



**Pacific Gas and
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November 23, 2011

Mr. Harold J. Singer
Executive Officer
California Regional Water Quality Control Board
Lahontan Region
2501 Lake Tahoe Boulevard
South Lake Tahoe, California 96150-7704

Re: PG&E's Submittal Pursuant to Ordering Paragraph 3.a.
Amended Cleanup and Abatement Order No. R6V-2011-0005A1

Dear Mr. Singer:

Pacific Gas and Electric Company (PG&E) submits the following in compliance with Ordering Paragraph 3.a. of Amended Cleanup and Abatement Order No. R6V-2011-0005A1 (the "Order"), issued October 11, 2011 for the Hinkley Compressor Station.

PG&E has for many years acknowledged with genuine regret its responsibility for chromium contamination in the Hinkley community. PG&E is committed to working cooperatively with the Lahontan Water Board to expeditiously clean up groundwater contamination resulting from PG&E's historical operations at the Hinkley Compressor Station. We share the mutual goal of ensuring safe, reliable drinking water for the residents of Hinkley to ease their concerns for community health and well-being. To that end, PG&E will continue to honor our commitment to provide safe drinking water to the community through our voluntary bottled water program while we comply with the feasible provisions of the Order, including evaluation of whole house water treatment technologies and establishment of the Independent Review Panel (IRP) for the community.

To comply with the feasible provisions of the Order, PG&E has initiated a pilot study to evaluate water treatment technologies to determine if they can reliably and consistently treat hexavalent chromium to levels below 0.06 ppb. This pilot study is necessary because we understand, based on our discussions with the California Department of Public Health and water purveyors such as the City of Glendale, that there are currently no certified treatment systems that can consistently reach the 0.06 ppb limit for hexavalent chromium. As we indicated in our transmittal of the pilot study work plan to the Water Board on September 27, 2011, PG&E welcomes any input the Water Board may have regarding the testing protocols or monitoring programs outlined in that work plan. The pilot test facility has commenced operation, and we welcome community

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members and others who wish to tour the facility; some Community Advisory Committee (CAC) members already have visited the facility. Preliminary results of our pilot study are expected to be available in late February/early March 2012, and we will share those results with the Board and the public as soon as possible. In addition, we have made significant progress on establishment of an IRP that meets the goals and objectives of the CAC members, and we anticipate signing a formal agreement with the CAC before the December 10, 2011 Order deadline.

While PG&E has been diligently working to comply with the feasible provisions of the Order as described above, we have submitted a petition to the State Water Resources Control Board on those provisions that are technically infeasible, including Ordering Paragraph 3.a. which is the subject of this submittal. Ordering Paragraph 3.a. requires PG&E to propose a method or methods to perform an initial and quarterly evaluation of every domestic or community well in the affected area to determine if detectable levels of hexavalent chromium between the maximum naturally occurring background level and the Public Health Goal (PHG) represent background conditions, or are more likely than not, partially or completely, caused by the discharge of waste by PG&E. The order states that the proposed method or methods should take into consideration the factors listed in Finding No. 26 of the Order; that finding provides that hexavalent chromium concentrations in each domestic well in the affected area must be evaluated separately, considering a number of factors, including, but not limited to: changes in hexavalent chromium levels over time, location of the well in relationship to the plume and groundwater flow direction, isotopic analysis of hexavalent chromium, and statistical analysis described in Title 27, California Code of Regulations (CCR), section 20415(e)(8). For reasons outlined in our petition and further discussed below, PG&E has found no technically sound and implementable methodology for determining impacts to domestic wells below naturally occurring background levels as required by Ordering paragraph 3.a.

As an initial matter, historic analytical detection limits for hexavalent and total chromium were higher than the maximum background concentrations set by the Water Board. Therefore, any historic data set would not allow PG&E to distinguish hexavalent chromium concentrations in the range of background levels, much less to the 0.06 ppb hexavalent chromium level mandated by the CAO, making meaningful data comparison to determine impacted wells impossible.

The Water Board's draft Order issued on June 10, 2011 included proposed requirements for determining impacted wells using three statistical methods. Our technical experts and statisticians discussed these methods with Board staff and with the Board's statistician, and concluded that a statistical method for determining PG&E impacts to domestic wells with hexavalent chromium levels below the background level of 3.1 ppb was not possible. We continued to discuss this issue with our experts after issuance of the final Order, but we could not develop a methodology that was implementable and technically sound. We welcome an opportunity to meet with Board staff to review our conclusions.

PG&E believes that the current background level for hexavalent chromium of 3.1 ppb, in the absence of a new peer reviewed background study, is the only appropriate concentration to compare to for determining impacts. California regulations support this assertion. As provided in 23 CCR section 2550.7(e), when a background study is performed that produces a 95 percent upper tolerance limit (UTL)—as was the case with the Hinkley background study—monitoring data are to be compared to the UTL, rather than to some other parameter for background. Further clarification is given by 23 CCR section 2550.7(e)(8)(C), which provides that the value for each

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constituent of concern or monitoring parameter at each monitoring point is compared to the upper tolerance or prediction limit.

PG&E appreciates the Water Board's recent peer review comments on the Hinkley background study. We will be proposing an updated background study that takes into account those comments and the views of other experts, as well as builds on the significant advances in our understanding of this site that have taken place since the original background study was initiated in 2005. We look forward to discussing this with the Board and developing a mutually agreed upon approach for an updated peer reviewed background study.

I hereby certify that I have examined this report, and based on my examination and my inquiries of those individuals who assisted in the preparation of the report, I believe the report to be true, complete and accurate.

Please do not hesitate to contact me if you have any questions regarding this report, or if you need additional information.

Sincerely,

Robert C. Doss