



January 25, 2006

Mr. Norman Shopay  
California Department of Toxic Substances Control  
700 Heinz Avenue, Suite 200  
Berkeley, CA 94710

Subject: Request for Startup of Extraction Well PE-1  
PG&E Topock Compressor Station, Needles, California

Dear Mr. Shopay,

Pacific Gas and Electric Company's (PG&E) requests authorization by the Department of Toxic Substances Control (DTSC) to initiate groundwater extraction from well PE-1 as part of the overall extraction system for the Topock Interim Measure (IM). Construction of the pipeline connecting extraction well PE-1 to the IM No. 3 treatment plant system is nearly complete, and commissioning activities are scheduled to start late today. At that time, PG&E is proposing that the active IM extraction system would consist of two operating wells (TW-3D and PE-1), and the extracted water from the two wells combined would be managed through the IM No. 3 treatment and injection system.

PG&E would like to begin routine pumping of PE-1 at a rate of approximately 40 gallons per minute (gpm) as soon as commissioning is completed. Short-term step testing conducted shortly after the well was installed in early 2005 suggests that 40 gpm is approximately the maximum sustainable pumping rate from PE-1. Well TW-3D would be pumped at approximately 95 gpm during normal operating conditions for a total of 135 gpm, the maximum capacity of the IM No. 3 treatment plant. Groundwater modeling indicates that pumping PE-1 at 40 gpm and TW-3D at 95 gpm provides plume control and increases gradients in the vicinity of MW34-100, while minimizing the potential for PE-1 to increase gradients toward the floodplain within the toe of the plume.

PG&E will monitor water levels in PE-1 and surrounding wells during the first 2 weeks of pumping to evaluate well performance. After approximately 2 weeks, the transducers will be downloaded and an assessment will be made of the well's capacity and its effects on the groundwater gradients in the floodplain. PG&E will confer with DTSC on any further adjustments of pumping rates that may be recommended on the basis of this evaluation.

PG&E is closely monitoring groundwater levels in all floodplain wells and reporting these measurements in monthly Performance Monitoring Reports. These regular Performance Monitoring Reports will provide an ongoing evaluation of the effects of pumping at PE-1.

DTSC has established numerical gradient targets between a set of three well pairs to evaluate the performance of the pumping from the MW-20 Bench (e.g., TW-2D, TW-3D). When PE-1 begins pumping in late January, the center gradient well pair

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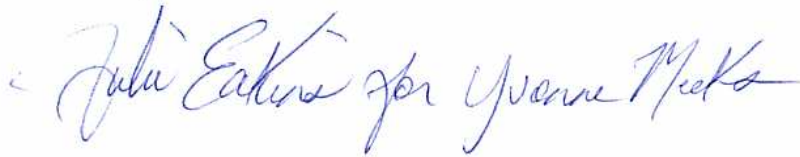
January 25, 2006

Page 2

(MW-34-80/MW-20-130) will no longer be appropriate for measuring gradients associated with TW-2D and/or TW-3D pumping. Monthly gradients for January will be calculated and reported for that portion of the month prior to PE-1 startup. During the first two weeks of January, gradients in these key well pairs were from 2.8 to 4.4 times greater than the established minimum of 0.001. These are the strongest landward gradients yet observed at the site. The landward gradients are expected to increase even more over the next few months with the IM No. 3 plant operating at maximum capacity and the river level rising.

As directed by DTSC, PG&E plans to begin drilling a set of new floodplain monitoring wells in early February 2006. These new wells will allow better assessment of the more complex gradients that will be present with PE-1 pumping. It is anticipated that a new, expanded set of gradient well pairs with numerical gradient targets will be established soon after the new wells are installed and the influence of PE-1 pumping on groundwater levels can be observed. Until the new wells are installed, PG&E will continue to track landward gradients in the existing northern and southern well pairs and will continue to measure water levels in all floodplain wells and produce groundwater level contour maps each month that graphically show the gradients in the floodplain.

Sincerely,

A handwritten signature in blue ink that reads "Julie Etkin for Yvonne Meeks". The signature is written in a cursive style.

Cc: Karen Baker  
Aaron Yue  
Kate Burger