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CPUC Energy Division
Attention: Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: Pacific Gas and Electric Company's Reply to the Protest of Advice Letter 4414-E by The Utility Reform Network

Dear Energy Division Tariff Unit:

Pursuant to Rule 7.4.3 of the California Public Utilities Commission's (Commission) General Order (GO) 96-B, Pacific Gas and Electric Company (PG&E) hereby replies to The Utility Reform Network's (TURN) May 27, 2014, protest (Protest) of PG&E's Advice Letter 4414-E.

The Energy Division¹ should reject the Protest and timely approve Advice Letter 4414-E so that PG&E may continue to safely and efficiently pursue decommissioning activities at Humboldt Bay Power Plant Unit 3 (HBPP Unit 3). PG&E is in the process of major decommissioning work and has nearly reached the most recent authorized Trust distribution amount. Delay in the approval of Advice Letter 4414-E could jeopardize current work schedules and increase ultimate costs to consumers.

The Protest should be rejected for the following reasons:

- TURN's Protest fails to identify any legitimate grounds for rejecting the Advice Letter;
- PG&E's Advice Letter fully complies with the requirements of prior Commission decisions;
- TURN is seeking to relitigate issues already decided in Phase 1 of the 2012 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP);
- The additional information requested by TURN would serve no useful purpose; and

¹ GO 96-B, Rule 7.6.1 provides that notwithstanding a timely protest, the reviewing Industry Division may approve an advice letter that is subject to disposition under the rule and is otherwise proper, if the protest is not made on proper grounds as set forth in General Rule 7.4.2. As set forth in this Reply, that is the case here.

- TURN's recommendations are inappropriate for consideration through the advice letter process.

TURN's Recommendation That PG&E be Directed to Provide Additional Information and Reporting Does Not Constitute a Valid Basis for a Protest.

In its Protest, TURN requests that the Commission require PG&E "to provide greater specificity as to the expected completion status of key projects at the end of 2014"² and to provide more frequent (quarterly) reporting.³ TURN recommends that the Commission require this information prior to approving further disbursements from the HBPP Unit 3 Nuclear Decommissioning Trust.⁴

TURN's request is not an acceptable basis for protesting Advice Letter 4414-E. GO 96-B, Section 7.4.2, *Grounds for Protest*, provides:

An advice letter may be protested on one or more of the following grounds:

- 1) The utility did not properly serve or give notice of the advice letter;
- 2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- 3) The analysis, calculations, or data in the advice letter contain material errors or omissions;
- 4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- 5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- 6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require relitigating a prior order of the Commission.

TURN does not attempt to challenge PG&E's Advice Letter on any of these grounds. Its desire for additional information and reporting does not provide a basis for rejecting Advice Letter 4414-E, and TURN's Protest should be denied.

PG&E's Advice Letter Fully Complies With The Requirements Of Prior Commission Decisions.

TURN attempts to assert that additional information is necessary to avoid unspecified "deficiencies" in PG&E's filing.⁵ TURN is not correct.

² Protest at p. 1.

³ Protest at p. 3.

⁴ *Id.*

⁵ Protest at p. 1.

Commission Decisions (D.) 11-07-003 and D.14-02-024 address the process for HBPP Unit 3 Trust disbursement advice letters. In particular, following evidentiary hearings in the 2012 NDCTP, the Commission fully evaluated TURN's suggestions for the information to be provided by the utility in future advice letters; specified with particularity the required information; and directed PG&E to confer with the Energy Division in preparing a compliance advice letter.⁶ PG&E's compliance Advice Letter 4379-E to D.14-02-024, identifying the revised information and format agreed upon with the Energy Division, was effective March 21, 2014. Advice Letter 4414-E provides the information required by D.11-07-003 and D.14-02-024 in the format approved through Advice Letter 4379-E. It includes a detailed cost breakdown of planned decommissioning projects, a correlation to the approved cost estimate and prior disbursement requests, updated cash flows and an updated project schedule.⁷

TURN's separate request that PG&E be directed to provide quarterly reports conflicts with the Commission's determination in D.11-07-003 that Trust disbursement advice letters need not be filed twice per calendar year, but should be made annually.⁸

Thus, TURN's Protest contravenes the specific prohibition in Rule 7.4.2 that a protest may not rely on policy objections to an advice letter where the relief requested in the advice letter follows rules or directions established by Commission order. TURN cannot seek to relitigate its position in prior NDCTPs through protesting PG&E's Trust disbursement Advice Letter.

The Information Requested by TURN Would Serve No Useful Purpose.

The purpose of this Advice Letter is to seek authorization of the amounts for which PG&E expects to seek disbursement from the Trust in 2014; it also provides the Commission a "notice[] of progress"⁹ on actual decommissioning expenditures between NDCTPs. The specific additional information requested by TURN would not be of any benefit for these purposes.

For example, with respect to the cost category of waste disposal, TURN complains that it is not clear whether costs relate to waste created during 2014 or earlier, and asserts that PG&E should identify the amount of waste expected to be produced and disposed in 2014 separate from waste expected to be disposed in future years.¹⁰ TURN also requests that PG&E be required to identify the number of cubic yards of material to be removed and buried during canal remediation.¹¹ This level of detail was appropriately

⁶ D.14-02-024, Ordering Paragraph 2.

⁷ See Advice Letter 4414-E, Attachments 3, 4 and 5.

⁸ See *Comments of Pacific Gas and Electric Company On Proposed Decision of Administrative Law Judge Darling*, filed June 20, 2011 in A.09-04-007.

⁹ D.14-02-024, *mimeo* at p. 44.

¹⁰ Protest at p. 2.

¹¹ Protest at p. 3.

evaluated and approved in Phase 1 of the 2012 NDCTP. It has no impact on Trust disbursements for actual waste disposal expenditures.

TURN next seeks additional schedule forecasts, without explaining why the updated schedule provided in Attachment 5 is not fully adequate for this purpose. With respect to the removal of the remainder of plant systems, TURN states that PG&E should be required to provide greater detail on the amount of work remaining post-2014.¹² Similarly, TURN suggests that "It is not clear whether the scope of work relating to reactor pressure vessel removal will be complete by the end of 2014. PG&E should be required to confirm the expected completion date for the entire scope of work related to this project."¹³ Likewise, with respect to nuclear facilities demolition and excavation: "PG&E should be required to identify . . . what portion of the work is expected to be accomplished in 2014."¹⁴ All this information is included in Attachment 5 to Advice Letter 4414-E.

As regards the caisson removal project, TURN requests that PG&E adopt and report on "specific milestones" to be completed in 2014.¹⁵ TURN's previous recommendation with respect to milestones was not adopted in the 2012 NDCTP. Further, TURN misconstrues the scope of this Advice Letter. The Commission has a long-standing process for handling HBPP Unit 3 Trust disbursement advice letter requests, which it has refined in the previous two NDCTPs. That process does not include interim review of the reasonableness of PG&E's activities. The NDCTP provides the sole forum for PG&E's demonstration of reasonableness once specific projects are completed.¹⁶ TURN's Protest ignores this process.

TURN's Recommendations are Inappropriate for Consideration Through the Advice Letter Process.

GO 96-B Section 5.1, *Matters Appropriate to Advice Letters*, provides: "The advice letter process provides a quick and simplified review of the types of utility requests that are expected neither to be controversial nor to raise important policy questions." As set forth above, Advice Letter 4414-E fully complies with the Commission's Trust disbursement advice letter reporting requirements which were adopted as the end result of hearings in the 2009 and 2012 NDCTPs. It is inappropriate to consider requests such as those put forward by TURN, which attempt to relitigate issues from previous NDCTPs. They are (and were) appropriately addressed in the NDCTP; not through the advice letter process.

¹² Protest at p. 2.

¹³ *Id.*

¹⁴ Protest at p. 3.

¹⁵ *Id.*

¹⁶ D.14-02-024, *mimeo* at p. 44.

Conclusion

For all of these reasons PG&E respectfully requests that the Energy Division reject TURN's Protest and timely approve Advice Letter 4414-E.

Brian Cherry /KAC

Vice President - Regulatory Relations

Cc: Matthew Freedman, TURN
Melanie Darling, Administrative Law Judge
Edward Randolph, Director, Energy Division
Donald LaFrenz, Energy Division
Eric Greene, Energy Division