

Application No.: 04-02-026

Exhibit No. :

Date: January 7, 2005

Witness: Gordon Thompson

**BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA**

Application of Southern California Edison Company
(U 338-E) for Authorization:
(1) to replace San Onofre Nuclear Generation Station Unit Nos.
2 & 3 (SONGS 2 & 3) steam generators; (2) establish
ratemaking for cost recovery; and (3) address other steam
generator replacement issues.

Application A.04-02-026
(Filed February 27, 2004)

**SUPPLEMENTAL TESTIMONY OF GORDON THOMPSON ON BEHALF OF
CALIFORNIA EARTH CORPS**

Sabrina D. Venskus
Attorney at Law
171 Pier Avenue, #204
Santa Monica, CA 90405
(310) 581-1180 (phone)
(310) 581-1183 (facsimile)
venskus@lawsv.com

For: CALIFORNIA EARTH CORPS

January 7, 2005

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3 Q. Please state your name, business address, and professional affiliations.

4 A. My name is Gordon R. Thompson. I am the executive director of the Institute for Resource and
5 Security Studies (IRSS), a nonprofit, tax-exempt corporation based in Massachusetts. The IRSS
6 office is located at 27 Ellsworth Avenue, Cambridge, MA 02139.
7

8 Q. What are the purposes of your supplemental testimony?

9 A. There are two purposes. First, I clarify a point in my original testimony, which was filed on
10 December 13, 2004. Second, I discuss information that has become available to me since my
11 original testimony was filed.

12 Q. What is the point in your original testimony that requires clarification?

13 A. In Section VIII of that testimony, I estimated the additional costs to SCE and other plant owners
14 that would arise from introduction of a set of enhanced-defense measures. In presenting those
15 costs, I did not account for cost inflation over time, capital charges, or the discounting of costs
16 that would be incurred in the future. I neglected these factors deliberately, but did not state this
17 explicitly in my original testimony.
18

19 Q. Has additional information about annual capital expenses at SONGS Units 2 and 3 become
20 available to you?
21

22 A. Yes. This information is contained in the SCE response to Question 01 in Data Request Set
23 ORA-SCE-16 in this proceeding. SCE stated that, for the years 1994-2003, the annual capital
24 expense averaged \$40.6 million, with a range from \$14.2 million (in 2000) to \$85.5 million (in
25 1995). SCE projects that, for the years 2004-2008, the annual capital expense will average \$60.7
26 million, with a range from \$33.7 million (in 2006) to \$104.3 million (in 2004). Both the
27 historical and the projected numbers are in nominal dollars, exclude overheads, and exclude
28

1 Marine Mitigation. The projected numbers also exclude capital expenses for replacement of
2 steam generators.

3 Q. Has additional information about the SONGS workforce become available to you?
4

5 A. Yes. This information is contained in the SCE response to Question UT-8 in Data Request Set
6 ED-SCE-CEQA-2 in this proceeding. SCE stated that SONGS currently employs 373 security
7 officers, with 72 on duty at any given time. SCE further stated that, to meet the Design Basis
8 Threat currently specified by NRC, SCE is in the process of hiring and training additional
9 security officers in order to raise the total complement of security officers at SONGS to 420.
10 Also, the SONGS Fire Department has a current complement of 22 firefighters divided into three
11 crews. Seven firefighters serve during each 24-hour shift.
12

13 Q. Has additional information of a policy nature become available to you?

14 A. Yes. This information consists of a letter of December 3, 2004, from Luis A. Reyes, Executive
15 Director for Operations, NRC, to Kevin D. Crowley, Director, Board on Radioactive Waste
16 Management, National Research Council. This letter discussed a proposed unclassified
17 summary of a classified report prepared by the National Academy of Sciences (NAS) at the
18 request of Congress. The classified report, which I mentioned in Section VI of my original
19 testimony, addressed the safety and security of spent-fuel storage. In Reyes' letter, NRC
20 expressed its dissatisfaction with the proposed unclassified summary that NAS had forwarded to
21 NRC for review, stating in part:
22

23
24 "In particular, the proposed edited report that you sent to the NRC on November 12,
25 2004, is permeated with sensitive information that would be useful to potential adversaries and
26 could reasonably be expected to have an adverse effect on the common defense and security.
27
28

1 The NRC cannot authorize release of the proposed edited version of the classified report, which
2 would allow such information to enter the public domain.

3 Also, we continue to have serious reservations regarding the approach, findings, and
4 recommendations of the classified report. It appears that the report suffers from constraints on
5 time and information which the NRC and National Academies should pursue separately."

6
7 Q. How do you interpret Reyes' letter?

8 A. Based on my experience interacting with NRC in regard to the safety and security of spent fuel, I
9 infer that NRC is attempting to suppress findings by NAS that are inconvenient to NRC. For
10 many years, NRC has asserted that storage of spent fuel in high-density pools is a safe and secure
11 practice. Analysis by me and others has shown that NRC's assertion is based on incomplete and
12 faulty understanding of the relevant phenomena. Unfortunately, NRC is more concerned about
13 defending its assertion and accommodating the nuclear industry than about protecting the public.
14 I am not persuaded that NAS would propose to publish information that would be useful to
15 potential adversaries.
16

17 Q. How does your interpretation of Reyes' letter relate to your original testimony?

18 A. This letter confirms my judgment that NRC's present resistance to the introduction of enhanced
19 defenses of nuclear facilities will be overcome by the accumulation of evidence that enhanced
20 defenses are needed.
21

22 Q. Does that conclude your supplemental testimony?

23 A. Yes.
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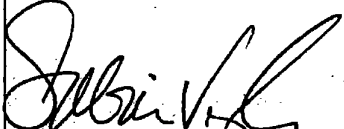
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of SUPPLEMENTAL TESTIMONY OF GORDON THOMPSON ON BEHALF OF CALIFORNIA EARTH CORPS in A.04-02-026.

A copy has been mailed First Class U.S. Mail and e-mailed to all known parties of record in the proceeding who have provided addresses.

Executed in Santa Monica, California, on the 7th day of January, 2005.



Sabrina D. Venskus