

ALJ/RAB/jt

Decision 90 04 008 APR 11 1990

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 de-commissioning Unit 1 of the plant; and to reduce electric rates under its energy cost adjustment clause and annual energy rate to reflect decreased fuel expenses.

(U 39 E)

And Related Matter.

ORIGINAL

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

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

O P I N I O N

In April 1989 the San Luis Obispo Mothers for Peace and Rochelle Becker (petitioners) filed a petition seeking to modify Decision (D.) 89-03-062 and D.88-12-083, the decisions that approved the settlement of the Diablo Canyon prudence review, by suspending the performance-based payments for Diablo Canyon until the Independent Safety Committee (Committee) authorized by the Settlement Agreement is appointed and functioning. The petition is based on the allegations that (1) Pacific Gas and Electric Company (PG&E) is operating Diablo Canyon at a capacity in excess of 93%, and (2) a Nuclear Regulatory Commission (NRC) report in April 1989 cited three apparent safety violations at Diablo Canyon. Petitioners assert that the apparent safety violations at Diablo Canyon are due in part to the absence of the Committee. In December 1989 petitioners filed a new petition requesting a finding

that there was no Committee in 1989 and that the functions of the Committee were performed by petitioners. PG&E opposes the petitions.

The NRC has exclusive authority over radiological safety at Diablo Canyon. The Committee was approved to review safety of operations at the plant, to annually advise PG&E of the results of the Committee's review and any safety recommendations that the Committee might have, and to make its views known to the NRC. The Committee concept was approved by this Commission in late December 1988 (D.88-12-083) and required the members of the Committee to be "persons with knowledge, background, and experience in the field of nuclear power facilities." Nominations for membership were to be submitted by January 1 of each year for appointments to be made on March 1 with the term to commence on July 1. Two petitions for rehearing of D.88-12-083 were filed which opposed the settlement, including the Committee. Those petitions were not disposed of until March 1989. On May 10, 1989, the Commission approved a resolution providing standards of compensation and accounting guidelines for the Committee. Adequate time is necessary to find qualified candidates with the requisite technical skills and background. Haste in selection should be avoided.

In September 1989, Dr. William Kastenberg was appointed by Governor Deukmejian to the three-member Committee. Dr. Kastenberg has accepted the appointment. In December 1989, Warren H. Owen was appointed by Chairman Imbrecht of the California Energy Commission to the Committee. Mr. Owen has accepted. The Committee now has a quorum and is functioning.

Dr. William Kastenberg is a Professor of Engineering and Applied Science at the University of California, Los Angeles. He teaches nuclear reactor design and safety, probabilistic risk assessment, new energy technology, and environmental effects. He has done research on nuclear reactor safety and accident prevention

and mitigation. He has over 100 publications relating to reactor safety and risk assessment.

Warren Owen is Executive Vice President of Duke Power Company, where he directs all electric power production activities, including plant design, construction, and operation. Under his leadership, Duke has consistently ranked at the industry's highest levels of operating performance in both nuclear and fossil generation.

By the terms of the Settlement Agreement it was contemplated that the Committee might not be operative until July 1990. In fact, it is operating now. We are informed that Dr. Kastenberg and Mr. Owen are now organizing the Committee and its staff and are planning a meeting in San Luis Obispo in May 1990 which will be open to the public. Specifics of the May meeting will be announced publicly.

Petitioners have presented no facts which would cause us to modify D.88-12-083 or D.89-03-062. We conclude that the petitions should be denied.

O R D E R

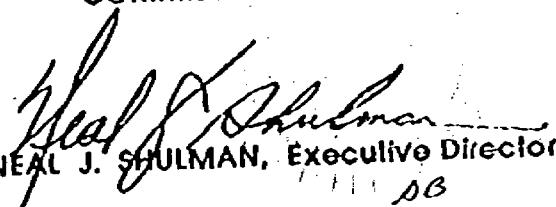
IT IS ORDERED that the petitions of the San Luis Obispo Mothers for Peace and Rochelle Becker are denied.

This order is effective today.

Dated APR 11 1990, at San Francisco, California.

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

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


NEAL J. SHULMAN, Executive Director