

Decision 07-05-021 May 3, 2007

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas & Electric Company
(U 39 E) for Authority to Increase Revenue
Requirements to Recover the Costs to Replace
Steam Generators in Units 1 and 2 of the Diablo
Canyon Power Plant.

Application 04-01-009
(Filed January 9, 2004)

**OPINION MODIFYING DECISION 05-11-026 TO ADOPT AN ADDENDUM TO
THE FINAL ENVIRONMENTAL IMPACT REPORT**

In Decision (D.) 05-11-026, we granted the application of Pacific Gas and Electric Company (PG&E) for approval of its steam generator replacement program (SGRP) for Diablo Canyon Power Plant Units 1 & 2 (Diablo). We also certified the Final Environmental Impact Report (Final EIR) and the Mitigation Monitoring, Compliance and Reporting Program (MMCRP) included in the Final EIR, pursuant to the California Environmental Quality Act (CEQA).

The Commission is the Lead Agency, responsible for compliance with CEQA. The Final EIR has been used by Responsible Agencies as defined by CEQA Guidelines Section 15381, including the County of San Luis Obispo (County), as part of their discretionary action and approval process.

In February 2007, we entered into a Memorandum of Understanding (MOU) with the Environmental Coordinator of the County of San Luis Obispo to set out the responsibilities of the agencies during the construction of the SGRP. While the MOU places the responsibility to monitor and enforce the mitigation measures identified in the Final EIR with the County, the agreement also

reserves the right of the Commission to exercise its independent authority over PG&E, the MMCRP, and the SGRP as the CEQA lead Agency.

PG&E has informed us that a revision to the grading plan for the original steam generator storage facility (OSGSF) is needed to satisfy Uniform Building Code (UBC) requirements. Construction of the on-site storage structure was part of the SGRP approval. PG&E recently found that no suitable soil for the original grading plan is available on-site, and PG&E now proposes to revise the grading plan to allow the import of approximately 2,500 cubic yards of soil from an off-site location.

Our Energy Division (ED) has reviewed the proposed modifications and prepared the attached Addendum to the Final EIR. The environmental impact levels presented in the Final EIR remain unchanged. We find that a Subsequent EIR is not required pursuant to CEQA Guidelines Section 15162 because these modifications would not cause any new significant environmental effects or a substantial increase in the severity of previously identified impacts. Because none of the conditions requiring preparation of a Subsequent EIR described in Section 15162 have occurred, we find that the preparation of an Addendum is appropriate, pursuant to CEQA Guidelines Section 15164. Accordingly, we will consider and approve the Addendum to the Final EIR.

Comments on Proposed Decision

The proposed decision in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(d) and Rule 14.6(c)(9) of the Commission's Rules of Practice and Procedure. The comment period was reduced to 10 days for comments and four days for reply comments on the basis of public necessity because it is necessary to import the soil prior to the public peak recreational use periods for nearby facilities, that will occur in the near future, in order to

minimize public exposure to any resulting environmental impacts. No comments were filed.

Assignment of Proceeding

Michael R. Peevey is the assigned Commissioner and Jeffrey P. O'Donnell is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. All necessary CEQA review of the proposed project modifications has occurred.
2. ED prepared an Addendum to the Final EIR (included as Attachment A to this decision) that concludes the project modification described therein will not result in a significant impact to the environment.

Conclusions of Law

1. The Addendum to the Final EIR contained in Attachment A to this order should be approved.
2. D.05-11-026 should be modified to authorize construction of the SGRP as modified by the Addendum.
3. A reduction of the comment period is appropriate due to the public necessity to complete the soil transport as soon as possible.
4. This order should be effective immediately to allow PG&E to complete construction of the project as soon as possible.

O R D E R

IT IS ORDERED that:

1. Decision 05-11-026 is modified to allow Pacific Gas and Electric Company to construct the steam generator replacement program for Diablo Canyon Power Plant Units 1 & 2 as modified by the Addendum to the Final Environmental Impact Report (EIR), included as Attachment A to this decision.
2. The Addendum to the Final EIR is approved.
3. Application 04-01-009 is closed.

This order is effective today.

Dated May 3, 2007, at San Francisco, California.

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners