



BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED
10-31-16
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Application of Pacific Gas and Electric)
Company in its 2015 Nuclear) Application 16-03-006
Decommissioning Cost Triennial) (Filed March 1, 2016)
Proceeding U 39 E)
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ALLIANCE FOR NUCLEAR RESPONSIBILITY'S

REPLY BRIEF

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Date: October 31, 2016

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I. INTRODUCTION.

Pursuant to Rule 13.11 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission” or “CPUC”) and the briefing schedule established by the July 28, 2016 Ruling Modifying Schedule of Administrative Law Judge Darcie L. Houck, the Alliance for Nuclear Responsibility (“A4NR”) files its Reply Brief in the 2015 Nuclear Decommissioning Cost Triennial Proceeding (“NDCTP”) application filed by the Pacific Gas and Electric Company (“PG&E”).

II. DISCUSSION.

PG&E is the only party to address A4NR’s testimony in its opening brief. PG&E repeats the assertion from its rebuttal testimony that A4NR’s recommendation is outside the scope of this proceeding,¹ apparently convinced that any direction from the Commission regarding the content of PG&E’s next NDCTP application is somehow off-limits. In arriving at this conclusion, PG&E overlooks the fact that A4NR’s recommendation derives from the explicit direction the Commission provided in its decision on PG&E’s last NDCTP application. In response to D.14-12-082’s Ordering Paragraph 11, PG&E was required to conduct a cost comparison between wet and dry storage of spent nuclear fuel. This comparison revealed potential savings of \$65.6 million in decommissioning costs for each year by which wet storage could be reduced.²

PG&E has committed to studying the accelerated transfer of spent fuel to dry storage after Diablo Canyon has ceased operations.³ The sole point of A4NR’s recommendation is to assure that this analysis also examines the potential for such an acceleration prior to shutdown.

¹ PG&E Opening Brief, p. 25.

² Exhibit 3, PG&E Prepared Testimony (Francis W. Seymore), p. 2-28, lines 3 – 7.

³ Exhibit 31, p. 2.

The insistence in PG&E's opening brief that *"(t)he purpose of this NDCTP is to review PG&E's decommissioning cost estimate to determine if it contains reasonable decommissioning assumptions"*⁴ blinds PG&E to a petard worthy of Shakespeare. Just how reasonable would the cost estimate in PG&E's next NDCTP be if it ignored savings of such magnitude?

PG&E's obstinacy on this subject reinforces the necessity for clear Commission direction. In a circumstance where the sensible and expedient approach to assessing cost reduction potential would be, *"of course, we'll consider it,"* PG&E instead resorts to a red herring in urging rejection: *"any effort to accelerate transfer of spent fuel by early cask loading during operations would need additional funding through the General Rate Case ('GRC') since decommissioning trust funds cannot be used for funding operational activities."*⁵ So what? The merit of such *"additional funding,"* which may qualify for reimbursement through the ongoing breach of contract litigation with the federal government, should be evaluated for its potential to reduce costs that would otherwise be paid from decommissioning trust funds.

The utility portrayed in PG&E's ubiquitous corporate advertising would not need to be ordered to study such decommissioning cost-saving potential. Unfortunately, the utility regulated by the Commission does.

III. REQUEST FOR ORAL ARGUMENT.

Pursuant to Rule 13.13(b) and the July 15, 2016 Joint Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge,⁶ A4NR requests the opportunity to

⁴ PG&E Opening Brief, p. 25.

⁵ *Id.*

⁶ Joint Scoping Memo and Ruling, OP 7.

make Final Oral Argument if its recommendation described below is not adopted by the Proposed Decision in this proceeding.

IV. CONCLUSION.

For the reasons stated herein and in its Opening Brief, A4NR recommends the Commission's decision in A.16-03-006 communicate a clear expectation that PG&E's forthcoming site-specific decommissioning plan for Diablo Canyon fully evaluate the costs, benefits, and feasibility of a pre-shutdown acceleration of dry cask loading of spent nuclear fuel.

Respectfully submitted,

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