BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services, and Facilities of Southern California Edison Company and San Diego Gas and Electric Company Associated with the San Onofre Nuclear Generating Station Units 2 and 3.

Investigation 12-10-013 (Filed October 25, 2012)

RESPONSE OF THE COALITION OF CALIFORNIA UTILITY EMPLOYEES TO THE ORDER INSTITUTING INVESTIGATION

December 3, 2012

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Pursuant to Rule 5.2, the Coalition of California Utility Employees respectfully submits this response to the Order Instituting Investigation (OII) regarding San Onofre Nuclear Generating Station Units 2 and 3.

The OII identifies as issues several cost and rate items, as well as options for repairing or replacing Units 2 and 3. The Commission should also include measures in the OII to ensure that SCE preserves one of its most critical assets at SONGS – the trained workforce – while the future of the plant is being evaluated.

1. Introduction

The Commission opened this investigation so it may exercise its regulatory oversight regarding rates, operations, practices, and the facilities "as are necessary to promote the safety, health, comfort, and convenience of their *patrons*, *employees*, and the *public*."¹ Whether and to what extent Units 2 and 3 will be restarted and operated is still unknown. If restarted, they will undoubtedly require extraordinary levels of monitoring and evaluation. Yet at the very time when the Commission and SCE need San Onofre's trained and experienced employees most, SCE is planning to eliminate the jobs of hundreds of highly-qualified nuclear plant employees. CUE's interests in this proceeding correlate directly to this issue: a member union of CUE represents approximately 700 SCE employees at the SONGS units.

The Commission should ensure that SCE retains these trained workers, for the benefit of ratepayers and for the public's safety, at least until the ultimate fate of SONGS Units 2 and 3 is determined.

2. The SONGS workforce is highly-skilled and critical to maintain the safety of the public, yet will be slashed.

SCE is planning to downsize the skilled technicians employed at these two SONGS Units 2 and 3 by approximately 730 employees.² Downsizing the skilled technicians employed at these two units is not the proper action at this time. These workers are the very employees who will be necessary for the safe restart and operation of the units if they come back on line. Those qualified to work at SONGS have received extensive training and perform critical jobs essential to safely operate the nuclear plant. Some of these critical job classifications at risk of elimination and their functions are:

¹ Order Instituting Investigation Regarding San Onofre Nuclear Generating Station Units 2 and 3, pg. 12 (emphasis added). ²Press release from Edison International, dated August 20, 2012; http://www.edison.com/pressroom/pr.asp?id=7986

<u>Plant Equipment Operators</u>: These employees monitor the operation of the plant, remove equipment from service for maintenance and return equipment back to service when maintenance is complete. In addition, candidates for nuclear control/reactor operator position are chosen from the pool of nuclear plant equipment operators. SCE plans to eliminate 50% of these positions.

<u>Non-Licensed Control Operators:</u> Non-licensed control operators plan and prepare the tag out procedure to remove equipment from service for maintenance and return the equipment after maintenance. Many of these employees have performed this work for a significant amount of time. Planning and preparing the tag out procedures is a complicated and critical process, which effect nuclear safety, radiological and industrial safety. SCE plans to eliminate all of these positions. If the classification is eliminated, the tag out procedure would be delegated to nuclear control operators, who do not have the same experience or knowledge as non-licensed control operators.

<u>Nuclear Operations Assistants:</u> Nuclear operations assistants ensure there are sufficient personnel to operate the plant, that all NRC required training and medical requirements are up to date and that all qualifications for emergency response personnel are current. They also ensure that NRC work hour rules area followed to prevent operator fatigue and perform the job function as shift communicators during an emergency event to ensure off-site agencies are notified of the event. They require a high degree of expertise and knowledge of NRC requirements and must be available 24 hours a day, 7 days a week in case of emergency. SCE plans to eliminate all of the nuclear operations assistants.

<u>Emergency Services Officers</u>: These officers (firefighters) respond to fires, hazardous material spills and medical emergencies. They are also qualified as emergency medical technicians. SCE plans to eliminate 25% of these positions.

<u>Nuclear Maintenance Machinists, Boiler and Condenser Mechanics, and</u> <u>Maintenance Welders</u>: SCE plans to combine these classifications into a new classification—the nuclear mechanical technician. These positions are high skilled craft classifications in which the employees have spent years honing their skills. SCE plans to eliminate 13% of these positions.

<u>Nuclear Maintenance Crane Operator</u>: These employees operate the cranes to lift loads of significant size and weight. The crane operators are highly skilled and highly trained and require extensive certifications. SCE plans to eliminate the nuclear maintenance crane operator classification. <u>Nuclear Maintenance Painter</u>: Nuclear maintenance painters provide and apply coatings to plant components to protect them from the salt air environment. These employees require the skill and knowledge of dealing with applying and removing hazardous coating. This job classification is being eliminated.

<u>Nuclear Computer Technician</u>: Employees in this classification repair and update software programs for the plant monitoring system, the reactor Core Operating Limit Supervisory System, and the core protection calculators. The reactor operators and senior reactor operators depend on these systems to monitor the safety parameters of the reactor. This position is being eliminated and shifted to the nuclear controls technician classification, which does not receive computer and software training.

<u>Other Positions</u>: Several other classifications in maintenance, radiation protection, chemistry, engineering, project management, and site support services are at risk of elimination.

In sum, SCE is planning wholesale elimination or restructuring of many of the jobs essential to safely operate the plant. SCE has not provided any evidence that it has carefully planned how to safely operate the plant after slashing its workforce. The Commission should be very troubled that SCE's response to concerns about shareholder costs from the SONGS situation is manifesting in a poorly planned slashing of the very workforce needed to safely restart and operate the plant.

3. SCE is downsizing its workforce and shows no evidence of training new employees to safely operate the nuclear generators.

Many of the jobs that will be eliminated require special training and experience. However, SCE has provided no evidence that it intends to provide training for employees who will be moved into new positions and no evidence that it has a plan that ensures that the plant can be re-started and operated safely. Moreover, many of SCE's proposals for shifting responsibilities from eliminated classifications to other classifications could be dangerous without providing the proper training. Cutting high-skilled jobs without requiring the training for replacements and ensuring that employees have the necessary skills to perform their jobs would be imprudent and unsafe management.

Therefore, the Commission needs to consider taking action to require SCE to preserve the existing workforce so that it can safely and effectively operate the plant.

4. Ratepayers have made huge investments in training these employees.

Ratepayers have funded the training required for these positions. As such, SCE and SDG&E owe ratepayers the work product from those employees who have mastered the training and achieved critical job classifications. If SCE terminates much of its highest-skilled workforce, the ratepayers will lose the return on their investment. It serves the ratepayers' and the public's best interest to employ the highest-qualified workers. These employees have the experience and skill to make sure the nuclear generators are run properly, safely, and efficiently. Additionally, it would be unfair to ask future ratepayers to pay for training new employees after SCE discovers that the downsizing was a poorly planned overzealous attempt to cuts costs.

5. There is a shortage of qualified nuclear plant operators.

Historically, the United States Navy has been used as recruitment resource to fill the nuclear plant operator positions at SONGS. However, the Navy nuclear fleet has downsized and so has the pool of experienced applicants. SONGS also recruits nuclear plant operator positions from colleges. While these applicants possess the educational backgrounds, they are not licensed and do not have the plant experience. Recruited applicants begin at an apprentice level and then progress to Nuclear Control Operators. This training process normally takes up to a year and a half and costs upwards of \$500,000 for an individual to be licensed. It takes many more years to be an experienced operator. Once licensed, nuclear plant operators continue training one week in every five.

Currently, there are shortages in other qualified and experienced personnel, including qualified pressure welders, instrument technicians, electricians, and test technicians. Moreover, there are fewer young people pursuing careers in these trades. Due to the shortage of qualified nuclear plant operators, SCE now hires supervision directly into the Senior Reactor Operator ranks instead of the usual practice of promoting reactor operators into that ranks. Many of these supervisors have little or no experience at the facility prior to being promoted. The shortage of qualified plant operators is already affecting operations and maintenance of the SONGS plant. Cutting more positions will only increase the risk of unsafe operation and maintenance.

6. The OII should include an issue related to the SONGS workforce.

Currently, the OII does not directly address the effect of SONGS' extended outages on the utilities' trained workforce and the effects of the planned layoffs on the ratepayers. Nor does it directly address the safety issues caused by this downsizing. Issue 4 addresses the cost-effectiveness of various options for repairing or replacing one or both units of SONGS. Issue 6 considers the reasonableness and necessity of each SONGS-related operation and management expense on or after January 1, 2012. The issues relating to retaining SCE's skilled workforce could potentially be included in either or both Issue 4 and Issue 6. However, it would best be addressed as a separate issue as follows:

Issue 7: The reasonableness and necessity of downsizing the trained workforce at SONGS Units 2 and 3 and the related effects on patrons, employees, and the public, reviewed within the context of safety and ratepayer investment.

7. Conclusion

The OII should include investigating the effects of downsizing the trained workforce at SONGS, on not only the employees, but also the ratepayers and the public's safety. The SONGS workforce is a unique asset, one which has been trained to keep the public safe from potential disaster. The ratepayers have a huge investment in the success of these workers. Therefore, CUE recommends this OII add the proposed Issue 7.

Dated: December 3, 2012

Respectfully submitted,

/s/

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