



May 19, 2008

Barbara Byron
California Energy Commission
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: **PG&E's SUPPLEMENTAL RESPONSES TO DATA REQUESTS
AB 1632 STUDY REPORT
Docket No. (07-AB-1632)**

Dear Ms. Byron:

Enclosed for filing with the California Energy Commission are one (1) original and five (5) copies of **PACIFIC GAS AND ELECTRIC COMPANY's (PG&E) SUPPLEMENTAL RESPONSES TO DATA REQUESTS FOR THE AB 1632 STUDY REPORT Docket No. (07-AB-1632).**

Sincerely,

A handwritten signature in cursive script, reading "Marguerite Cosens".

Marguerite Cosens
Administrative Assistant
GalatiBlek

AB 1632 Nuclear Power Plant Assessment Supplemental Data Request

Data Request 1. In PG&E's *Response to Data Request for the AB 1632 Study Report* (Question K1), PG&E reported that the property tax bill for Diablo Canyon was \$20 million in 2007 and that the bill is expected to increase to \$25 million in 2010. Please explain how these taxes are calculated and provide any supporting documentation or calculations.

Response to Data Request 1

Fiscal year 2007/08 property taxes for DCPD are based on recorded 2006 DCPD taxable plant. Estimated property taxes for fiscal years 2008/09 thru 2010/11 are based on estimated end of year 2007 thru 2009 DCPD taxable plant. Attached is a schedule showing estimated DCPD net plant additions, allocated value and the amount calculated for property taxes for each year (see tab "net additions"). To determine estimated fiscal year 2008/09 property taxes, 2007 DCPD property taxes are added to the latest fiscal year property taxes (fy 2007/08). This is illustrated in the attached spreadsheet (see tab "fiscal and calendar").

Calendar year property taxes are determined from two fiscal year property tax estimates. For example, calendar year 2007 property tax is comprised of one half of the fiscal year 2006/07 and one half of fiscal year 2007/08. Both halves are added and multiplied by the most current SLO property tax rate. Likewise, calendar year 2008 is calculated by using half of 2007/08 and half of estimated 2008/09. The two halves are added and multiplied by the most current SLO County property tax rate. Fiscal years 2009/10 and 2010/11 are calculated similarly. This is also illustrated in the attached spreadsheet under tab "fiscal and calendar".

Please note that the fiscal year begins July 1st through June 30th. Property taxes are paid to the counties in two installments. The 1st installment is paid on December 10th and the 2nd installment is paid on April 10th.

Data Request 2. The following questions address a situation whereby the Diablo Canyon facility is fully decommissioned except for the ISFSI:

- a. What are PG&E's plans for the parcel that has been fully decommissioned? Does PG&E anticipate any barriers to selling this land or releasing it for public or other private uses?

Response to Data Request 2.a.

PG&E has no plans at the current time for the parcels it owns at DCPD. Other than for their continued use to support the power plant and associated security buffer. It is premature to speculate what decisions the company may make

regarding these parcels once the plant is decommissioned. PG&E does not anticipate any barriers to disposing of these parcels if it chooses to do so once the plant is fully decommissioned.

- b. How much land would be required to house the ISFSI, including any required security buffer?

Response to Data Request 2.b.

PG&E estimates it would require at least 3 to 10 acres for the ISFSI itself, and most likely would retain the parcel the ISFSI is located on (Parcel "P") including the power plant itself. That parcel is approximately 585 acres.

- c. Presuming that the fully decommissioned parcel has been sold off, approximately how much would PG&E pay in property taxes for the ISFSI?

Response to Data Request 2.c.

Assuming the parcel retained is parcel "P". DCPD is located on Parcel "P" owned by Eureka Energy and leased by PG&E. Parcel "P" is reported to the State Board of Equalization (SBE) for assessment purposes as map 135-40-23B, Pcl 1 and currently assessed at \$3.6million. Property taxes currently paid on this land parcel is \$37K

- d. Presuming that the fully decommissioned parcel has been sold off, at current prices what would be the ongoing annual O&M and security costs for the ISFSI? How many employees would remain at the facility, and what would their average wage be?

Response to Data Request 2.d.

If the DCPD plant had been decommissioned and all of the spent fuel had been placed into dry storage, security would be provided by either PG&E or under contract with a third party or local municipal agency. Ongoing annual cost is estimated to be between \$1 and \$2 million.

- e. Presuming that the fully decommissioned parcel has been sold off, would local and state emergency preparedness costs be reduced, or would costs remain the same as long as the ISFSI remained? How would the decommissioning of the plant (except for the ISFSI) impact emergency preparedness plans?

Response to Data Request 2.e.

Assuming the plant is decommissioned and the ISFSI remains, PG&E would be required to maintain an Emergency Plan per 10 CFR part 72 for the ISFSI. However, once the plant is decommissioned, the Emergency Plan requirements

would be substantially reduced and would not require the same level of response and protective actions as currently required for an operating nuclear power plant.

**Pacific Gas and Electric Co.
Fiscal and Calendar Year Property Taxes for DCP**

Fiscal Year	Estimated Fiscal Year Property Tax	Recorded Calendar Year Property Tax	Estimated Calendar Year Property Tax	Estimated Calendar Year Property Tax	Estimated Calendar Year Property Tax
		2007	2008	2009	2010
2006/2007 ⁽¹⁾	20,087,558				
		20,423,735			
2007/2008 ⁽²⁾	20,759,912				
			21,204,630		
2008/2009 ⁽³⁾	21,649,347				
				22,888,534	
2009/2010 ⁽⁴⁾	24,127,720				
					24,902,027
2010/2011 ⁽⁵⁾	25,676,333				

Note:

* Amounts above represent estimated property taxes allocated to SLO County for DCP. The State Board of Equalization allocates values to all counties within PG&E's service territory based on a formula.

- (1) Based on 2006/2007 SBoE Allocation Roll, Diablo Canyon assets and actual tax rate.
- (2) Based on 2007/2008 SBoE Allocation Roll, Diablo Canyon Assets and actual tax rate.
- (3) Based on 2007 eoy net plant additions, estimated SBoE allocation and estimated property tax rate.
- (4) Based on estimated 2008 net plant additions, estimated SBoE allocation and estimated property tax rate.
- (4) Based on estimated 2009 net plant additions, estimated SBoE allocation and estimated property tax rate.

Prepared by Art Padilla (3-3404)
3/12/2007

**Pacific Gas and Electric Co.
Estimated DCPD Net Plant Additions and Prop Taxes**

	Estimated DCPD Net Plant Adds.	Estimated Allocation Factor	Estimated Allocated Value ⁽¹⁾	Estimated Est. SLO Tax Rate	Estimated DCPD Prop. Taxes ⁽²⁾
eoy 2007= fy 2008/09	285,075,351	30%	85,522,605	1.04%	889,435
eoy 2008=fy 2009/10	794,350,450	30%	238,305,135	1.04%	2,478,373
eoy 2009=2010/11	496,350,450	30%	148,905,135	1.04%	1,548,613

Note:

- (1) Allocated value based on prior year allocation factor
- (2) Property taxes associated with DCPD properties.

T:\data\dcptaxforecast2008_2009.xls
Prepared by Art Padilla (3-3404)
3/12/2008

Estimated Calendar Year Tax Forecast for Diablo Canyon

2007 \$20.4million
2008 \$21.2million
2009 \$22.9million
2010 \$24.9million