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1 legislature did. So I would need to understand that to  
2 answer that question. I haven't seen this document  
3 before.

4 Q The Vermont legislature requires that the  
5 utility go to the Public Services Division or commission  
6 before it files for a license renewal.

7 A Well, that's an important question, and so  
8 I just can't answer that question off the top of my  
9 head. I never considered that before.

10 Q Okay. You haven't considered if the state  
11 decides to require -- to propose that PG&E go to state  
12 agencies, ratepayer agencies, energy planning agencies,  
13 coastal agencies before it can apply for a license  
14 renewal? Would PG&E support that proposal?

15 A All I can tell you is PG&E will certainly  
16 comply with any state laws or requirements that are put  
17 in place. That's our duty.

18 Would we support such an effort? Again,  
19 that's, I haven't considered that question before.

20 That's an important question. I just -- I'm not  
21 prepared to give you an answer on that.

22 Q What would be PG&E's hesitation for supporting  
23 such a proposal?

24 A Like I said, it's a -- that's an important  
25 question. It's a complex question. I don't know.  
26 I haven't done the analysis.

27 Q Would anybody else from PG&E be able to answer  
28 that?

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1 A I doubt that anybody in PG&E could answer that  
2 at this time.

3 Q The full cost for the license renewal  
4 application for the four reactors at Quad Cities and  
5 Dresden nuclear power plants was approximately  
6 \$14 million. There are several figures involved in  
7 PG&E's request. There's a \$14 million figure and a  
8 \$16 million figure and a \$19 million figure, but all of  
9 those are more than the \$14 million figure for the full  
10 license renewal application for four reactors.  
11 Can you explain why your feasibility study is  
12 costing more for -- than a full license application?

13 A I'm not familiar exactly with what Quad Cities  
14 and Dresden did for their studies.  
15 I would point out that we are in a seismic  
16 zone, so seismic issues must be carefully addressed.

17 And that requires time and there's money to do that.

18 And California does have different regulations and laws  
19 than the state of Illinois. And I think both the plants  
20 you referred to are in the state of Illinois.

21 Q That's correct.

22 A So there's going to be some differences there.

23 And I believe that would be part of the reason.

24 But not having looked at exactly what Quad  
25 Cities and Dresden did, there may very well be other  
26 issues as well. I don't know.

27 Q Doesn't Quad Cities and Dresden have to meet  
28 the same NRC requirements as PG&E for license renewal?

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1 A It would be covered under the same code of  
2 federal regulations. But in evaluating the system  
3 structures and components of the plan and deciding what  
4 measures needed to be -- would need to be taken to  
5 extend the life of the plant by 20 years, that analysis  
6 could be significantly different for different types of  
7 power plants.

8 Dresden and Quad Cities, I think you said.

9 Q That's correct.

10 A Those are different types of reactors than  
11 Diablo. So those are called boiling water reactors.

12 And Diablo Canyon --

13 Q Correct.

14 A -- is a Westinghouse pressurized water  
15 reactor. So that's going to drive some differences.

16 So, yes; I agree the regulations are the same.

17 But the effort, the complexity of meeting  
18 the regulations can be different.

19 Q After -- if you are granted \$19 million or 14  
20 or 16 or whatever it is in funding for a license renewal  
21 feasibility study, does PG&E have an estimate of how  
22 much the license renewal application will cost  
23 the ratepayers?

24 A I believe we're talking -- in order to --  
25 again, if we made the decision to proceed with license  
26 renewal, we would need to prepare the license amendment  
27 request on associated documents. We would need to  
28 submit that to the NRC. There's a process for review

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1 and approval that are associated with that. And there  
2 are NRC fees that need to be paid when you submit a  
3 license amendment request. So all of those are costs  
4 that would be incurred if we made that decision.

5 I believe that we're talking -- and this is a  
6 rough estimate, but I believe we are talking \$4 to

7 \$6 million there.

8 Q So the feasibility study would be \$19 million  
9 and the full license application which is usually about  
10 900 pages long would be \$45 million?

11 A I'm saying over -- that's a rough estimate  
12 that I'm giving for -- to carry through that license  
13 amendment request process.

14 Q Does that mean that most of the work for  
15 the license renewal application will be done within the  
16 feasibility study?

17 A No, I wouldn't make that conclusion. We're  
18 talking two different processes. We're talking about a  
19 study that we intend to do, and we described what's  
20 encompassed in that study. And then there's an  
21 application process as well.

22 Q PG&E has done a license renewal assessment, a  
23 license renewal study plan, and now a license renewal  
24 feasibility study.

25 A We haven't performed the license renewal  
26 feasibility.

27 Q I'm sorry?

28 A We have not performed a license renewal study.

1 Q Now, it's proposing to do.

2 A Right.

3 Q Who paid for the 2003 study plan or  
4 feasibility assessment? I think it was the first one.

5 A PG&E paid for it. We provided the manpower to  
6 do it, contractual costs as necessary. So that would be  
7 something that we paid for.

8 Q Were those costs passed on to ratepayers?

9 A To the best of my knowledge, yes.

10 Q Were they a line item or were they general  
11 services?

12 A I don't know the answer to that. The scope of  
13 the feasibility assessment was much, much smaller than  
14 what we would be talking about for a feasibility study.

15 Q And the study plan, the 2005 study plan, was  
16 that passed on to ratepayers?

17 A That was part of our cost of doing business.  
18 So as much as any cost of doing business is, the answer  
19 would be yes.

20 Q It wasn't a line item; it was a general  
21 services?

22 A I don't know that level of detail.

23 ALJ KENNEY: We're coming up to 3:30, so if you  
24 can plan your questions accordingly.

25 MS. BECKER: I have no further questions.

26 ALJ KENNEY: We will be in recess until 9 a.m.  
27 tomorrow morning. Off the record.

8 (Whereupon, at the hour of 3:30 p.m.,  
this matter having been continued to

CALIFORNIA PUBLIC UTILITIES COMMISSION, STATE OF  
SAN FRANCISCO, CALIFORNIA