



# City of Morro Bay

Morro Bay, CA 93442

(805) 772-6200

February 23, 2010

Gregory B. Jaczko, Chairman  
c/o Annette L. Vietti-Cook, Secretary of the Commission  
U.S. Nuclear Regulatory Commission  
Mail Stop O-16G4  
Washington, DC 20555-0001

RE: Relicensing application for Diablo Canyon Nuclear Power Plant

Dear Chairman Jaczko:

As individual council members, we believe that the urgent state and national economic crisis impacting our local constituents warrants action because of the immediate fiscal implications of the license renewal process for the Diablo Canyon Nuclear Power Plant. Currently, the full council chose to postpone action on relicensing pending further information. A year ago, the City Council of Morro Bay sent a letter supporting state legislation requiring PG&E to do expedited, advanced seismic studies for Diablo Canyon Nuclear Power Plant. However, As the elected representatives of a California community within the fallout zone of the Diablo Canyon Nuclear Power Plant, we would like to request that the NRC place a “stay” on the application for relicensing these reactors that was filed by Pacific Gas & Electric in November, 2009, with the exception of seismic studies that should be expedited.

We have a significant interest in seeing that the seismic studies mandated by our elected state assemblyman, Dr. Sam Blakeslee, and facilitated through the requirements of the California Energy Commission and the decision of the California Public Utilities Commission, be completed before any further taxpayer or ratepayer monies are invested in the relicensing process. At this time of serious fiscal crisis—in our city as well as at the state and national level—there are no extra funds available to spend on processes that may be redundant or counterproductive. Seeking the answers to unknown seismic questions may be the most cost-effective way to safeguard the economics and reliability of our power supply.

On November 22, 2008, PG&E announced that an earthquake fault had been discovered 1800 feet offshore of the Diablo Canyon Nuclear Plant. Until that date, the Hosgri Fault—capable of a 7.5 magnitude earthquake and two miles offshore of Diablo—was the only seismic safety concern. The California Energy Commission has recommended that: “PG&E should use three-dimensional geophysical seismic reflection mapping and other advanced techniques to explore fault zones near Diablo Canyon. PG&E should report on their progress and their most recent seismic vulnerability

**FINANCE**  
595 Harbor Street

**ADMINISTRATION**  
595 Harbor Street

**FIRE DEPT.**  
715 Harbor Street

**PUBLIC SERVICES**  
955 Shasta Avenue

**HARBOR DEPT.**  
1275 Embarcadero Road

**CITY ATTORNEY**  
955 Shasta Avenue

**POLICE DEPT.**  
850 Morro Bay Boulevard

**RECREATION & PARKS**  
1001 Kennedy Way

assessment for Diablo Canyon in the 2009 IEPR.” In addition, the California Public Utilities Commission conditioned funding of the PG&E license renewal feasibility study with the requirement that the utility bring the results back before the CPUC for analysis before the CPUC will decide if it is cost effective for the utility to proceed. The Utility has yet to fulfill these requirements, and yet the NRC has accepted their application. We would like to see the NRC work with our state legislature and regulators—combining their seismic expertise and resources—to expedite these thorough and up-to-date seismic studies before investing time and money in the subsequent relicensing procedures.

As a community whose principal economic base is derived from tourism, we are concerned that Morro Bay might suffer the same consequences as were experienced in Niigata, Japan, as a result of the July 16, 2007 earthquake, which shut down the neighboring Kashiwazaki-Kariwa nuclear plant. As the Associated Press reported on August 4, 2007,

“Hotels and inns in Kashiwazaki, the Niigata Prefecture city hardest hit by a magnitude-6.8 earthquake on July 16, have suffered roughly 30,000 cancellations for room reservations, city officials said Friday. According to the tourism office, sales at beach houses equipped with lodging facilities in the city are about 10 percent of those in a normal year. Even though there was no damage to the facilities from the quake, they suffered massive cancellations, with roughly 80 percent of the tourists citing concerns over a radiation leak.”

In addition, the Japanese Atomic Energy Commission, in their presentation delivered at the GLOBAL conference in September 2007, reported:

"As the release of radioactivity to the sea attracted much attention from the mass media, many tourists cancelled their planned summer visit to the Chuetsu coast and the tourism industry on the coast was damaged severely as the summer is the high season for the industry."

The seismic unknowns at Diablo Canyon could equal or surpass today's "knowns." Further research is the only responsible action. California has waited over thirty years for an offsite solution to safe storage of high-level radioactive waste, and the only proffered solution is now scuttled. Waiting until our "radioactive levies" break places California's economic and human future at risk.

We are encouraged by the support shown for these expedited studies by our California regulators and state legislature. In the interest of openness and transparency, we invite the NRC to work in an efficient manner with California in order to move this process forward.

Respectfully Submitted,



Noah Smukler  
Council Member



Betty Winholtz  
Council Member

cc: Lois Capps, U.S. Congresswoman  
Barbara Boxer, U.S. Senator