance activities at the Site; and enters into an Enforceable Agreement with DTSC. However, DTSC reserves all enforcement rights against all parties in this matter.

Business records for the Site document the receipt, between 1977 and 1985, of 6,806 barrels of waste from Southern California Edison (SCE).

Utility Operations (Historical and Current) at the Site: Other than various logs and/or receipts indicating that SCE shipped waste to the Site, SCE has no other utility operations in connection with this Site.

Environmental Agency Actions and Oversight: The Site was designated as a Superfund Site in 1984. DTSC is the oversight agency for the Site. As noted above, Chevron has agreed to take the lead in coordinating Site cleanup. Chevron has approached SCE with a "buy out" settlement offer that would resolve SCE's liability for past involvement with the EPC Eastside Disposal Facility.

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 45932-E	Preliminary Statement Part V	Revised 44864-E
Revised 45933-E	Table of Contents	Revised 45880-E
Revised 45934-E	Table of Contents	Revised 45229-E

PRELIMINARY STATEMENT

Sheet 4

(Continued)

V. Hazardous Substance Cleanup Cost Recovery Mechanism. (Continued)

2. Definitions. (Continued)

d. Covered Sites: (Continued)

Table A
Authorized Covered Sites (Continued)

<u>Covered Site</u>	<u>Authorization</u>	
Other Sites: (Continued)		
Rosen's Electrical Equipment Company	Adv. Ltr. 1100-E	
Alamitos Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
Cool Water Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
El Segundo Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
Etiwanda Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
Huntington Beach Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
Highgrove Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
Long Beach Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
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Ormond Beach Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
Redondo Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
San Bernardino Generating Station	D. 94-05-020/Adv Ltr. 1128-E	
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Ascon Landfill	D. 94-05-020/Adv Ltr. 1240-E	
Cameron-Yakima	D. 94-05-020/Adv Ltr. 1240-E	
Mobil Smelting	D. 94-05-020/Adv Ltr. 1240-E	
Omega Chemical	D. 94-05-020/Adv Ltr. 1240-E	
Walker Properties	D. 94-05-020/Adv Ltr. 1240-E	
Fuel Oil Pipeline & Storage System	D. 94-05-020/Adv Ltr. 1385-E	
Quicksilver Products, Inc.	D. 94-05-020/Adv Ltr. 1458-E	
Jack Engle & Company	D. 94-05-020/Adv Ltr. 1458-E	
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Southern California Edison General Office Complex	D. 94-05-020/Adv Ltr. 1567-E	
Pebble Beach Generating Facility	D. 94-05-020/Adv Ltr. 1629-E	
BKK Landfill Facility	D. 94-05-020/Adv Ltr. 1855-E	
Cooper Drum Facility	D. 94-05-020/Adv Ltr. 2328-E	
EPC Eastside Disposal Facility	D. 94-05-020/Adv Ltr. 2390-E	(N)

(Continued)

(To be inserted by utility)

Advice 2390-E
Decision 94-05-020

Issued by

Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Oct 9, 2009
Effective Nov 8, 2009
Resolution _____



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Vice President

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(To be inserted by utility)

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