

DOCKETED

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Document Title:	5.20.16 Letter to Senator Jackson from Michael Picker RE: Diablo Canyon License Extension
Description:	Letter dated May 20, 2016, from CPUC President Michael Picker to 19th District Senator Hannah-Beth Jackson regarding the Diablo Canyon license extension.
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PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

May 20, 2016

Senator Hannah-Beth Jackson
Nineteenth Senate District
California State Capitol Room 2032
Sacramento, CA 95814

Re: Diablo Canyon License Extension

Dear Senator Jackson:

Thank you for your letter of April 28, 2016. I would like to assure you that the California Public Utilities Commission (CPUC) intends to perform a thorough review of the economic and environmental costs and benefits of the continued operation of Diablo Canyon Power Plant (DCPP) as a key prerequisite for any approval of ratepayer funding related to the plant's license extension.

Shortly after Pacific Gas and Electric Company (PG&E) submitted an application at the Nuclear Regulatory Commission (NRC) in November 2009 to extend the licenses of DCPP Units 1 and 2 for an additional 20 years of operation, PG&E filed an application (A.10-01-022) at the CPUC in January 2010 requesting \$80 million to cover costs related to PG&E's re-licensing activities.

This application at the CPUC was suspended in 2011 without prejudice after PG&E made a formal request to the NRC in April 2011 to delay issuance of the plant's license renewals. On April 28, 2015, the NRC notified PG&E that it is resuming consideration of the license extension application for Diablo Canyon for an additional 20 years of operation. The NRC staff is continuing its review of PG&E's application focusing primarily on environmental, radiological, and safety issues. PG&E has not announced its intentions to re-open the suspended CPUC proceeding or file a new application at the CPUC now that the NRC has resumed its review for DCPP license renewal.

On February 19, 2014, then-CPUC President Peevey sent a letter to Mr. Christopher Johns, then-President of PG&E, notifying that the CPUC will require PG&E to provide sufficient information to ensure that the CPUC can thoroughly evaluate the overall economic and environmental costs and benefits of license extension for Diablo Canyon prior to any approval of ratepayer funding. On February 28, 2014, PG&E responded by providing its commitment to provide the information to the CPUC.

On May 27, 2015, CPUC President Picker sent another follow-up letter to Mr. Johns of PG&E reiterating the need for PG&E to provide certain specific information to the CPUC as part of any future effort by PG&E to seek ratepayer funding in an application at the CPUC for DCPP license extension.

In response to a data request from the Alliance for Nuclear Responsibility (A4NR) in PG&E's 2017 General Rate Case (GRC), PG&E stated that it will file a separate ratemaking application to address cost recovery for expenses related to license extension for DCP. PG&E did not seek cost recovery of any expenses associated with license extension of DCP in the 2017 GRC nor has it done so in any other open proceeding.

If and when PG&E submits an application to the CPUC for recovery of costs related to DCP license extension, the CPUC expects PG&E to provide all the information requested in my previous letter in order for the CPUC to thoroughly evaluate the costs and benefits associated with extending the operation of the plant. These costs would be subject to review in a formal CPUC proceeding. It is only after approval by the Commission that PG&E would be authorized to recover these costs and any other costs associated with DCP license renewal in rates.

I would like to continue to assure you that the safety at nuclear power plants in the state is of paramount concern to the CPUC. This Commission is obligated to address issues related to any proposals for DCP's license extension. The Commission would not be able to adequately and appropriately exercise its authority to fund and oversee DCP's license extension without these issues being fully developed and reviewed.

Sincerely,

A handwritten signature in black ink, appearing to be 'M. Picker', with a long horizontal stroke extending to the right.

Michael Picker
President

cc: Commissioner Catherine Sandoval
Commissioner Liane Randolph
Commissioner Michel Florio
Commissioner Carla Peterman
Executive Director Timothy Sullivan