

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
I.D. # 7235
ENERGY DIVISION **RESOLUTION E-4141**
January 10, 2008

R E S O L U T I O N

Resolution E-4141: The President of California Public Utilities Commission [CPUC] has reviewed the applications of candidates for the July 1, 2008 vacancy at the Diablo Canyon Independent Safety Committee [Safety Committee] and selected Paul M. Blanch, Jerald S. Paul, and Per F. Peterson for consideration by the Governor of California.

The selection is approved.

As required by Decision [D.] 07-01-028 dated January 25, 2007.

SUMMARY

This Resolution confirms the CPUC President's selection of Paul Blanch, Jerald Paul, and Per Peterson for consideration by the Governor for appointment to the vacancy on the Safety Committee.

BACKGROUND

Genesis of the Safety Committee

The Commission created the Safety Committee in D.88-12-083 [30 CPUC 2d 189], as one part of the overall settlement of the ratemaking issues for the Diablo Canyon Nuclear Generating Station [Diablo Canyon] which is owned and operated by Pacific Gas and Electric Company [PG&E]. The settlement agreement established the Safety Committee as an independent three-member committee responsible for monitoring the safety of PG&E's operation of Diablo Canyon. Its budget is paid from PG&E's revenues and is thus charged to the ratepayers [D.88-12-083, App. C, Paragraph 16]. A statement setting the qualifications and procedures for appointment of members to the Safety Committee, and defining the scope of the Committee's operations and

responsibilities was attached to the settlement agreement and approved by the Commission [D.88-12-083, App. C, Attachment A]

Recent developments

On October 24, 2006 the Safety Committee submitted Application [A.] 06-10-024, Exhibit B of which was their proposed *restated* charter. The Commission in D.07-01-028, dated January 25, 2007 adopted the modified charter [D.07-01-028, Att. 1, Exhibit B]. Section 1.B of the new charter concerns appointments of committee members. It states that candidates for the Committee membership shall be selected from those persons responding to an open request for application. The CPUC shall provide for public comment on qualified applicants' qualifications and potential conflicts of interest. The incumbent member shall be deemed an additional member if he or she consents. The President of the Commission shall review the applicants' qualifications, experience, and background, including any conflict of interests, together with any public comments, and shall propose as candidates to the appointing authority only persons with knowledge, background, and experience in the field of nuclear power plants and nuclear safety issues. The Energy Division shall prepare, circulate for public comment and place on the CPUC 's public agenda a resolution ratifying the President's selection of candidates.

Current Undertaking

On October 9, 2007 the Energy Division posted on the CPUC website an announcement seeking applicants for the vacancy beginning July 1, 2008. It received applications from Paul M. Blanch, Jerald S. Paul, and Per F. Peterson; the incumbent, A. David Rossin, whose term expires on June 30, 2008, declined to seek *renomination*.

After evaluating their qualifications, the Energy Division posted on the CPUC website, for public comment, a summary of the applicants' higher education and work experience which were relevant to the position and the disclosure that their applications did not reveal any potential conflicts of interest with their intended undertaking.

There was one public comment on Mr. Blanch.

The Safety Committee charter authorizes the CPUC President to recommend up to three qualified candidates, in addition to the incumbent member, to the Governor. The President of the Commission, Michael Peevey, has therefore

selected the above three qualified candidates to recommend to the Governor, who is the appointing authority for this vacancy, to select one from among them to occupy the vacancy on the Safety Committee.

The purpose of this resolution is to evaluate and confirm the selection according to D.07-01-028, Exhibit B, Att. 1, Section 1 B (3), which states:

...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 qualified candidates...

NOTICE

Notice of this resolution was made by publication in the Commission's Daily Calendar. In addition, copies of the draft resolution were sent to the applicants and to the service list in A. 06-10-024.

DISCUSSION

The Energy Division has reviewed the qualifications of Paul M. Blanch, Jerald S. Paul, and Per F. Peterson. Appendix A to this resolution is a summary of their curriculum vitae prepared by the Energy Division staff.

Blanch, Paul, and Peterson are qualified candidates

The three candidates have indicated their willingness to serve on the Safety Committee if confirmed, as shown in their applications' declarations. The three applicants have no current or past relationship with PG&E that could be perceived as creating a conflict with their acting independently in the Diablo Canyon plant's best interest as well as that of public at large that benefit from a safe nuclear plant. Their resumes show that they have knowledge, background, and experience in the field of nuclear power plants and nuclear safety issues.

Public Comment

David Lochbaum, on behalf of the Union of Concerned Scientists, sent a letter of support for Mr. Blanch on December 5, 2007.

The Energy Division recommends that the Commission ratify the selection of Blanch, Paul, and Peterson and recommend them to the Governor of California as qualified appointees to the Safety Committee.

COMMENTS

PU Code section 311(g) (1) generally provides that draft resolutions be subject to at least 30-day public review and comment prior to a vote on the Commission.

Accordingly, this draft resolution was sent to the three candidates and to the service list in A.06-10-024 and made available for comment to parties on December 17, 2007.

FINDINGS

1. D.88-12-083 created the Independent Safety Committee for the Diablo Canyon Nuclear Generation Station.
2. The Safety Committee is an independent three-member committee responsible for monitoring the safety of PG&E's operation of Diablo Canyon.
3. D.07-01-028 adopted new procedures for appointment of the Safety Committee members.
4. On October 9, 2007, in compliance with D.07-01-028, the Energy Division announced the July 2008 vacancy on the Safety Committee and invited applications for the position.
5. Three persons, Paul M. Blanch, Jerald S. Paul, and Per F. Peterson responded to the announcement. The incumbent, A. David Rossin, could have been an additional candidate but he did not seek renomination.
6. The three applicants are qualified candidates and have no conflicts of interest.
7. The qualifications of the three candidates were put on the CPUC website for public comment. One such comment was received in support of Mr. Blanch.

8. The President of the Commission has chosen all of the three candidates as his nominees for consideration by the Governor for appointment to the vacancy on the Safety Committee.
9. D.07-01-028 requires that the Energy Division prepare, circulate for public comment, and place on the public agenda a resolution ratifying the President of the Commission's selection of qualified candidates.

THEREFORE IT IS ORDERED THAT:

1. President Michael R. Peevey's selection of Paul M. Blanch, Jerald S. Paul, and Per F. Peterson as qualified candidates for consideration by the Governor of California for appointment to the July 1, 2008 vacancy on the Safety Committee is hereby approved.

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 January 10, 2008; the following Commissioners voting favorably thereon:

Paul Clanon
Executive Director

Appendix A

Summary of the Candidates' Qualifications

Paul M. Blanch

Mr. Blanch is a Registered Professional Engineer in California. In 1972 he received a BS in Electrical Engineering from the University of Hartford in Connecticut, where he also took graduate courses in Engineering.

Blanch has more than 40 years of consulting experience with the top management of companies such as Northeast Utilities, Dominion Nuclear, Millstone Power Station, Indian Point Nuclear Power Station, and Maine Yankee Atomic Power Company. He also has distinguished career as an engineer, manager, and project coordinator for the construction and operations of nuclear power plants.

As an expert witness, Blanch provided research and testimony for several plaintiffs including Three Mile Island, Vermont Yankee, Saint Lucie, Millstone, and Davis Besse.

Blanch provided testimony before the U.S. Senate Subcommittee on protection for nuclear industry employees and developed computer research tools and programs to access, search, and analyze publicly available documents from the Nuclear Regulatory Commission.

Since April 2007 Blanch has been a consultant to the State of New York Office of the Attorney General where he provides services related to the license renewal application for Indian Point Units 2 & 3, ensuring compliance with the existing NRC requirements and the Aging Management Programs to assure continued safe operation of the plants should the license renewal be granted.

Paul Blanch resides in West Hartford, Connecticut.

Jerald S. Paul

Mr. Paul is currently a Distinguished Fellow on Energy Policy with Howard Baker Center for Public Policy at the University of Tennessee. He has held that position since the beginning of 2007. Prior to this position he was appointed in 2004 by President Bush, and confirmed by the US Senate, to serve as the Chief Operating Officer and Principal Deputy Administrator with the National Nuclear Security Administration [NNSA]. In this position he was responsible for coordinating all activities of the NNSA at National Laboratories which is the senior authority for technical nuclear safety decision making throughout the US Nuclear Defense Facilities Complex.

Paul is a nuclear engineer and an attorney who was previously elected as a state representative in Florida's 71st District and represented Florida on the US Southern States Energy Board.

Paul also served in the US Merchant Marine and the US Navy Reserve and has worked as a reactor engineer and power plant operator at fossil and nuclear power plants.

Paul has a law degree from Stetson University in Florida [1994], a Bachelor's degree in marine engineering from Merchant Marine Academy [1989], and a post-baccalaureate degree in nuclear engineering from the University of Florida [1990].

Jerald Paul resides in Venice, Florida.

Per F. Peterson

Mr. Peterson has already served a three-year term on the Diablo Canyon Independent Safety Committee under appointment by the Attorney General.

Peterson was formerly the Chairman of Nuclear Engineering Department and chair of the Energy and Resources Group at UC Berkeley. He is currently a Professor and chairs the Radiation Safety Committee for the University of California. In this latter capacity he is responsible for reviewing all authorizations for radioactive materials and radiation producing machines used

in research on the Berkeley campus. He concurrently chairs the Reactor Safeguards Committee for the Aerotest Research Reactor in Pleasanton, California.

Peterson has over 200 research publications covering topics in nuclear fusion energy, fission reactor design and safety analysis, nuclear waste management, and other topics related to nuclear technology. In 1988 he earned a PhD in Mechanical Engineering from UC Berkeley. He is a fellow of the American Nuclear Society and a former chair of its Thermal Hydraulics Division. Among his major achievements is the Presidential Young Investigator award.

Per Peterson resides in Berkeley, California.

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



I.D.

#7235
December 11, 2007

Resolution E-4141

Commission Meeting on January 10, 2008

TO:PARTIES TO DIABLO CANYON INDEPENDENT SAFETY
COMMITTEE A.06-10-024

Enclosed is the draft Resolution E-4141 of the Energy Division. It is in compliance with D.07-01-028 and will appear on the agenda at the next Commission meeting held 30 days after the date of this letter. The Commission may vote on this Resolution at the time or it may postpone a vote until a later date.

When the Commission votes on a draft resolution, it may adopt all or part of it as written, amend, or set it aside and prepare a different resolution. Only when the Commission acts does the resolution become binding on the parties.

All Comments on the draft Resolution are due by December 31, 2007. Comments shall be served on parties, as outlined below.

An original and two copies, along with a certificate of service to:

Honesto Gatchalian
Energy Division
California Public Utilities Commission

505 Van Ness Avenue
San Francisco, CA 94102
E-mail: jjj@cpuc.ca.gov

Massis Galestan
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
E-mail: mgm@cpuc.ca.gov

And to parties described above [see attached]

Comments shall be limited to five pages in length plus a subject index listing the recommended changes to the draft Resolution, a table of authorities and an appendix setting forth the proposed findings and ordering paragraphs.

Comments shall focus on factual, legal, or technical errors in the proposed draft Resolution.

Replies to comments on the draft resolution may be filed [received by the Energy Division] by January 7, 2008, seven days after comments are filed, and shall be limit to identifying misrepresentations of law or fact contained in the comments of other parties. Replies shall not exceed five pages in length, and shall be filed and served as set forth above for comments.

Late submitted comments or replies will not be considered.

An accompanying declaration under penalty of perjury shall be submitted setting forth all the reasons for the late submission.

Please contact Massis Galestan at 415-703-1760 or mgm@cpuc.ca.gov if you have any questions or need assistance.

Sincerely,

Bruce Kaneshiro
Demand Response Program Supervisor
Energy Division

Enclosures:
Service List
Certificate of Service

CERTIFICATE OF SERVICE

I certify that I have by electronic mail this day served a true copy of draft Resolution E-4141 on all parties on the service list for Application 06-10-024 as shown on the attached list.

Dated December 11, 2007 at San Francisco, California.

Massis Galestan

NOTICE

Parties should notify the Energy Division, Public Utilities Commission, 505 Van Ness Avenue, Room 4002, San Francisco, CA 94102 of any change of address to insure that they continue to receive documents. You must indicate the Resolution number on the list on which your name appears.

SERVICE LIST FOR A.06-10-024

joe.desmond@resources.ca.gov; bbyron@energy.state.ca.us; jtachera@energy.state.ca.us;
bob@cpuc.ca.gov; tricia.wynne@doj.ca.gov; lau@cpuc.ca.gov; paj@cpuc.ca.gov;
mgm@cpuc.ca.gov; ljt@cpuc.ca.gov; txb@cpuc.ca.gov; rochelle489@charter.net;
wvm3@pge.com; jlm@pge.com; rfl@pge.com; bck7@pge.com; and the following:

County Clerk
County San Luis Obispo
County Government Center
1055 Monterey Street
San Luis Obispo, CA 93408

Peterson@nuc.berkeley.edu; pdblanch@comcast.net; jpaut@capitolenergy.net;
dlochbaum@ucsusa.org;