

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

02-18-10
04:59 PM

Application of Pacific Gas and Electric
Company to Recover the Costs Associated
with Renewal of the Diablo Canyon Power
Plant Operating Licenses.

Application A.10-01-022
(Filed January 29, 2010)

(U 39 E)

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
PROOF OF RULE 3.2(c) COMPLIANCE**

WILLIAM V. MANHEIM
MARK D. PATRIZIO
JENNIFER K. POST

PACIFIC GAS AND ELECTRIC COMPANY
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-9809
Fax: (415) 972-5952
E-Mail: JLKm@pge.com

Dated: February 18, 2010

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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PROOF OF RULE 3.2(c) COMPLIANCE**

Pacific Gas and Electric Company (PG&E) hereby provides proof of compliance with Rule 3.2(c) of the California Public Utilities Commission's Rules of Practice and Procedure. Attachment A demonstrates that PG&E met the requirement specified in Rule 3.2(c), that PG&E publish notice of this Application in newspapers of general circulation (see Attachment A). In addition, PG&E takes this opportunity to confirm that, on February 1, 2010, PG&E mailed the notice to state and county officials required under Rule 3.2(b) (see Attachment B.)

Respectfully Submitted,

WILLIAM V. MANHEIM
MARK D. PATRIZIO
JENNIFER K. POST

By: _____ /s/

MARILYN WALKER
Legal Assistant to Jennifer K. Post

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Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: February 18, 2010

Attachment A

**DECLARATION OF PUBLICATION OF PACIFIC GAS AND ELECTRIC
COMPANY'S NOTICE OF APPLICATION FILING**

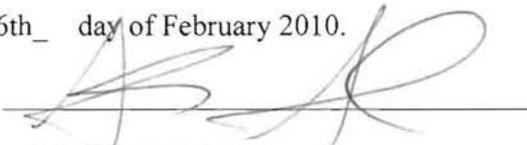
No. A.10-01-022

I, ASHRAF AHMAD declare:

I am a Traffic Coordinator employed by ARTEMIA Communications, Inc., at 2001 Union Street, Suite 495, San Francisco, CA. I am responsible for working with Marilyn Walker of Pacific Gas and Electric Company (the Company) preparing the composition of the Notification of Application Filing by Pacific Gas and Electric Company to Recover Costs Associated with Renewal of the Diablo Canyon Power Plant Operating Licenses (A.10-01-022), and scheduling the earliest possible publication dates with the **55** newspapers in the Company's service territory. When Marilyn Walker of the Company contacted me concerning the need to publish the notification of filing of Application A.10-01-022, I drafted the publishing schedule for the 55 newspapers (attached herewith). I faxed the attached schedule, for publication dates to Ms. Walker for approval. She notified me that the dates were acceptable, and I contacted the **55** newspapers to reserve the publication dates. I receive the proofs of publication from the **55** newspapers, within three to five weeks after publication, which I collect and then forward to Ms. Walker.

I declare under penalty of perjury that the foregoing is true and correct.

In San Francisco California, this 16th day of February 2010.


ASHRAF AHMAD

ARTÉMIA

Pacific Gas & Electric Company (Confidential)
 Submitted on 01/25/2010

**LISTING OF SECURED PLACEMENTS FOR
 DIABLO LICENSE RENEWAL**

PGL 00-12NR

RUN DATES: 02/3/2010 - 02/8/2010

SIZE: 3 COL X 9"

TOTAL MEDIA BUY:\$ 80, 738.82

Newspaper	Run Dates	# of insertions	Ad Size	Est. Cost
Amador Ledger	2/3-2/8	1	3 Col X 9"	\$368.23
Appeal Democrat	2/3-2/8	1	3 Col X 9"	\$1,190.65
Argus	2/3-2/8	1	3 Col X 9"	\$1,515.44
Auburn Journal	2/3-2/8	1	3 Col X 9"	\$911.25
Bakersfield Californian	2/3-2/8	1	3 Col X 9"	\$1,804.95
Calaveras Enterprise/Prospect	2/3-2/8	1	3 Col X 9"	\$318.94
Californian (Salinas)	2/3-2/8	1	3 Col X 9"	\$1,208.32
Chico Enterprise Record	2/3-2/8	1	3 Col X 9"	\$692.31
Colusa Sun-Herald	2/3-2/8	1	3 Col X 9"	\$282.49
Contra Costa Times (Walnut Creek) & West County Times	2/3-2/8	1	3 Col X 9"	\$1,515.44
Daily Independent (Ridgecrest)	2/3-2/8	1	3 Col X 9"	\$421.73
Daily News (Red Bluff)	2/3-2/8	1	3 Col X 9"	\$692.31
Daily Republic (Fairfield)	2/3-2/8	1	3 Col X 9"	\$527.99
Davis Enterprise	2/3-2/8	1	3 Col X 9"	\$656.10
Fresno Bee	2/3-2/8	1	3 Col X 9"	\$4,424.30
Gilroy Dispatch	2/3-2/8	1	3 Col X 9"	\$364.50
Grass Valley Union	2/3-2/8	1	3 Col X 9"	\$891.57
Hanford Sentinel	2/3-2/8	1	3 Col X 9"	\$975.94
Hayward Daily Review	2/3-2/8	1	3 Col X 9"	\$1,515.44
Hollister Free Lance	2/3-2/8	1	3 Col X 9"	\$364.50
Independent Journal (Marin)	2/3-2/8	1	3 Col X 9"	\$1,515.44
Lodi News-Sentinel	2/3-2/8	1	3 Col X 9"	\$713.53
Lompoc Record	2/3-2/8	1	3 Col X 9"	\$926.19
Madera Tribune	2/3-2/8	1	3 Col X 9"	\$364.50
Merced Sun Star	2/3-2/8	1	3 Col X 9"	\$969.75
Modesto Bee	2/3-2/8	1	3 Col X 9"	\$1,281.22
Monterey County Herald	2/3-2/8	1	3 Col X 9"	\$1,897.06
Napa Valley Register	2/3-2/8	1	3 Col X 9"	\$771.46
Oakland Tribune	2/3-2/8	1	3 Col X 9"	\$1,515.44
Paradise Post	2/3-2/8	1	3 Col X 9"	\$692.31
Porterville Recorder	2/3-2/8	1	3 Col X 9"	\$605.88
Press Democrat (Santa Rosa)	2/3-2/8	1	3 Col X 9"	\$2,406.28
Record Searchlight (Redding)	2/3-2/8	1	3 Col X 9"	\$1,668.32
Reporter (Vacaville)	2/3-2/8	1	3 Col X 9"	\$1,515.44
Sacramento Bee	2/3-2/8	1	3 Col X 9"	\$2,335.72
San Francisco Chronicle	2/3-2/8	1	3 Col X 9"	\$21,432.60
San Jose Mercury News	2/3-2/8	1	3 Col X 9"	\$1,515.44
San Mateo Times	2/3-2/8	1	3 Col X 9"	\$1,515.44
Santa Cruz Sentinel	2/3-2/8	1	3 Col X 9"	\$1,515.44
Santa Maria Times	2/3-2/8	1	3 Col X 9"	\$1,531.63
Siskiyou Daily News (Yreka)	2/3-2/8	1	3 Col X 9"	\$364.04
Stockton Record	2/3-2/8	1	3 Col X 9"	\$1,877.90
Tahoe Daily Tribune	2/3-2/8	1	3 Col X 9"	\$849.29
Times Herald (Vallejo)	2/3-2/8	1	3 Col X 9"	\$1,515.44
Times Standard (Eureka)	2/3-2/8	1	3 Col X 9"	\$1,022.42
Tracy Press	2/3-2/8	1	3 Col X 9"	\$581.38
Tribune (SLO)	2/3-2/8	1	3 Col X 9"	\$1,681.43
Trinity Journal (Weaverville)	2/3-2/8	1	3 Col X 9"	\$302.08
Tri-Valley Herald (Pleasanton)	2/3-2/8	1	3 Col X 9"	\$1,515.44
Tulare Advance Register	2/3-2/8	1	3 Col X 9"	\$1,799.90
Ukiah Daily Journal	2/3-2/8	1	3 Col X 9"	\$437.40
Union Democrat (Sonora)	2/3-2/8	1	3 Col X 9"	\$650.63
Willows Journal	2/3-2/8	1	3 Col X 9"	\$299.70
Woodland Daily Democrat	2/3-2/8	1	3 Col X 9"	\$510.30

Grand Total **\$80,738.82**

NOTIFICATION OF APPLICATION FILING BY PACIFIC GAS AND ELECTRIC COMPANY (PG&E) TO RECOVER COSTS ASSOCIATED WITH RENEWAL OF THE DIABLO CANYON POWER PLANT OPERATING LICENSES

On January 29, 2010, PG&E filed an application with the California Public Utilities Commission (CPUC) requesting that the CPUC find it is cost-effective and in the best interest of PG&E's customers to preserve the option to operate Diablo Canyon Power Plant (DCPP) for an additional 20 years beyond the expiration of its current operating licenses in 2024 and 2025 for Units 1 and 2, respectively.

As part of this application, PG&E requests authority to recover in rates a total of \$85 million in costs associated with obtaining the federal and state approvals required to seek the 20-year license renewal for DCPP. In addition, PG&E is requesting authority to establish a Diablo Canyon License Renewal Environmental Mitigation Balancing Account. This account will enable PG&E to recover the *actual* costs of mitigating environmental impacts that may be imposed by the state and local agencies asserting authority over license renewal.

Background to the filing of this application:

In PG&E's 2007 General Rate Case (A.05-12-002), the CPUC approved funding in Decision (D.) 07-03-044 for PG&E to perform a license renewal feasibility study (LRFS), the results of which would guide PG&E's decision as to whether to file a license renewal application with the United States Nuclear Regulatory Commission. Decision D.07-03-044 also required PG&E to file an application by June 30, 2011, submitting the LRFS to the CPUC and addressing whether Diablo Canyon license renewal is cost-effective and in the best interest of ratepayers. The LRFS was completed in 2009. The conclusion reached by the study was that there are no engineering or environmental impediments to proceeding with license renewal, and there is an economic benefit to continue operating DCPP for an additional 20 years beyond the expiration of its existing licenses. This application meets the filing requirement set forth in D.07-03-044.

Will rates increase as a result of this application?

Yes, approval of this application will increase electric rates for bundled service customers (those who receive electric generation as well as transmission and distribution service from PG&E) by less than one percent. Using the 2015 (highest single year) revenue requirement of \$21.6 million, the bundled system average rate will increase 0.17 percent, relative to current rates, in 2015 and would not have a significant impact on individual customers' rates. **Recovery of the costs associated with this application are not expected to begin until January 1, 2015.**

THE CPUC PROCESS

The CPUC's Division of Ratepayer Advocates (DRA) will review this application. The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold evidentiary hearings where parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in, these hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of PG&E's request, amend or modify it, or deny the application. The CPUC's final decision may be different from PG&E's proposed application filing.

FOR FURTHER INFORMATION

For more details call PG&E at **1-800-PGE-5000**

Para más detalles llame al **1-800-660-6789**

詳情請致電 **1-800-893-9555**

For TDD/TTY (speech-hearing impaired) call **1-800-652-4712**

You may request a copy of the application and exhibits by writing to:

Pacific Gas and Electric Company
Diablo Canyon License Renewal Application
P.O. Box 7442, San Francisco, CA 94120.

You may also contact the CPUC's Public Advisor with comments or questions as follows:

Public Advisor's Office
505 Van Ness Avenue, Room 2103
San Francisco, CA 94102

1-415-703-2074 or **1-866-849-8390** (toll free)

TTY **1-415-703-5282**, TTY **1-866-836-7825** (toll free)

E-mail to public.advisor@cpuc.ca.gov

If you are writing a letter to the Public Advisor's Office, please include the name of the application to which you are referring. All comments will be circulated to the Commissioners, the assigned Administrative Law Judge and the Energy Division staff.

A copy of PG&E's Diablo Canyon License Renewal application and exhibits are also available for review at the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, Monday – Friday 8 a.m. – noon.

Attachment B

February 1, 2010
TO: STATE, COUNTY AND CITY
OFFICIALS

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1-415-703-2074 or 1-866-849-8390 (toll free)

TTY 1-415-703-5282, TTY 1-866-836-7825 (toll free)

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CERTIFICATE OF SERVICE BY ELECTRONIC MAIL

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Law Department, 77 Beale Street - B30A, San Francisco, CA 94105.

I am readily familiar with the business practice of Pacific Gas and Electric Company for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On the 18th day of February, 2010, I served a true copy of:

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
PROOF OF RULE 3.2(C) COMPLIANCE**

[XX] By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service list for A.10-01-022.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 18th day of February, 2010 at San Francisco, California.

/s/

DONNA LEE

THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA SERVICE LIST

Last Updated: February 16, 2010

CPUC DOCKET NO. A10-01-022

Total number of addressees: 6

FRANCES YEE
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE ST, MC B10A
SAN FRANCISCO CA 94105
Email: fsc2@pge.com
Status: INFORMATION

Rashid A. Rashid
CALIF PUBLIC UTILITIES COMMISSION
LEGAL DIVISION
505 VAN NESS AVE RM 4107
SAN FRANCISCO CA 94102-3214
Email: rhd@cpuc.ca.gov
Status: STATE-SERVICE

ANN L. TROWBRIDGE
DAY CARTER & MURPHY LLP
3620 AMERICAN RIVER DRIVE, STE 205
SACRAMENTO CA 95864
Email: atrowbridge@daycartermurphy.com
Status: INFORMATION

JENNIFER K. POST
PACIFIC GAS AND ELECTRIC COMPANY
PO BOX 7442
SAN FRANCISCO CA 94105
FOR: Pacific Gas and Electric Company
Email: jlkm@pge.com
Status: PARTY

CALIFORNIA ENERGY MARKETS
425 DIVISADERO ST. STE 303
SAN FRANCISCO CA 94117-2242
Email: cem@newsdata.com
Status: INFORMATION

MRW & ASSOCIATES, LLC
1814 FRANKLIN ST, STE 720
OAKLAND CA 94612
Email: mrw@mrwassoc.com
Status: INFORMATION