

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

Application of Pacific Gas and Electric  
Company to Recover the Costs Associated  
with Renewal of the Diablo Canyon Power  
Plant Operating Licenses

Application No. 10-01-022

U 39 E

**JOINT MOTION OF  
PACIFIC GAS AND ELECTRIC COMPANY AND  
THE UTILITY REFORM NETWORK  
TO SUSPEND PROCEEDINGS PENDING  
COMPLETION OF SEISMIC STUDIES**

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Attorneys for  
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Dated: June 9, 2011

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By this Motion, Pacific Gas and Electric Company (“PG&E”) and The Utility Reform Network (“TURN”) (collectively referred to as the “Joint Parties”) request that the Commission suspend the proceedings in this Docket until PG&E has completed the seismic studies for the Diablo Canyon Nuclear Power Plant (“Diablo Canyon”). When seismic studies of the area around Diablo Canyon are completed and submitted to the Nuclear Regulatory Commission (“NRC”), the Joint Parties propose that PG&E file a motion with this Commission to restart the proceedings and schedule a prehearing conference to evaluate next steps. The Division of Ratepayer Advocates (DRA) has authorized the Joint Parties to state that DRA does not oppose the Joint Motion.

**I. PROCEDURAL STATUS**

PG&E filed its Application in this Docket on January 29, 2010. The first Prehearing Conference was held before Administrative Law Judge Barnett on April 14, 2010. Thereafter, on April 15, 2010, the Commission issued its Notice of Evidentiary Hearing setting the matter for hearing before ALJ Barnett from October 11, 2010, through October 15, 2010.

Following discovery and the filing by interested parties of testimony in the proceeding,

PG&E, DRA and TURN reached a settlement in principle of all issues in this proceeding and notified the Commission and parties of the settlement. In light of that proposed settlement, the previously scheduled hearing on PG&E's Application did not go forward on October 11, 2010. Instead, PG&E, DRA, and TURN filed a Joint Motion seeking approval of the settlement on November 16, 2010. On January 28, 2011, ALJ Barnett set a hearing on the proposed settlement with that evidentiary hearing to begin on April 4, 2011. That hearing was subsequently reset to be held on April 13, 2011, by the Commission's February 9, 2011, order.

While the parties were preparing for the April hearing on the settlement, a massive earthquake and tsunami hit Japan creating a crisis at the Fukushima Dai-ichi nuclear power plant. On March 16, 2011, ALJ Barnett issued his "Ruling Taking Hearing Off Calendar." That ruling stated that the Application "now set for evidentiary hearing April 13, 2011, is taken off calendar to be reset on motion of the parties."

Following the ALJ's Ruling Taking Hearing Off Calendar, on April 14, 2011, Californians for Renewable Energy, Inc. ("CARE") filed a Motion to Dismiss PG&E's Application. PG&E filed its opposition to CARE's Motion on April 29, 2011. Then, on May 19, 2011, the Commission issued its Notice of Law and Motion Hearing setting a hearing before ALJ Barnett for July 7, 2011, "at which time and place all parties may appear and be heard." The Joint Parties respectfully request that this Motion be heard at that July 7, 2011, Law and Motion Hearing.

## **II. MOTION TO SUSPEND PROCEEDINGS**

In response to concerns about the seismic safety characteristics of Diablo Canyon, PG&E asked the NRC to delay the final issuance of the plant's license renewal, if approved, until seismic studies in the area are completed and the results are reported to the NRC. On May 31, 2011, the NRC agreed with PG&E's request, providing a revised license renewal schedule that

will allow PG&E to finish these important studies and for the NRC to consider the results of the studies before final action is taken on our license renewal application. A copy of the NRC's letter is included as Attachment 1.

Consistent with the steps PG&E has taken at the NRC, the Joint Parties request that the Commission suspend these proceedings until the seismic studies are completed and have been submitted to the NRC. Administrative efficiency would be best served by simply suspending the proceedings as they currently stand until such time as the results of the permitted seismic studies are complete and have been submitted to the NRC. At that time, PG&E will file a motion with the Commission to schedule a prehearing conference to restart the proceedings. The parties can then evaluate whether the settlement agreement should go forward or whether other steps, such as submitting supplemental testimony or holding evidentiary hearings are appropriate. No party would be prejudiced by such a process and administrative efficiency would be served.

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# ATTACHMENT 1



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

May 31, 2011

Mr. John Conway  
Senior Vice President,  
Generation and Chief Nuclear Officer  
Pacific Gas and Electric Company  
77 Beale Street, MC B32  
San Francisco, CA 94105

SUBJECT: RESPONSE TO REQUEST FOR DEFERRAL OF ISSUANCE OF RENEWED OPERATING LICENSES AND REVISION OF SCHEDULE FOR THE REVIEW OF THE DIABLO CANYON NUCLEAR POWER PLANT, UNITS 1 AND 2, LICENSE RENEWAL APPLICATION

Dear Mr. Conway:

On behalf of the U.S. Nuclear Regulatory Commission (NRC or staff), I am responding to your letter of April 10, 2011 and your counsel's letter of April 12, 2011. The staff acknowledges your request for deferral of issuance of renewed operating licenses until updated seismic studies are completed and is revising your site-specific schedule. This is necessary because the NRC does not issue renewed operating licenses without consideration of the required coastal consistency certification.

Enclosed is a revised schedule for the review of the Diablo Canyon Nuclear Power Plant, Units 1 and 2, license renewal application. However, this revised schedule is subject to further revision depending on the Commission's pending decision on a Joint Emergency Petition seeking a suspension of all reactor licensing decisions and proceedings. Based on anticipated delays in obtaining your coastal consistency certification, the schedule has been updated to reflect the delay of future milestones, with the exception of issuance of the safety evaluation report (SER). The staff intends to issue the SER in June 2011. Prior to finalizing a decision regarding license renewal, the staff will supplement the SER, as necessary, considering any relevant new information from the seismic studies, operating experience, and annual updates to the LRA. The schedule for subsequent environmental and safety review milestones and any SER supplements will be determined at a later date, and will be based on a timeline appropriately coordinated with the expected completion of the 3-D seismic studies and your receipt of a coastal consistency certification. The staff will update the review schedule as milestone dates are determined.

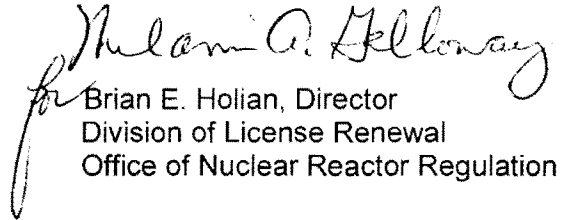
To allow the staff to appropriately plan and manage completion of the review of the license renewal application, we request you keep the NRC updated on the progress and schedule of the completion of the 3-D seismic studies and estimated receipt of a coastal consistency certification.

J. Conway

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If you have any questions on the revised schedule, please contact Nathaniel Ferrer at 301-415-1045 or by e-mail at [nathaniel.ferrer@nrc.gov](mailto:nathaniel.ferrer@nrc.gov).

Sincerely,

  
Brian E. Holian, Director  
Division of License Renewal  
Office of Nuclear Reactor Regulation

Docket Nos. 50-275 and 50-323

Enclosure:  
As stated

cc w/encl: Listserv



DIABLO CANYON NUCLEAR POWER PLANT, UNITS 1 AND 2  
LICENSE RENEWAL APPLICATION  
REVIEW SCHEDULE

Milestone	Schedule	Actual
Receive license renewal application (LRA)	11/24/2009	11/24/2009
Publish Federal Register Notice (FRN) - LRA availability	12/11/2009	12/11/2009
Publish FRN - acceptance/rejection and opportunity for hearing	01/21/2010	01/21/2010
Publish FRN – Intent to conduct Environmental Scoping	01/21/2010	01/27/2010
Public Meeting - license renewal overview	02/09/2010	02/09/2010
Public Meeting – environmental scoping meeting	03/03/2010	03/03/2010
Deadline for filing hearing requests and petitions for intervention	03/22/2010	03/22/2010
Audit – Scoping & Screening Methodology	03/15/2010	03/15/2010
Environmental scoping period ends	04/12/2010	04/12/2010
Audit – Aging Management Programs	04/12/2010	04/12/2010
Audit - Environmental	04/19/2010	04/19/2010
Issue environmental requests for additional information (RAIs)	05/03/2010	07/06/2010
Receive responses for environmental RAIs	06/03/2010	08/05/2010
Issue safety RAIs	06/23/2010	05/18/2010
Receive responses for safety RAIs	07/23/2010	06/03/2010
Inspection - Regional	09/13/2010	09/13/2010
Issue safety evaluation report (SER) with open items	12/10/2010	01/09/2011
Advisory Committee on Reactor Safeguards (ACRS) Subcommittee meeting	02/2011	02/09/2011
Issue SER	06/2011**	
Issue draft supplemental environmental impact statement (SEIS)	TBD	
Publish EPA FRN - draft SEIS available for comments	TBD	
Public Meeting - draft SEIS meeting	TBD	
ACRS Full Committee meeting	TBD	
End of draft SEIS comment period	TBD	
Issue final SEIS	TBD	
Publish EPA FRN - availability of final SEIS	TBD	
License Renewal decision	TBD*	

\* Pending outcome of adjudicatory hearings and Coastal Zone Management Act consistency certification

\*\*Supplement to the final SER will be issued, as required.

ENCLOSURE

J. Conway

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If you have any questions on the revised schedule, please contact Nathaniel Ferrer at 301-415-1045 or by e-mail at [nathaniel.ferrer@nrc.gov](mailto:nathaniel.ferrer@nrc.gov).

Sincerely,

*/RA/*

Brian E. Holian, Director  
Division of License Renewal  
Office of Nuclear Reactor Regulation

Docket Nos. 50-275 and 50-323

Enclosure:  
As stated

cc w/encl: Listserv

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See next page

**ADAMS Accession No.: ML11138A315**

\*concurrence via email

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<b>NAME</b>	IKing	NFerrer	DWrona	EWilliamson	BHolian
<b>DATE</b>	05/19/2011	05/31/2011	05/26/2011	05/26/2011	05/31/2011

**OFFICIAL RECORD COPY**

Letter to John Conway from Brian E. Holian dated May 31, 2011

**SUBJECT:** RESPONSE TO REQUEST FOR DEFERRAL OF ISSUANCE OF RENEWED OPERATING LICENSES AND REVISION OF SCHEDULE FOR THE REVIEW OF THE DIABLO CANYON NUCLEAR POWER PLANT, UNITS 1 AND 2, LICENSE RENEWAL APPLICATION

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