

Decision 89 03 060 MAR 2 2 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company, for Authorization to Establish a Rate Adjustment Procedure for Its Diablo Canyon Nuclear Power Plant; to Increase Its Electric Rates to Reflect the Costs of Owning, Operating, Maintaining and Eventually Decommissioning Units 1 and 2 of the Plant; and to Reduce Electric Rates Under Its Energy Cost Adjustment Clause and Annual Energy Rate to Reflect Decreased Fuel Expenses.

(Electric) (U 39 E)

And Related Matter.

Mailed
MAR 23 1989

Application 84-06-014
(Filed June 6, 1984)

Application 85-08-025
(Filed August 12, 1985)

OPINION

The San Luis Obispo Mothers for Peace and Rochelle Becker (the San Luis Obispo parties) have filed a joint request for compensation to reimburse them for their costs of participation in the resolution of these applications. In Decision (D.) 88-12-083, we approved a settlement of the construction costs of Pacific Gas and Electric Company's (PG&E) Diablo Canyon nuclear power plant, and, in passing, said that "the participation of the San Luis Obispo parties, however, did much to focus our attention on particular issues in this case, especially safety issues, and they have made a substantial contribution to our analysis and decision, but they have not persuaded us to adopt their recommendation." (Slip opinion, p. 183.) We found that they are eligible to claim compensation for their participation. On January 3, 1989, they filed a request for compensation of \$35,228.41.

Two major issues in the settlement hearing were whether performance based pricing would have an adverse effect on plant safety and whether the safety committee would function effectively. The San Luis Obispo parties presented extensive evidence on these two issues and cross-examined witnesses in detail. The evidence and cross-examination of the San Luis Obispo parties caused the proponents of the settlement, PG&E, the Attorney General, and the Division of Ratepayer Advocates, to detail on the record the impact of the settlement on safety which, in turn, gave us a thorough understanding of the safety issues involved in the structuring of the settlement.

The Redwood Alliance has also filed a request for compensation. It seeks \$65,387.20. It too was found eligible to claim compensation in D.88-12-083. The Redwood Alliance's claim will be denied. It did not make a substantial contribution to D.88-12-083. At the hearings, it attempted to show that Diablo Canyon should be shut down because it was uneconomical to operate. We found, to the contrary, that "the evidence presented on the issue of shutting down Diablo Canyon because it is economically unjustified was preliminary, inadequate, and not persuasive." (Slip opinion, p. 186.) We cannot make a compensation award, which will ultimately be borne by the ratepayers, on a showing found to be inadequate. ✓

The Redwood Alliance, in its claim for compensation, recognized this barrier and reduced its original claim from \$110,400 to \$65,387.20, and asserts it should be compensated because it filed briefs and commented on the issues of floor payments, decommissioning, and the binding effect of Commission decisions. To be compensated with public funds, more is required than merely commenting and cross-examining on issues which have been raised by others or are obvious. A "substantial contribution" must be made "which, in the judgment of the Commission, greatly assists the Commission. ..." (Rule 76.26.) In our opinion, the

presentation of the Redwood Alliance did not make a substantial contribution to the resolution of those three issues; the presentation was merely cumulative.

Findings of Fact

1. The presentation of the San Luis Obispo parties made a substantial contribution to D.88-12-083.

2. The compensation requested by the San Luis Obispo parties is based on approximately 560 hours of the participants' time at \$50 per hour plus reasonable expenses for travel, telephones, stationery, and postage, etc. ✓

3. An award of compensation to the San Luis Obispo parties of \$35,228.41 is reasonable. ✓

4. The presentation of the Redwood Alliance did not make a substantial contribution to D.88-12-083. ✓

The Commission concludes that pursuant to Rules of Practice and Procedure 76.29 and 76.30 the San Luis Obispo Mothers for Peace and Rochelle Becker should be awarded \$35,228.41 reasonable compensation for their participation in these proceedings, and that the Redwood Alliance should take nothing.

ORDER

IT IS ORDERED that Pacific Gas and Electric Company shall pay to the San Luis Obispo Mothers for Peace and Rochelle Becker, jointly, \$35,228.41.

This order is effective today.

Dated March 22, 1989, at San Francisco, California.

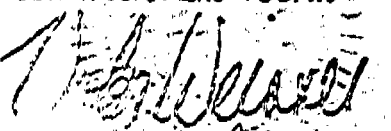
G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
Commissioners

Commissioner Patricia Eckert present
but not participating.

I will file a concurring opinion.

/s/ JOHN B. OHANIAN
Commissioner

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

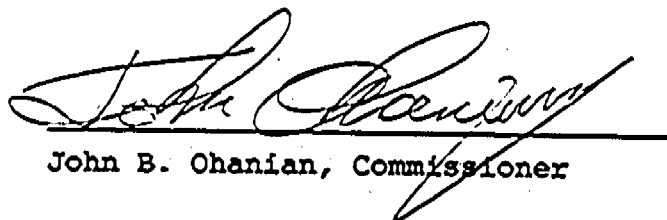

Victor Weisberg, Executive Director

A.84-06-014, A.85-08-025
D.88-03-063

JOHN B. OHANIAN, Commissioner, Concurring:

I am supporting this decision, but only reluctantly. I agree with the Administrative Law Judge and assigned Commissioner that the San Luis Obispo Mothers for Peace and Rochelle Becker have made a substantial contribution to the Diablo Canyon settlement decision. However, in the interests of fairness and equity among the other parties active in this proceeding, I believe that the Redwood Alliance also deserves a partial award for its assistance to the Commission in investigating the effect of the Diablo Canyon settlement on PG&E's decommissioning costs.

Determination of "substantial contribution" is a matter of judgment, and in my judgment the contribution of Redwood Alliance relative to the other parties is substantial. It is not obvious from the record and from reading the settlement decision that one intervenor should be awarded all of its requested compensation and another be awarded nothing. Redwood Alliance introduced and studied the conflict between accounting treatment of operations and maintenance costs, which are now PG&E's responsibility, and decommissioning costs, which will be paid by ratepayers. It presented testimony on this topic, participated in hearings and contributed to technical workshop framing of questions and answers now on the record.



John B. Ohanian, Commissioner

March 22, 1989
San Francisco, California

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The Redwood Alliance, in its claim for compensation, recognized this barrier and reduced its original claim from \$110,400 to \$65,387.20, and asserts it should be compensated because it filed briefs and commented on the issues of floor payments, decommissioning, and the binding effect of Commission decisions. In our opinion, the presentation of the Redwood Alliance did not make a substantial contribution to the resolution of those three issues; the presentation was merely cumulative.

Findings of Fact

1. Two major issues in the settlement hearing were whether performance based pricing would have an adverse effect on plant safety and whether the safety committee would function effectively. The San Luis Obispo parties presented extensive evidence on these two issues and cross-examined witnesses in detail.

2. The evidence and cross-examination of the San Luis Obispo parties caused the proponents of the settlement, PG&E, the Attorney General, and the Division of Ratepayer Advocates, to detail on the record the impact of the settlement on safety which, in turn, gave us a thorough understanding of the safety issues involved in the structuring of the settlement.

3. The presentation of the San Luis Obispo parties made a substantial contribution to D.88-12-083.

4. The compensation requested by the San Luis Obispo parties is based on approximately 560 hours of the participants' time at \$50 per hour plus reasonable expenses for travel, telephones, stationery, and postage, etc.

5. An award of compensation to the San Luis Obispo parties of \$35,228.41 is reasonable.

6. The presentation of the Redwood Alliance did not make a substantial contribution to D.88-12-083.

The Commission concludes that pursuant to Rules of Practice and Procedure 76.29 and 76.30 the San Luis Obispo Mothers for Peace and Rochelle Becker should be awarded \$35,228.41 reasonable compensation for their participation in these proceedings, and that the Redwood Alliance should take nothing.

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