STATE OF CALIFORNIA
Governor

Edmund G. Brown Jr.,

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

RECEIVED
FEB 20 2014
CHRISTOPHER P. JOHNS

February 19, 2014

Mr. Christopher Johns
President
Pacific Gas and Electric Company
77 Beale Street
San Francisco, CA 94105

Re: Diablo Canyon License Extension

Dear Mr. Johns:

On June 25, 2009 I sent a letter to Peter Darbee, then CEO-President of Pacific Gas and Electric Company (PG&E) regarding the need to ensure that we thoroughly evaluate the overall economic and environmental costs and benefits of a license extension for Diablo Canyon nuclear power plant given the facility's geographic location in a seismic hazard zone.

As a follow on to that letter, I would like to inform PG&E that when we review PG&E's application at the CPUC for ratepayer funding for the license extension of DCPP, we need to ensure plant reliability, as well as thoroughly evaluate the overall economic and environmental costs and benefits of a license extension for Diablo Canyon, especially in light of the plant's geographic location regarding seismic hazards and vulnerability assessments. Accordingly, PG&E must submit a cost effectiveness study for license extension of Diablo Canyon Power Plant (DCPP) prior to seeking any requests for ratepayer funding from the California Public Utilities Commission (CPUC). As part of this evaluation, PG&E should report on its progress in implementing the recommendations contained in the California Energy Commission's (CEC) 2013 Integrated Energy Policy Report (IEPR) issued January 2014, as related to Diablo Canyon.

PG&E's study should address the following issues, which would provide additional information to us to ensure plant reliability for extended operation of DCPP:

1. Report on the major findings and conclusions from DCPP's enhanced seismic studies including the 2-D and 3-D surveys in the vicinity of Diablo Canyon and report on the implications of these findings and conclusions for the long-term seismic vulnerability and reliability of the plant.
2. Summarize the lessons learned from the Fukushima event and discuss any implications that PG&E evaluated that could affect Diablo Canyon, including potential expansion and maintenance of emergency planning zones.
3. Re-assess the adequacy of access roads to DCPP and surrounding roadways for allowing emergency personnel to reach the plant and for local communities and plant workers to evacuate. This assessment needs to consider today's local population and not rely on the past situation when the plant was constructed.

4. Assess the adequacy of liability coverage in the event of a major event or potential release of large off-site release of radioactive materials.
5. Conduct a detailed study of the local economic impacts that would result from a shutdown of the plant and compare that impact with alternative uses of the Diablo Canyon site.
6. Assess low and high-level waste disposal costs for waste generated through a 20-year plant license extension, including the low and high-level waste disposal costs for any major capital projects that might be required during this period, such as replacement of steam generators or high pressure turbines. In addition, include PG&E's plans and associated costs for storage and disposal of low-level waste and spent nuclear fuel through decommissioning of DCPP.
7. Explore alternative spent fuel management schemes to expeditiously transfer spent nuclear fuel assemblies from the wet spent fuel pool to dry casks in the Independent Spent Fuel Storage Installation (ISFSI).
8. Provide an evaluation of the structural integrity of the concrete and reinforcing steel in the spent fuel pools, including any increased vulnerability to damage resulting from a seismic event, and an assessment of any radiological impacts from any prior leakages.
9. Study alternative power generation options to quantify the reliability, economic and environmental impacts of replacement power options.
10. Address the potential costs associated with mitigation or alternatives to the use of once-through-cooling at DCPP for compliance with requirements imposed by the California Water Resources Control Board.
11. Include PG&E's responses to nuclear and DCPP-related issues and any actions taken as recommended by the CEC in their IEPRs.

I would like 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 the above itemized issues related to any proposals for DCPP's license extension. This Commission would not be able to adequately and appropriately exercise its authority to fund and oversee DCPP's license extension without these issues being fully developed. Therefore, it is imperative that these issued be addressed by PG&E in a study submitted to us prior to submittal of any application seeking ratepayer funding.

Sincerely,

Michael R. Peevey
President

cc: Commissioner Catherine J.K. Sandoval
Commissioner Michael Picker
Commissioner Michel Florio
Commissioner Carla Peterman
Executive Director Paul Clanon