

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Pacific Gas and Electric
Company in its 2012 Nuclear
Decommissioning Cost Triennial
Proceeding (U39E).

And Related Matters.

Application 12-12-012
(Filed December 21, 2012)

Application 12-12-013

**OPENING BRIEF
OF THE DIVISION OF RATEPAYER ADVOCATES**

CLEVELAND W. LEE
Staff Counsel

Attorney for the Division of Ratepayer
Advocates

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-1792
Email: cwl@cpuc.ca.gov

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1. INTRODUCTION

In accordance with Rule 13.11¹ and the Scoping Memo² in the above-captioned proceeding, the Division of Ratepayer Advocates (DRA) files this Opening Brief (Op. Br.). This Op. Br. is timely filed and served on September 13, 2013, which is the deadline prescribed by the Scoping Memo.

For purposes of this Op. Br., the following definitions apply:

- The term “2009 Cost Study” means the cost estimates regarding remediation of the HBPP3 Canal Sites submitted in Phase 1 of the NDCTP proceedings.³
- The term “Application” means PG&E’s 2012 NDCTP Application filed in this matter on December 21, 2012, and the related prepared testimonies and work papers.

¹ The term “Rule” means a provision of the Commission’s Rules of Practice and Procedure, available at <http://www.cpuc.ca.gov/PUC/documents/codelawspolicies.htm/>, and codified at 20 California Code of Regulations, title 20, §§ 1–88.

² PG&E, A. 12-12-012 and -013 (Scop’g Memo) (June 17, 2013).

³ See PG&E, D.10-07-047, 27–28 (issued July. 29, 2010), available at http://docs.cpuc.ca.gov/published/FINAL_DECISION/121644.htm/.

- The term “Canal Sites” means the HBPP3 intake and discharge canal sites proposed for remediation in this proceeding.
- The term “DCGL” means the Derived Concentration Guideline Levels.
- The term “HBPP3” means the Humboldt Bay Power Plant Unit 3.
- The term “NDCTP” means a Nuclear Decommissioning Cost Triennial Proceeding.
- The term “NRC” means the Nuclear Regulatory Commission.
- The term “PG&E” means the Pacific Gas and Electricity Co.
- The term “pCi/g” means picocuries/gram.
- The term “Rebuttal” means the written Rebuttal Testimony sponsored by PG&E witness L. Sharp.
- The term “rebuttal testimony” means the Rebuttal and the PG&E witness Sharp’s oral testimony given under oath at the hearing in this matter on August 7 and 8, 2013.
- The term “Response” means PG&E’s written responses to DRA Data Requests.

DRA incorporates by reference as if fully stated herein Exhibit (Ex.) DRA-01A and the oral testimony of DRA witness Katherine McNabb given under oath on August 8, 2013.⁴

2. SUMMARY

DRA recommends that the Commission deny PG&E’s proposal to burden ratepayers with \$47 million of remediation costs regarding the HBPP3’s Canal Sites.⁵ PG&E has not justified as reasonable and prudent expanding the remediation of the Canal Sites to an amount of \$47 million, which the 2009 Cost Study estimated at \$3 million under the Industrial Worker Scenario.

⁴ Ex. DRA-01A was admitted into the record on Aug. 8, 2013; Hearing Transcript (Tr.) vol. 2, 308–347, Aug. 8, 2013 (testimony of K. McNabb/DRA).

⁵ Ex. PG&E-06, p. 4-2:ll. 23–28 (Prep. Test. Ch. 4 of L. Sharp/PG&E).

DRA recommends the following two options. The Commission could order PG&E to remediate the Canal Sites in accordance with the 2009 Cost Study's \$3 million scope of work, because PG&E failed to prove that the 2009 Cost Study assumptions are erroneous. Or, based on PG&E's May 16, 2013 Response, the Commission could order PG&E to remediate the Canal Sites using Industrial Worker Scenario at a cost \$18 million less than the \$47 million calculated for the Residential Farmer Scenario.⁶

In proposing the second option stated above, DRA does not waive its objections that PG&E unfairly and wrongfully seeks to prove its case by rebuttal testimony. Also, under both options PG&E could apply for more recovery in the next NDCTP proceeding, assuming it meets its burden of proof.

3. FACTS

3.1. The 2009 Cost Study

According to the 2009 Cost Study, PG&E was going to remediate the HBPP3 Canal Sites to "Derived Concentration Guideline Levels" (DCGL) of 66 picocuries/gram (pCi/g) using the Industrial Worker Scenario.⁷ PG&E assumed that the Nuclear Regulatory Commission (NRC) would permit remediation using the Industrial Worker Scenario, because it had approved the Sacramento Municipal Utilities District's (SMUD) decommissioning of its Rancho Seco site under the same Scenario.⁸

In the SMUD case, the Utility had controlled the site for at least thirty years while operating an electric generation facility, after which the residual radioactivity of the site met the Residential Farmer Scenario level.² Analogously, PG&E would own and control the HBPP3 site for at least thirty years or more while operating an electric generation

⁶ Ex. DRA-01A, 1:13–16 (Prep. Test. of K. McNabb/DRA)(DRA's \$27 million recommendation.

⁷ Ex. DRA-08, p. 2-4:ll. 14–16 (Rebuttal of L. Sharp/PG&E).

⁸ *Id.*, p.2-3:ll. 30–34 to p. 2-4:ll. 1–8.

² *Id.*

facility, the Humboldt Bay Generating Station. After thirty years, the residual radioactivity would decay to the Residential Farmer Scenario level.¹⁰

According to the 2009 Cost Study, the Canal Sites' remediation would cost an estimated \$3 million and involve back-filling them with clean fill brought in from off-site.¹¹ A minimal amount of soil and no sediment would be removed from the intake canal.¹² Approximately 945 cubic feet would be excavated from the discharge canal.¹³ After remediation, the Canal Sites' DCGL would be left at 66 pCi/g, where the Cesium-137 (Ces-137) at the Canal Sites would decay in thirty years to meet the Residential Farmer Scenario levels.¹⁴

3.2. The Application expands the scope of remediating the Canal Sites from \$3 million to \$47 million.

On December 21, 2012, in A.12-12-012, PG&E proposed expanding the scope of work for the Canal Sites as stated in the 2009 Cost Study. Instead of \$3 million, PG&E now seeks approval for \$47 million (including contingency) to remediate the Canal Sites "to the lower radiological limits (0.5 pCi/g)."¹⁵ This would involve removing approximately 24,000 cubic feet of soil from the intake canal and 140,000 cubic feet from the discharge canal.¹⁶

Accompanying the Application, prepared testimony stated:

Moving to the higher standard . . . will also result in lower costs than the costs associated with regulatory uncertainty, delay [,] and possible litigation.¹⁷

¹⁰ *Id.*, p. 2-3:ll. 30–33.

¹¹ Ex. DRA-09, p. WP 4-37 (PG&E corrected Work Papers).

¹² *Id.*, p. WP 4-46.

¹³ *Id.*

¹⁴ Ex. DRA-08, p. 2-3: ll. 30–33 and p. 2-4:ll. 14–17 (L. Sharp's Rebuttal/PG&E).

¹⁵ Ex. DRA-09, p. WP 4-47 (PG&E corrected Work Papers).

¹⁶ *Id.*, p. WP 4-47.

¹⁷ *Id.*, ll. 28–31 (Prep. Test. of L. Sharp/PG&E).

However, the Application did not support this claim. For example, no work papers or calculations show the amount of savings resulting from “moving to the higher standard”; the amount of costs caused by “regulatory uncertainty, delay, and possible litigation”; or how such costs are calculated. Curiously, the Application does not attribute any of the “principal drivers”¹⁸ for the proposed \$47 million expanded work, to erroneous DCGLs in the 2009 Cost Study.¹⁹

3.3. In its May 16, 2013 Response, PG&E asserts a DCGL of 7.9 for the Residential Farmer Scenario.

On May 16, 2013, in responding to DRA Data Request DRA-2-KMC, Q. 4, PG&E provided a table of “22 radionuclides potentially present . . . [at HBPP3]” and their corresponding DCGL, which included Ces-137 at a DCGL of “7.9E+00.” No support was given explaining how the “22 radionuclides” or the Ces-137’s DCGL of 7.9 were derived or their materiality and relevance to the Application. At this time, PG&E did not claim the 2009 Cost Study’s assumption of 66 pCi/g for Cs-137 under the Industrial Worker Scenario was erroneous.²⁰ Inconsistently, PG&E denies having calculated DCGLs for an Industrial Worker Scenario.²¹ But nevertheless PG&E stated:

The adoption of the Industrial Worker Scenario could reduce in planning and engineering costs by 25%; intake canal excavations by 75%; discharge canal excavations reduced by half; and project management and storm water pollution prevention plans reduced by 25%.²²

¹⁸ Ex. DRA-10, p. 4-2:ll. 9–10 (Prep. Test. of L. Sharp/PG&E) (“The principal drivers of the projected cost increase are unforeseen changes in the scope of work to be performed.”).

¹⁹ *See id.*

²⁰ *See* Ex. DRA-04, pp. 2–3 (PG&E May 16 Resp. to DRA-2-KMC, Q.4, dated May 16, 2013).

²¹ *Id.*, p. 2.

²² *Id.*, p.3.

3.4. For the first time in this proceeding by rebuttal testimony, PG&E disavows the 2009 Cost Study as erroneous.

In Rebuttal, PG&E witness Sharp wrote that the 2009 Cost Study's DCGL of 66 pCi/g was "initially considered acceptable at the time of the 2009 NDCTP."²³ Further, remediation under the Industrial Worker Scenario would have to achieve a DCGL of 16 pCi/g.²⁴ This contradicts PG&E's May 16 PG&E Response that: "PG&E has not calculated DCGLs for an Industrial Worker Scenario."²⁵

On August 7, 2013, PG&E witness Sharp testified that a third-party contractor, Enercon, had developed the DCGL of 66 pCi/g for the Industrial Worker Scenario used in the 2009 Cost Study.²⁶ PG&E witness Sharp testified further that Enercon's 66 pCi/g was erroneous because it was estimated for only one isotope, Ces-137.²⁷

Sometime in 2011, PG&E hired another contractor, Bartlett, to perform the analysis for PG&E's LTP filing with the NRC. As of mid-2012, based on Bartlett's work, PG&E knew that the Ces-137 at the Canal Sites could be left at levels of "no more than 7.9 pCi/g, when accounting for contributions from all other radionuclides."²⁸

Sometime in May 2013, PG&E filed its LTP with the NRC, proposing to remediate the Canal Sites to a DCGL of 7.9 pCi/g using the Residential Farmer Scenario.²⁹ Until the NRC finally approves PG&E's LTP filing, which could take anywhere from a year to eighteen months or more, the California Department of

²³ Ex. DRA-08, p. 2-4: ll. 16–24 (L. Sharp Rebuttal/PG&E, July. 26, 2013).

²⁴ *Id.*, ll. 20–24.

²⁵ Ex. DRA-04, p. 2 (PG&E May 16 Resp.).

²⁶ Tr. vol. 2, 292:19 – 23, Aug. 8, 2013 (L. Sharp/PG&E).

²⁷ Tr. vol. 1, 92:15–28, Aug. 7, 2013 (L. Sharp/PG&E) (2009 Cost Study's DCGL of 66 pCi/g is erroneous).

²⁸ Tr., vol. 2, 293:13 – 294:7, Aug. 8, 2013 (L. Sharp/PG&E); Ex. DRA-08, p. 2-3: ll. 30–33 and p. 2-4:ll. 14–17 (L. Sharp's Rebuttal/PG&E).

²⁹ *Id.*

Toxicology requires PG&E to remediate the Canal Sites to a DCGL of 0.5 pCi/g under the Residential Farmer Scenario.³⁰

PG&E witness Sharp confirmed that consistent with the 2009 Cost Study, after remediation, the Canal Sites would be used only for industrial purposes. No residential or farming use is intended or feasible.³¹ As discussed below, PG&E will likely continue the operation of the HBGS at the site for the indefinite future.

4. THE LAW

According to Public Utilities Code § 8322:

It is in the best interests of all citizens of California that the costs of electricity generated by nuclear facilities be fairly distributed among present and future California electric customers so that customers are charged only for costs that are reasonably and prudently incurred.

The Scoping Memo states the “Standard of Review” as follows:

The applicants alone bear the burden of proof to show that the rates they request are just and reasonable and the related ratemaking mechanisms are fair.³²

5. THE ISSUES

Whether under Section 8322 and the Standard of Review stated above, PG&E’s proposed change in the scope of remediation for the Canal Sites from \$3 million (per 2009 Cost Study) to \$47 million is reasonable, just, and prudent:

- When PG&E will own, control, and use the remediated Canal Sites only for industrial purposes — not any residential or farming uses — over the next thirty-years or more;
- When the Application states the “principal drivers” for changing the 2009 Cost Study scope of work from \$3 million to \$47 million are the “political realities within the Humboldt County and state and federal regulatory requirements”;

³⁰ Tr. vol. 1, 105:26 – 106:10, Aug. 7, 2013 (L. Sharp/PG&E).

³¹ *Id.*, 88:12–25.

³² Scop’g Memo at 11–12, PG&E, A.12-12-012 and -013, *available at* <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=67524492>.

- When according to its May 2013 Response, PG&E could reduce the proposed \$47 million costs by \$18 million to a total of \$29 million by using the Industrial Worker Scenario instead of the Residential Farmer Scenario; and
- Whether the Commission should give PG&E’s unsupported and surprising rebuttal testimony any weight, when the Commission has prohibited and sanctioned Utilities for attempting to prove their case by rebuttal, which deprives DRA and other interested parties of fair notice and due process.

6. ARGUMENTS AND AUTHORITIES

6.1. How and why is the proposed \$47 million reasonable, justified, and prudent, when the uses of the Canal Sites will remain industrial whether the cost is \$47 million, \$29 million (per PG&E May 16 Response), or \$3 million (per 2009 Cost Study)?

According to the record, PG&E will own and control the HBPP3 site, which includes the Canal Sites and the Humboldt Bay Generating Station (HBGS), for an indefinite period. As PG&E witness Mr. Sharp testified: (i) PG&E owns all 143 acres of the HBPP3; (ii) the new HBGS recently became operational in September 2010; and (iii) it has a “design life of 30 years.”³³

In this proceeding, PG&E is proposing no changes to the 2009 Cost Study post-decommissioning site-use assumptions for the Canal Sites.³⁴ After decommissioning, the Canal Sites would be used as storage and warehouse space for the adjacent Humboldt Bay Generating Stations or office; laydown and equipment space for PG&E’s electric transmission and maintenance staff; and other industrial related purposes.³⁵

As PG&E states:

The land that the facility occupied would remain under the control of PG&E for a minimum of 30 years in order to construct and

³³Tr. vol. 1, 86:19–25, Aug. 7, 2013 (L. Sharp/PG&E) (Humboldt Bay Generation Station, “design life of 30 years”).

³⁴Ex. DRA-01A, 5:7–10 & n.9 (K. McNabb/DRA).

³⁵Ex. DRA-01A, 5:10–13 and note 10 (prep. test. of K. McNabb/DRA) (*citing* Ex. DRA-03, PG&E Resp. to DRA Data Req. DRA-1-KMC, Q.8).

operate the new generating station known as the Humboldt Bay Generating Station and to continue to monitor the spent nuclear fuel at the ISFSI. [T]hese are industrial uses Additionally, *the ground would not be used to grow food or to extract drinking water* The 2009 Cost Study thus assumed the “Industrial Worker Scenario”³⁶ [Emphasis added.]

Therefore, PG&E has failed to justify as reasonable burdening ratepayers with \$47 million of remediation costs. Nothing in the record proves that 2009 Cost Study assumptions are no longer applicable. Also PG&E’s May 16 Response shows another less costly alternative of \$29 million using the Industrial Worker Scenario.

6.2. Vague and unsupported claims of “political realities” or “state and local regulatory requirements” do not justify the proposed \$47 million remediation as reasonable.

In his Prepared Testimony, PG&E witness Sharp gave as a “driver” for the \$47 million expanded scope of work, “political realities” and “state and local regulatory requirements.”³⁷ When cross-examined, Mr. Sharp admits that the discussions he had with local community groups were about the caisson removal and not Canal Sites remediation.³⁸

PG&E also fails to support its claim of “state and local requirements.” Other than Mr. Sharp’s mere speculation or opinion, the rebuttal testimony does not reference any specific state or local statute, regulation, or state administrative agency or judicial proceeding that would justify spending \$47 million instead of only \$3 million.³⁹

Therefore, the “political realities” or “state and local regulatory requirements” are cannot justify PG&E’s proposed \$47 million remediation as reasonable and prudent. Consequently, the Commission should deny this NDCTP request.

³⁶ Ex. PG&E-6, p. 4-11: ll. 8–21 (prep. test. L. Sharp/PG&E); Tr. vol. 1, 88:12–25, Aug. 7, 2013 (L. Sharp/PG&E) (no residential or farming uses of the Canal Sites intended).

³⁷ Ex. PG&E-6, p. 4-2:ll. 19–23 (Prep. Test. of L. Sharp/PG&E).

³⁸ Tr. vol. 1, 113:14 – 25, Aug. 7, 2013 (L. Sharp/PG&E).

³⁹ See Ex. PG&E-6, p. 4-2: lls 19-20 (Prep. Test. of L. Sharp/PG&E) (no details of state or local requirements) and *id.*, pp. 4-15 to 4-18 (no discussion of regulatory requirements).

6.3. PG&E indicates that between the proposed \$47 million and the 2009 Cost Study’s \$3 million, a \$29 million option is available.

At the hearing, PG&E claims that the difference in costs between the Industrial Worker Scenario and the Residential Farmer Scenario is “less than a million dollars”⁴⁰ and not “executable.”⁴¹ To the contrary, DRA discovered:

According to PG&E, the adoption of the Industrial Worker Scenario would result in an \$8 million reduction in field work and a \$10 million reduction in disposal costs. Additionally, use of the Industrial Worker Scenario could further reduce planning and engineering costs by 25%, intake canal excavations by 75%, discharge canal excavations by 50%, and project management and storm water pollution prevention plans by 25%.⁴²

Therefore, as an alternative DRA recommends ordering PG&E spending \$18 million less than the proposed \$47 million, or in the amount of \$29 million using the Industrial Worker Scenario.⁴³

On the other hand, DRA acknowledges that the record only supports the 2009 Cost Study \$3 million scope of work, but not PG&E’s proposed \$47 million or the alternative of \$29 million.⁴⁴ Therefore, as another option DRA recommend upholding 2009 Cost Study \$3 million scope of work.

⁴⁰ *Id.*, 114:17 – 23 (L. Sharp/PG&E).

⁴¹ *Id.*, 114:22–23.

⁴² Ex. DRA-01A, 6:9–15 & n.16 (Prep. Test. K. McNabb) (*citing* Ex. DRA-04, PG&E May 16, 2013 Resp.).

⁴³ *Id.*, 6:16–24 (Further, PG&E could provide an updated cost estimate based on the Industrial Worker Scenario and use the advice letter process to update its revenue requirement.).

⁴⁴ *See* Tr. vol. 1, 115:9 – 12, Aug. 7, 2013 (L. Sharp/PG&E) (change in 2009 Cost Study DCGL presented for the first time in rebuttal testimony).

6.4. PG&E deprived DRA and other interested parties of fair notice and due process by presenting its case by rebuttal testimony.

In Golden State Water Company (GSWC), Commission Decision (D.) 07-11-037⁴⁵ and D. 08-01-020,⁴⁶ the Commission fined GSWC \$50,000 for waiting until it served its rebuttal testimony to provide the rationale for requesting at least half of the twenty new general office positions in A.06-02-023. The Commission stated:

Utilities cannot wait until rebuttal testimony to present salient information supporting its rate request. (San Diego Gas and Electric Co., 46 CPUC 2d 538, 764, n. 17. (D.04-07- 022).)⁴⁷

In this proceeding, it was not until its Rebuttal that PG&E stated:

In 2009, PG&E preliminarily estimated that the DCGL for one isotope, Cesium-137 . . . could be left at an end state level of 66 picocuries/gram.⁴⁸

Further, according to the same Rebuttal, the 2009 Cost Study assumption of 66 pCi/g had to be changed as follows:

In order to meet residential standards in 30 years (as assumed in the 2009 NDCTP and at the Rancho Seco site) PG&E would be required to remediate Cs-137 to no more than 16 pCi/g , must less than the 66.0 pCi/g initially considered acceptable at the time of the 2009 NDCTP.⁴⁹

Neither the 66 pCi/g nor 16 pCi/g was ever disclosed until PG&E's Rebuttal was served.⁵⁰ For example, on May 16, 2013, PG&E's Response denied having calculated DCGLs for an Industrial Worker Scenario.⁵¹

⁴⁵ See *GSWC*, 2007 Cal. PUC LEXIS 648, at *280 (Ord. Para. 11) (Nov. 16, 2007).

⁴⁶ See *GSWC*, 2008 Cal. PUC LEXIS 5, at *6-7 (Ord. Para. 1) (Jan.10, 2008).

⁴⁷ *Id.*, 2008 Cal. PUC LEXIS 5, *2.

⁴⁸ Ex. DRA-08, p. 2-4:ll. 14-16 (Rebuttal of L. Sharp/PG&E).

⁴⁹ *Id.*, at 2-4:ll.20-24.

⁵⁰ See Tr. vol. 2, 338:6 – 8, Aug. 8, 2013 (K. McNabb/DRA).

⁵¹ Ex. DRA-04, p. 2.

During the August 7-8, 2013 hearing, PG&E reveals that the 66 pCi/g was erroneous, because it was based on one isotope, Cs-137, and changed to 16 pCi/g.⁵² Although PG&E knew of this error in mid-2012,⁵³ it did not disclose it in its Application filed on December 21, 2012 or in any related prepared testimonies and work papers.⁵⁴

Further, only in rebuttal testimony, PG&E disclosed that Enercon had developed the 2009 Cost Study's DCGL of 66 pCi/g. In 2011, another contractor, Bartlett was substituted for Enercon to develop the Canal Sites' DCGL for PG&E's LTP.⁵⁵ The Application contained none of this information.⁵⁶

Also astonishing was PG&E witness Sharp's assertion that PG&E is required by the California Department of Toxicology to remediate the Canal Sites to a DCGL of 0.5 pCi/g under the Residential Farmer Scenario.⁵⁷ Although PG&E's prepared testimony refers to a "lower radiological limits (0.5 pCi/g),"⁵⁸ the Application did not explain that this was a regulatory requirement.

Therefore, PG&E blindsided DRA. DRA never had a chance to investigate the changed DCGL, the Bartlett study, or the Dept. of Toxicology requirements. PG&E has abused the hearing process and obstructed the development of a full and complete record. While DRA is not requesting the Commission to fine and penalize PG&E as in *GSWC*,

⁵² Tr. vol. 1, 92:15 – 28; 100:19 – 27, Aug. 7, 2013 (L. Sharp/PG&E).

⁵³ Tr. vol. 2, 207:10 – 27, Aug. 8, 2013 (L. Sharp/PG&E) ("So we would have known mid late 2012 if that number was bad.").

⁵⁴ See e.g., Ex. DRA-10, p. 4-2:ll. 19–32 (Prep. Test. of L. Sharp/PG&E) (no DCGL of 7.9 pCi/g, 16 pCi/g, or 66 pCi/g discussed).

⁵⁵ Tr. vol. 2, 292:19 – 23, Aug. 8, 2013 (L. Sharp/PG&E).

⁵⁶ Tr. vol. 2, 339:15–28, Aug. 8, 2013 (K. McNabb/DRA) (neither Enercon nor Bartlett studies disclosed to DRA); see Ex. DRA-04, pp. 2–3 (PG&E May 16, 2013 Response) (no Bartlett study or other support provided); and Tr. vol. 2, 338:6 – 8, Aug. 8, 2013 (K. McNabb/DRA) (no support given except a vague reference to "computer modeling");

⁵⁷ Tr. vol. 1, 105:26 – 106:10, Aug. 7, 2013 (L. Sharp/PG&E).

⁵⁸ Ex. DRA-09, p. WP 4-47 (PG&E corrected Work Papers).

(D.) 07-11-037 and D. 08-01-020,⁵⁹ the Commission should deny PG&E any advantage gained from such surprise tactics.

7. CONCLUSION

Under Section 8352 and the Standard of Review states, PG&E has the burden of proof. It failed to carry that burden by presenting speculation or opinion regarding “political realities” and “state and local regulatory requirements” as the “drivers” for expanding the 2009 Cost Study scope of work from \$3 million to \$47 million.

It has abused the hearing process and denied ratepayers fair notice and due process by presenting material information in rebuttal testimony instead of its Application. The Commission should uphold the integrity of the NDCTP program by denying PG&E’s \$47 million request.

Consequently, as stated in the beginning of this Op. Br., DRA recommends two options for the Commission: Affirm the 2009 Cost Study by ordering PG&E to remediate the Canal Sites at a cost of \$3 million, because PG&E has not justified as reasonable and prudent changes to that scope of work. Alternatively, adopt PG&E’s May 16 Response that remediation could be reduced to \$29 million (\$47 million less \$18 million). Under either options, PG&E could apply to change the scope of work and related costs in the next succeeding NDCTP proceeding if proven reasonable and prudent.

Respectfully submitted,

/s/ Cleveland W. Lee
CLEVELAND W. LEE

Attorney for the Division of Ratepayer
Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-1792
Email: cwl@cpuc.ca.gov

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⁵⁹ See *supra* nn.45–47.