

ATTACHMENT 1

**RESTATED CHARTER FOR THE
DIABLO CANYON INDEPENDENT SAFETY COMMITTEE**

I. Formation and Membership of the Committee.

A. Composition and Responsibility of the Committee.

(1) An Independent Safety Committee (the "Committee") shall be established consisting of three members, one each appointed by the Governor of the State of California, the Attorney General and the Chair of the California Energy Commission ("CEC"), respectively, serving staggered three-year terms. The Committee shall review Diablo Canyon Power Plant ("Diablo Canyon") operations for the purpose of assessing the safety of operations and suggesting any recommendations for safe operation. Neither the Committee nor its members shall have any responsibility or authority for plant operations, and they shall have no authority to direct PG&E personnel. The Committee shall conform in all respects to applicable federal laws, regulations and Nuclear Regulatory Commission ("NRC") policies.

B. Appointment of Committee Members.

(1) Candidates for Committee membership shall be selected from those persons responding to an open request for applications. The California Public Utilities Commission ("CPUC") shall provide for public comment on qualified applicants by posting on the CPUC's homepage (www.cpuc.ca.gov) a link to information concerning the name of each qualified applicant, along with a summary of his or her qualifications and a statement identifying any potential conflict of interest, an Applicant's Application for Nomination shall address those items enumerated in Section I.C. The President of the CPUC shall provide to the appropriate

appointing authority a list of not more than three qualified candidates as alternatives to the reappointment of that authority's designated Committee member whose term is expiring. The incumbent member, if he or she consents, shall be deemed an additional candidate. Each subsequent appointment shall be for a three-year term.

(2) Should a Committee member not complete the appointed term, the authority who appointed that member shall appoint a replacement to serve for the unexpired portion of the term from the most recent list of candidates selected by the President of the CPUC in accordance with the appointment procedures set forth herein.

(3) The President of the CPUC shall review each application to assess the applicant's qualifications, experience and background, including any conflict of interest and comment received from the public, and shall propose as candidates only persons with knowledge, background and experience in the field of nuclear power facilities and nuclear safety issues who demonstrate they have no conflict of interest as set forth in Section I.C. The CPUC Energy Division shall prepare, circulate for public comment and place on the CPUC's public agenda a resolution ratifying the President's selection of not more than three qualified candidates and an incumbent member.

C. Conflict of Interest.

(1) No person shall serve as a member of the Committee if he or she has received \$250.00 or more in income (as defined in Government Code Section 82030, but excluding dividends or interest from stocks or bonds) or gifts (as defined in Government Code 82028) from PG&E or an affiliated company within twelve months prior to the start of his or her original term, or if he or she has, at the time of the commencement of service, an investment (as defined

in Government Code Section 82034) worth \$1,000.00 or more in PG&E or any affiliated company. In addition, no member of the Committee shall make, participate in making, or in any way attempt to use his or her official position to influence any action of the Committee in which he or she knows or has reason to know that he or she has a financial interest. The provisions of the Political Reform Act, including implementing regulations and rulings, as applied to Government Code Section 87100 shall be used to determine whether a member has a conflict of interest.

(2) Members of the Committee shall file a Statement of Economic Interest at the same time and in the same manner as designated employees of the CPUC must file under the Political Reform Act and CPUC Conflict of Interest Code. Members of the Committee shall disclose any investment in or income from the following:

- (a) An electric corporation subject to the jurisdiction of the CPUC, including any parent, subsidiary or affiliated business entity;
- (b) A business entity that regularly supplies natural gas, nuclear fuel, fuel oil or other forms of energy to an electric corporation subject to CPUC jurisdiction;
- (c) Any business entity that has done more than \$10 million of work on the design, construction, engineering or operation of the Diablo Canyon power plant.

Copies of the members' Statements shall be available for public inspection.

(3) No person shall serve as a member of the Committee if he or she has a prior history of supporting or opposing PG&E as a witness or intervenor in nuclear licensing or CPUC proceedings associated with Diablo Canyon.

D. Commencement of Term.

(1) The list of candidates shall be submitted to the appointing authorities on or before January 1 of each year. Appointments shall be made by March 1 of each year. Each Safety Committee term shall commence on July 1 of the year of appointment. If any such deadline is missed, the relevant action shall be taken or shall occur at the earliest possible date thereafter.

E. Exercise of Powers.

(1) The Chair of the CEC and the President of the CPUC shall exercise their powers after consultation with their respective commissions in public session.

II. Scope of Committee Operations.

A. Receipt of Reports and Records.

(1) The Committee shall have the right to receive on a regular basis such of the following operating reports and records of Diablo Canyon as the Committee may request. Such reports and records shall be provided quarterly as available:

- (a) Automatic scrams while critical;
- (b) Significant events;
- (c) Safety system actuations;
- (d) Forced outage rate;
- (e) Collective radiation exposure;
- (f) Industrial safety loss time accident rate;
- (g) NRC public reports and evaluations of Diablo Canyon; and

- (h) Such other reports pertinent to safety as may be produced in the course of operations and may be requested by the Committee.

B. Annual Site Inspection.

(1) The Committee shall have the right to conduct an annual examination of the Diablo Canyon site. If the Committee requires additional information regarding a specific issue the Committee may request such information and, upon proper notice to PG&E, conduct a site visit to investigate that issue.

(2) PG&E shall cooperate with the Committee in arranging times for the Committee's visits to the site and shall be responsible for insuring the cooperation of PG&E employees and contractors in providing information and access to the plant and facilities of PG&E and to pertinent records. Any such site visit must comply with all applicable federal laws, regulations and NRC policies, including laws, regulations and policies governing screening of persons who may participate in site inspections.

C. Committee Reports and Recommendations.

(1) The Committee shall prepare an annual report, and such interim reports as it deems appropriate, which reports shall include any recommendations of the Committee. The report shall be submitted first to PG&E, and PG&E shall respond in writing within 45 days. PG&E's response shall be made part of the report which shall then be submitted to the CPUC, the Governor, the Attorney General and the CEC. The CPUC, the Governor, the Attorney General and the CEC, or any one of them, may file a request pursuant to 10 CFR Sec. 2.206 for the Director of Nuclear Reactor Regulation to institute a proceeding to require PG&E to adopt

any safety recommendation made by the Committee. PG&E is free to oppose any such recommendation before the NRC.

D. Confidentiality of Information

(1) In the course of review of Diablo Canyon operations, Committee members may receive confidential information. Federal law restricts disclosure of certain information; accordingly, Committee members shall seek approval of the NRC for access to such information and shall comply with all laws, regulations and policies applicable to access to, possession and use of such information. To the extent that PG&E believes that other information sought by the Committee, not regulated by the Atomic Energy Act, constitutes confidential business information, the disclosure of which might injure PG&E in its business, PG&E may so designate that information. Information so designated shall be treated as confidential and not disclosed outside the Committee unless a majority of the Committee challenges the propriety of the claim of confidentiality by vote taken within 30 days of designation. A dispute between the Committee and PG&E on a claim of confidentiality shall promptly be submitted to binding arbitration. Committee members and all persons who receive confidential information in the course of or as a result of the Committee's activities shall have a duty to maintain the confidentiality of that information and, in addition to complying with the requirements of federal law and regulations, shall execute a confidentiality agreement prior to receiving any confidential information.

(2) The Committee may contract for services, including the services of consultants and experts, to assist the Committee in its safety review. Disclosure of PG&E information or records to any such person shall be governed by the provisions of this agreement in the same manner as disclosure to members of the Committee. No disclosure of confidential

information shall be made to any person who does not have a need to receive the information in order to assist the Committee in its safety review. Nor shall such disclosure be made to any person known to have a conflict of interest.

(3) This provision shall not preclude the Committee from submitting relevant information to the NRC or to the CPUC, the Governor, the Attorney General, or the CEC to the extent permitted by federal law. Prior to the disclosure of any confidential information, however, the Committee shall give PG&E notice of its intention to do so and an opportunity to designate specific documents or information which should not be publicly disclosed and to seek to prevent public disclosure by the entity to which disclosure is made.

E. Compensation of the Committee

(1) Members of the Committee shall be compensated in an amount established by the CPUC commensurate with fees PG&E pays for similar services. Each member shall receive an \$8,000.00 annual retainer and, in the event a member performs more than 40 hours of work on Committee business between July 1 and the following June 30, such hours shall be compensated at \$200.00 per hour. PG&E shall file annually, on April 1, a report updating commensurate fees for comparable services and concurrent with that report, an advice letter with proposed revisions to the compensation levels.

(2) The fees and expenses of the Committee and its contractors shall be paid by PG&E and PG&E shall be entitled to recover those amounts through its cost-of-service rates. An authorized Committee budget not exceeding \$673,077.00 for calendar year 1996, with a 1.5% annual escalation for every year thereafter, has been established, which includes all costs, member compensation, travel expenses, contracting fees, staff salaries and audit expenses. The

compensation of Committee members, which is included in the budget, is tied to the fees paid by PG&E for similar services. Therefore, the rate of change in the budget could differ from the rate of change in the compensation paid to committee members.

(3) The Committee and its contractors shall keep accurate books, records and accounts, which shall be open to inspection and audit by the CPUC or its designee and by PG&E. Such audit shall include review of the reasonableness of fees and expenses and review for conflict of interest.

F. Public Outreach

(1) The Committee shall undertake public outreach in the affected community, including, but not limited to, assuring that the Committee meetings are videotaped and broadcast. To the extent that public outreach results in an increase in costs associated with the Committee, beyond any annual authorized funding level, the Committee's budget shall be increased by the same amount and PG&E shall be entitled to recover that amount through a CPUC-determined increment to PG&E's cost-of-service rates.

(End of Attachment 1)