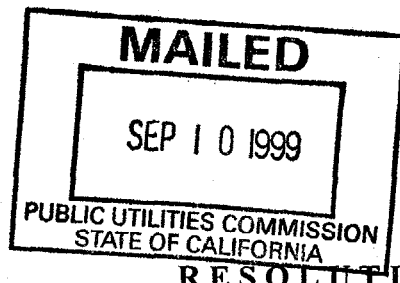


ENERGY DIVISION \*



RESOLUTION E-3608  
SEPTEMBER 2, 1999

RESOLUTION

**RESOLUTION E-3608. PACIFIC GAS AND ELECTRIC COMPANY REQUESTS AN INCREASE IN COMPENSATION FOR THE MEMBERS OF ITS DIABLO CANYON INDEPENDENT SAFETY COMMITTEE.**

**REQUEST GRANTED.**

**BY ADVICE LETTER 1857-E, FILED ON APRIL 1, 1999.**

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**SUMMARY**

1. Pacific Gas and Electric Company [PG&E] requests higher compensation for its three-member Diablo Canyon Independent Safety Committee [DCISC] in compliance with Decision [D.] 88-12-083, and Resolution E-3152, dated May 19, 1989.
2. PG&E's request keeps the DCISC member's current annual retainer of \$8,000 and the reimbursement of expenses incurred in performance of committee work. PG&E, however, wants to substitute the current flat fee of \$500 per attended meeting with an hourly rate of \$200 for time spent in the committee meetings; it also wants to keep the currently allowed \$200 per hour fee for committee work performed in excess of 40 hours per year.
3. There were no protests filed for Advice Letter [AL] 1857-E. This resolution approves the request.

**BACKGROUND**

1. In D. 88-12-083, the Commission adopted the Diablo Canyon Settlement Agreement that included the establishment of DCISC. This three-member Committee was to be made up of knowledgeable people with experience in the field of nuclear power plants. The members were to review Diablo Canyon operations for the purpose of assessing the safety of operations and suggest recommendations for safe operations.
2. Resolution E-3152 established the permissible compensation levels for members of DCISC, commensurate with the fees that PG&E paid for similar services. In that resolution, the Commission found the appropriate compensation level for DCISC members to be:

- An annual retainer of \$8,000, plus a flat fee of \$500 per attended meeting;
- Reimbursement of expenses incurred in performance of committee work;
- A \$200 per hour fee for committee business performed in excess of 40 hours a year.

3. The resolution ordered PG&E to file annual reports on April 1 to update the above compensation levels. Prior to this date, PG&E had asked for no changes in those compensation levels that were in effect since their adoption ten years ago.

4. PG&E, in this filing, would like only to replace the flat fee of \$500 per attended meeting with an hourly rate of \$200 for time spent in the meetings. PG&E would like to keep the rest of the compensation arrangement unchanged.

### NOTICE

1. PG&E mailed copies of AL 1857-E to the parties listed in its attached mailing list in accordance with General Order 96A. Notice of AL 1857-E also appeared on the Commission's Daily Calendar.

### PROTESTS

1. There were no protests for AL 1857-E.

### DISCUSSION

1. Section 7 of Resolution E-3152, following D.88-12-083, states, "The annual budget for the committee shall not exceed \$500,000 in the first year (through June 30, 1990); thereafter, the \$500,000 is to escalate at the same rate as the total price set for Diablo Canyon generation." The following table shows the DCISC budget amounts and escalation rates since 1990.

	<u>Total Budget</u>	<u>Budget Escalation Index</u>
1990	\$ 572,500	89.31
1991	615,128	95.96
1992	662,628	103.37
1993	715,641	111.64
1994	761,859	118.85
1995	761,859	118.85
1996	673,077	105.00
1997	683,173	----
1998	693,421	----

The Commission, in D.97-05-088, decided to fund DCISC at its 1996 level of \$673,077 adjusted upward at 1.5% annually until a showing is made that DCISC no longer performs a useful function.

PG&amp;E AL 1857-E/mgm \*\*

2. Since the annual budget for the committee is not to exceed the appropriated amount, more compensation for the committee members would necessarily mean less amounts available for other purposes in the budget.
3. According to PG&E, there are typically *three* 1 ½ day regular public meetings held each year. There is also a plant tour prior to the first meeting of the year that is treated as a separate *meeting* for reimbursement purposes. Currently, a member is paid \$500 for each meeting, which amounts to \$2,000 for *four* meetings in a year. On the other hand, with an eight-hour business day and a four-hour initial plant tour, which PG&E assumes as typical, the *annual* regular meetings plus the tour will amount to 40 hours [36+4] of committee work for each member. If the PG&E proposal is adopted, each member attending the meetings will be paid \$8,000 a year for the four meetings [40 hours x \$200]. The difference between the two methods amounts to an *annual* amount of \$6,000 [= \$8,000 – \$2,000] for each member, or \$18,000 for the three members, for time spent in the meetings.
4. The Energy Division has reviewed AL 1857-E and is of the opinion that the request is reasonable considering that there has been no increase in compensation despite the past decade's inflation and increased complexity of the issues dealt with at the DCISC meetings. The Energy Division recommends granting the request.
5. The committee member's compensation, therefore, shall consist of:
  - (a) an annual retainer of \$8,000;
  - (b) a fee of \$200 per hour for attendance at committee meetings;
  - (c) for committee work performed outside of committee meetings, \$200 per hour for each hour in excess of 40 hours per year; and
  - (d) reimbursement of expenses incurred in performance of committee work.

### COMMENTS

1. The Energy Division mailed the draft resolution in this matter to the parties in accordance with PU Code Section 311(g), requesting comments within 20 days.
2. On August 4, 1999, PG&E and DCISC individually filed comments on the draft resolution and in support of AL 1857-E. Both parties made compelling arguments for approval of AL 1857-E. This resolution has taken their comments into consideration in arriving at its recommendation

### FINDINGS

1. PG&E filed AL 1857-E on April 1, 1999 requesting an increase in the compensation levels of its three-member Diablo Canyon Independent Safety Committee. There were no protests filed.
2. PG&E's proposed increase would eliminate the \$500 per attended committee meeting fee and substitute it with an hourly rate of \$200 for time spent in the meetings.

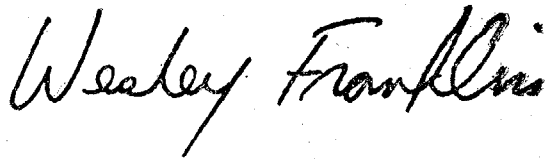
PG&E AL 1857-E/mgm\*\*

3. An increase in compensation for committee members will not mean an increase in the annual budget.
4. PG&E has not raised compensation rates of its DCISC members since the latter's inception ten years ago.
5. PG&E's proposal is reasonable in the light of recent increases in inflation and the complexity of the issues dealt with as a DCISC member.
6. PG&E's request should be approved such that the DCISC member's compensation shall be:
  - (e) an annual retainer of \$8,000;
  - (f) a fee of \$200 per hour for attendance at committee meetings;
  - (g) for committee work performed outside of committee meetings, \$200 per hour for each hour in excess of 40 hours per year; and
  - (h) reimbursement of expenses incurred in performance of committee work.

**THEREFORE, IT IS ORDERED that:**

1. Pacific Gas and Electric Company request in Advice Letter 1857-E is hereby approved.
2. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on September 2, 1999; the following Commissioners voting favorably thereon:



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WESLEY M. FRANKLIN  
Executive Director

RICHARD A. BILAS  
President  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
JOEL Z. HYATT  
CARL W. WOOD  
Commissioners