

June 20, 2006 Transcript

Keenan Cross

Pg 2070

MS. BECKER: Yes. The Exhibit No. 1 is the California Energy Commission's transcript of their nuclear workshop and the statements of Mr. David

Pg 2071

Oatley on 8/16/05.

ALJ KENNEY: I hereby mark and identify that document as Exhibit ANR-1. (Exhibit No. ANR-1 was marked for identification.)

MS. BECKER: The second one is a response to Data Request GRC2007-Ph-1_DR_ANR_007-001, PG&E's response to a question on high level radioactive waste storage project.

ALJ KENNEY: I hereby mark and identify that document as ANR-2. (Exhibit No. ANR-2 was marked for identification.)

MS. BECKER: The third exhibit is the United States Court of Appeals for the Ninth Circuit, San Luis Obispo Mothers for Peace versus the Nuclear Regulatory Commission.

ALJ KENNEY: I hereby mark and identify that document as ANR-3. (Exhibit No. ANR-3 was marked for identification.)

MS. BECKER: Next exhibit is the General Accounting Office's testimony before the Subcommittee on National Security, Emerging Threats, and International Relations in regard to nuclear power plants. It doesn't have a cover page.

ALJ KENNEY: I have premarked that as ANR-5. and what I have premarked as ANR-4 is the

Pg 2072

License Renewal Feasibility Study Project Plan.

MS. BECKER: Oh, that's -- okay. And I have handed that out?

ALJ KENNEY: And I hereby mark and identify as ANR-4 the License Renewal Feasibility Study Project Plan Revision 0. (Exhibit No. ANR-4 was marked for identification.)

MS. POST: Your Honor, PG&E would like to point out that while this document does have a header on the top of it that says, "PG&E Confidential Documents Submitted Under PUC Code Section 583," PG&E has waived confidential treatment of this document.

ALJ KENNEY: Thank you very much for pointing that out. And -- I'm sorry -- Off the record.

ALJ KENNEY: On the record. And as previously indicated, the GAO Nuclear Power Study testimony is marked as Exhibit ANR-5. (Exhibit No. ANR-5 was marked for identification.)

ALJ KENNEY: Please continue.

MS. BECKER: The next exhibit is the Arizona Star, Nuclear power plants find human resources difficult to replenish.

ALJ KENNEY: I hereby mark and identify that document as ANR-6.

Pg 2073

(Exhibit No. ANR-6 was marked for identification.)

MS. BECKER: The next is New rules would rest nuclear power plant workers fatigue complaints.

ALJ KENNEY: I hereby mark and identify that document as ANR-7. (Exhibit No. ANR-7 was marked for identification.)

ALJ KENNEY: Would the counsel for ANR please begin by introducing yourself to the witness.

MS. POST: Your Honor, may we go off the record for just one minute? I apologize.

ALJ KENNEY: Off the record.

ALJ KENNEY: On the record. It has been brought to my attention that the witness may be sponsoring two additional exhibits. Would counsel for PG&E describe and identify those?

MS. POST: Yes, your Honor.

Mr. Keenan is sponsoring Exhibit 16, which is the errata to direct testimony, Chapter 1, pages 16-40 through 16-42, and Exhibit 21, which is also errata to Exhibit PG&E-3, PG&E's direct testimony, the errata at pages 21-26 through 21-35.

ALJ KENNEY: Thank you. And all the documents and exhibits being sponsored by the witness have already been previously

Pg 2074

marked and identified.

MS. POST: Yes, your Honor.

ALJ KENNEY: Is counsel for ANR ready to proceed?

MS. BECKER: Yes.

ALJ KENNEY: Please do.

CROSS-EXAMINATION

BY MS. BECKER:

Q Good morning, Mr. Keenan. My name is Rochelle Becker, and I'm the executive director for the Alliance for Nuclear Responsibility. And I'm not an attorney, so I'll do my best.

A Okay. Good morning.

Q I'd like you to please first turn to Mr. Oatley's testimony before the California Energy Commission in 2005, please.

A Which was which exhibit?

Q Number one.

A Okay. I have that.

Q And could you start on page 120, please. On page 120, line 19, and continued on page 121, Mr. Oatley testified that: There has been some discussion and ongoing costs for the dry cask storage or [what PG&E and the industry calls an] ISFSI maintenance after closure of the plant. I don't have exact numbers, but I do know that

Pg 2075

on-going costs are very small because of [I guess the court reporter couldn't understand it but because of] structures, there is on-going security, maybe a few security guards required, and an occasional surveillance requirements and maintenance requirements, but there is not a large cost going forward on those structures. Do you agree with Mr. Oatley's statement?

A Can you define large costs? I'm - since you're asking the question, so I can put it in context.

Q Well, these are -- they're Mr. Oatley's words, so I can't define --

A It's the first time I've read them. I don't know what the context here we're talking about in the document. But I would -- there certainly are no very large costs. I would certainly say there are not very large costs going forward.

Q And could you define very large costs?

A Sure. It's something that would be less than, say, 5 million certainly a year, probably much less than that. But I certainly can quantify that.

Q Thank you.

ALJ KENNEY: Who is Mr. Oatley?

MS. BECKER: He sponsored the testimony that

Pg 2076

Mr. Keenan has taken over.

MS. POST: Your Honor, Mr. Oatley is a - was prior to Mr. Keenan in Mr. Keenan's current position. He was senior vice president of nuclear operations for PG&E. He retired, and Mr. Keenan took over that function as of January of 2006.

ALJ KENNEY: Thank you.

MR. WEIL: Your Honor, I apologize for the interruption. I have six cross exhibits. There apparently are seven.

ALJ KENNEY: Off the record.

ALJ KENNEY: On the record.

MS. BECKER: Q Has PG&E been required to increase security for its closed Humboldt nuclear facility since 9/11/01?

A They have.

Q Do you know the cost of these enhancements?

A I do not.

Q Is there a witness that would?

A Don't know that. I'm sure the information could be obtained, but I don't know the answer to that.

Q Would it be possible for PG&E to provide a witness that could answer that?

MS. POST: Your Honor, Mr. Becker will be on the stand after Mr. Keenan, and the question can be posed to him.

MS. BECKER: Thank you.

Pg 2077

Q Do you know how many employees -- PG&E employees or contract workers still work at Humboldt?

A I do not.

MS. BECKER: Would Mr. Becker be able to answer that, Ms. Post?

MS. POST: Off the record for a second, your Honor, please?

ALJ KENNEY: Off the record.

ALJ KENNEY: On the record.

MS. POST: Thank you, your Honor. It's my understanding that Humboldt security costs are actually not a part of PG&E's general rate case request. They are part of PG&E's request in the Nuclear Decommissioning Triennial Proceeding. To the extent that Mr. Becker can answer the questions, he will; but Mr. Becker is another witness that will be on the stand that can answer questions with regard to nuclear operations for PG&E.

ALJ KENNEY: I'm just curious. Are nuclear security costs confidential information? Is that a type of confidential information?

MS. POST: The level of costs themselves I don't believe is necessarily confidential, but a description of the security enhancements or the security that is required is confidential.

ALJ KENNEY: Thank you.

MS. BECKER: Thank you.

Pg 2078

Q Do you know how many employees will remain at Diablo Canyon after your license is retired?

A I do not.

Q Mr. Keenan, are you aware of the need for repackaging of nuclear waste at Humboldt before the waste can be moved offsite?

A It's going -- can you define "repackaging"?

Q Depending on how long the dry casks that you are about to build, I think, at Humboldt remain onsite, there was testimony at the California Energy Commission that there are possibilities of needing to be repackaged onsite.

MS. POST: Your Honor, PG&E objects to this question. It's not relevant to PG&E's request in this general rate case. PG&E has requested funding for its nuclear operations and generation operations from 2007 to 2009, and that's what would be relevant. To the extent that remaining employees on the Humboldt site are included in that request -- maybe I withdraw my objection actually.

ALJ KENNEY: Mr. Freedman.

MR. FREEDMAN: Your Honor, PG&E is requesting funding for independent spent-fuel storage installation at Diablo Canyon in this proceeding. And so I believe that there is relevance to this line of questioning as it relates to Diablo Canyon certainly.

ALJ KENNEY: I'm going to let the questioning proceed because I, at this point, cannot distinguish --

Pg 2079

make a fine-line distinction about what exactly is in this proceeding and what exactly is out of this proceeding in the nuclear decommissioning forums. So I'll let the questioning continue.

MS. BECKER: Thank you.

Q Beginning on 128 of Mr. Oatley's testimony before the CEC, line 19.

A I got it.

Q Thank you. Yesterday we talked about interim spent fuel storage installation. The in-service date as I had mentioned, will be either in late -- [well, it will be either in late] 2007. [There's probably something else but not in the transcript.] The estimated total cost is 70 million [dollars]. This facility was built through expense dollars, it has not been capitalized up to this point, so it does not add to the rate base. Mr. Keenan, is the in-service date of the high level radioactive waste facility of late 2007 still on target?

A That's the approximate date.

Q That's the approximate date. Might this in-service date be impacted by the

Pg 2080

recent Ninth Circuit Court ruling on --

A Yes.

Q Yes.

Do you have any opinion on how this might be impacted?

A Due to the complexity of that, I do not have an opinion on it at this time.

Q Is PG&E planning on appealing that decision?

A PG&E hasn't made a decision on that at this point.

Q Do you know when PG&E will make a decision on this point?

A No, I don't.

Q The Exhibit 9, which is the Mothers for Peace against the Nuclear Regulatory Commission Ninth Circuit Court case --

A Exhibit 9?

Q Exhibit 9.

A Exhibit 7.

Q I'm sorry, it's Exhibit 7. It's the Ninth Circuit Court. Sorry.

MS. POST: It's actually what's been marked as ANR-3.

THE WITNESS: So which exhibit am I looking at?

ALJ KENNEY: Off the record.

ALJ KENNEY: On the record. We are referring to what has been identified

Pg 2081

as ANR-3. Could the representative for ANR please restate the question?

MS. BECKER: Certainly.

Q Referring to Exhibit 3, the Ninth Circuit Court of Appeals case, on page 6079, No. 13.

A 6079.

Q No. 13.

A I don't -- No. 13.

Q There's a list of --

ALJ KENNEY: Off the record.

ALJ KENNEY: On the record. Could the representative for ANR please restate what the witness is looking at in Exhibit ANR-3?

MS. BECKER: Q We are looking at page 6087, Item 13.

A I have it.

Q Thank you. It states: In so concluding, we . . .

recognize that the NRC's position that terrorist attacks are "remote and highly speculative," as a matter of law, is inconsistent with the government's efforts and expenditures to combat this type of terrorist attack against

Pg 2082

nuclear [utilities].

Do you agree with this statement?

A This particular statement is referring to, I believe, the environmental evaluation. Since the NRC does look at this matter under the safety evaluation, it's highly controversial whether it needed to be looked at, in my opinion, under the environmental. But obviously the Ninth District Court has ruled in this matter.

Q In Data Request 017-001 No. 2, Exhibit 2 --

ALJ KENNEY: Is that an exhibit?

MS. BECKER: Yes.

ALJ KENNEY: Which exhibit is it?

MS. BECKER: I have it down as 2.

ALJ KENNEY: Thank you.

THE WITNESS: I have Exhibit 2.

MS. BECKER: We've all got Exhibit 2, okay.

Q It's the No. 4 under PG&E's data request answers, responses.

The 9th Circuit Court of Appeals decision of June 2, 2006, relating to the Diablo Canyon ISFSI has a potential to impact the project schedule.

Do you know how that might impact the project schedule?

A I believe that the -- well, we could make a decision at PG&E to change the schedule. One way it

Pg 2083

could impact it. Or I believe the NRC could make a decision that would impact it.

Q Mr. Keenan, if a license renewal application is approved to operate Diablo Canyon for an additional 20 years, is the license for onsite storage of high level radioactive waste renewed as well?

MS. POST: Objection, your Honor. PG&E has not filed any such renewal application for Diablo Canyon Nuclear Power Plant.

If Ms. Becker would like to ask the question, she should ask it as a hypothetical.

MS. BECKER: Q Assuming a license renewal application is approved to operate Diablo Canyon for an additional 20

years, is a license for onsite storage of high level radioactive waste renewed as well?

A To the best of my knowledge, it is not.

Q What would it take to renew that license?

A Another application for the ISFSI, is my understanding.

THE REPORTER: I'm sorry, for the --

THE WITNESS: ISFSI, for the temporary storage facility.

MS. POST: Your Honor, for the record, ISFSI stands for interim spend fuel storage facility installation.

ALJ KENNEY: Thank you.

MS. BECKER: Known to most of us as a high level radioactive waste dump.

Pg 2084

Q Are there NRC requirements for renewing licenses of onsite storage of highly radioactive waste after the current 20-year license expires?

ALJ KENNEY: You'll have to slow down for the benefit of the court reporter.

MS. BECKER: I can do that.

Q Are there NRC requirements for renewing licenses of an offsite storage -- of onsite storage of highly radioactive waste after the current 20-year license expires?

A I know of no requirement to renew it. I mean I say that in order of the fact that the fuel may not be there any more. So there is no requirement if there is no fuel.

Q What is the probability that there won't be any fuel after 20 years?

A Very good.

Q Very good?

A Hm-hmm.]

Q Is that a general opinion, or PG&E's opinion?

A That's a general opinion, nuclear industry opinion.

Q Nuclear industry opinion. Okay. Mr. Keenan, does PG&E have a date certain when high-level radioactive waste will be removed from its Humboldt nuclear power plant which has been nonoperational since 1976?

A It will remove -- we have a very good date

Pg 2085

when it will be removed from the plant to the storage facility.

Q Do you have a good date when it would be removed off site?

A We do not have a solid date today.

Q Do you have a guess of what that date might be?

A I would not hazard to guess.

Q Does PG&E have a date certain when high-level radioactive waste will be removed from its Diablo Canyon nuclear power plant after the license expires?

A No.

Q Do you have a guess?

A Again, I am not going to guess. It doesn't make much sense. It is speculative.

Q Are the Humboldt and Diablo Canyon nuclear reactors located in seismically active coastal zones?

A Yes.

Q In your opinion, would PG&E have sought licenses to operate its Humboldt nuclear power plant and its Diablo Canyon nuclear power plant if it had known that high-level radioactive waste would be stored on site indefinitely?

A Well, we don't know that it will be stored on site indefinitely. So I can't really answer that question. We believe it will be moved in a reasonable time frame.

Q Did PG&E anticipate that the waste from

Pg 2086

Humboldt nuclear power plant and the Diablo Canyon nuclear power plant would be off site by now?

A That's correct.

Q And is there a reason to believe that it will be moved off site in the next 30 years?

A Absolutely.

Q Was there a reason that it would be off site -- to believe that it would be off site in the last 30 years?

A That was the original plan.

Q Did PG&E express an opinion to the state when it sought permits and licenses to construct its nuclear -- its Humboldt and Diablo Canyon nuclear power plants about when the waste would be removed off site?

A I am sure they did. That should be part of the FSAR.

Q Do you know what that date was?

A I do not.

Q But would another PG&E witness know that date?

MS. POST: Mr. Becker is available for cross-examination today. You can pose the question to him.

MS. BECKER: Q Mr. Keenan, can you show me in PG&E's 2005 --
ALJ KENNEY: Off the record.

ALJ KENNEY: On the record. Could the witness please turn to what has been

Pg 2087

marked as ANR-4, the license renewal feasibility study project plan.

THE WITNESS: Yes, I have that.

MS. BECKER: Q Mr. Keenan can you show me in PG&E's 2005 long-term study plan or its testimony to support the license renewal feasibility study where an indefinite storage of high-level radioactive waste is taken into account?

A Where indefinite storage was taken into account? No, I can't.

Q Or when the storage will be removed off site?

A We only have estimates when we believe it will be moved off site.

Q And the estimates are?

A Say ten years.

Q What leads PG&E to believe that it will be moved in ten years?

A Because it is a federal law that the government committed to take the fuel in 1998 and they are working on the process.

Q Has that date slipped to your knowledge?

A Yes, it has slipped.

Q Do you know what the current date is?

A There is not a current exact date, but there is an estimate of in the ten-year time frame.

Q Mr. Keenan, the 9th Circuit Court has ruled that, quote, the agency, which means the NRC, errs in equating an assessment of the environmental impacts of

Pg 2088

terrorist attack with a demand for worst case scenarios.

Do you agree with that statement?

A I don't have a personal legal opinion on that statement.

Q In your opinion is that statement correct?

A I don't know. That is a legal judgment. I don't have an opinion on it.

Q Is the NRC currently reviewing the design basis threat at our nation's nuclear power plants?

A It seems like it is constantly under review, but I don't know the answer to that question today.

Q Is it possible that PG&E will know more about NRC security requirements and their costs in its general rate case in 2009?

AGING WORKFORCE ISSUES

Q Mr. Keenan, what percentage of Diablo Canyon's upper management would you say will be retiring in the next ten years?

A I would take a guess at as much as half.

Q Is the ability to obtain qualified workers going forward a problem in the nuclear industry?

A It's viewed as a concern that we have. And we are taking efforts to make sure it is not a problem.

Q Would you turn to ANR-6. There is a red sentence there. Black and white, sorry. But it is the

Pg 2089

second paragraph.

MR. WEIL: What page are we on?

MS. BECKER: No page number, but first page, second paragraph.

THE WITNESS: The first page?

MS. BECKER: Q Besides the cover, yes.

A Okay.

Q It says: What's worse, the generation that built and ran America's nuclear power plants is aging and heading toward retirement, taking decades of know-how that have kept reactors operating safely. Would you agree with that sentence?

A I agree with the sentence.

Q Turning to ANR-7. First page, the ninth sentence. This is about worker fatigue due to worker shortages. The changes proposed by the agency, which is the NRC, include requiring minimum three days off each week for employees who work 12-hour shifts and eliminating shift averaging which allows plant operators to bypass individual work limits. Does PG&E follow that proposal?

A Do we presently follow that?

Q Yes.

A No, we don't.

Q Do you know if the current curriculum for nuclear power plant employment at universities is geared for operation of plants designed in 1960s?

Pg 2090

A Can you repeat the question.

Q Sure. It was unclear. If you know, is the current curriculum for nuclear power plant employment at universities geared for operation of nuclear power plants designed in the 1960s?

A I don't know. I don't quite understand the question. But I certainly don't know exactly how the curriculum is designed today.

Q Would you assume that new students going into nuclear engineering are being trained to work at nuclear power plants that were designed in the 1960s?

A I would say no.

Q If you know, is the nuclear industry gearing for engineering and operation or maintenance for nuclear power plants designed in the 1960s?

A I still don't understand your question. I'm sorry.

Q There have been many references to the nuclear industry doing its own training rather than universities.

A Hm-hmm.

Q Is that training that the nuclear industry is doing in general geared towards nuclear power plants that were designed in the 1960s?

A This is the training we are doing ourselves?

Q Yes, the industry as well as PG&E, yes.

A It is designed to -- what I can tell you is it is designed to operate the plant we operate today.

Pg 2091

Q What percentage of new hires at PG&E have been trained to work as engineers, operators, or to do maintenance at nuclear power plants designed in the 1960s?

A I don't know.

ALJ KENNEY: How much more questioning do you have for the witness?

MS. BECKER: Four.

ALJ KENNEY: After the fourth question we will take a break. Please proceed.

MS. BECKER: Q Does PG&E train most of its new hires in house?

A We do provide training in-house for most all new hires.

Q Does in-house training result in higher costs?

A Training does cost, definitely. We have had the training people for many years, so I don't know that it is a higher cost. If you hire more people, it is going to be higher cost. It is related to number of people.

Q Returning to Mr. Oatley's testimony on page 136 --

A Exhibit?

ALJ KENNEY: Exhibit 1.

THE WITNESS: I have page 136 of Exhibit 1.

MS. BECKER: Q Mr. Oatley testified that Humboldt's nuclear power plant was designed and

Pg 2092

constructed in 1962.

Was it really designed and constructed in one year?

A No, it was not.

Q Humboldt was shut down in 1976 after 14 years of operation, is this correct?

A I believe that is true.

Q If you know, Mr. Keenan, how long was Humboldt kept in PG&E's rate base after it was shut down in 1976?

A I don't know.

MS. BECKER: That's all my questions.

ALJ KENNEY: Thank you very much.

We will be in recess for 15 minutes.

(Recess taken)

ALJ KENNEY: We'll be on the record. Will the counsel for TURN please commence your cross-examination of the witness.

MR. FREEDMAN: Yes.

CROSS-EXAMINATION

BY MR. FREEDMAN:

Q Good morning, Mr. Keenan.

A Good morning.

Q Matt Freedman representing TURN. I just wanted to know if you are able to answer questions about the license renewal study -- license renewal feasibility study project plan that has been marked as ANR-4?

A I can answer probably some general questions

Pg 2093

about it. If you want something specific I can read it and try to answer it. So I am not sure what the question would be, but generally I can answer questions on it.

Q Let's give it a shot. If you could turn to page 7 of that document.

ALJ KENNEY: Off the record.

ALJ KENNEY: Back on the record.

MR. FREEDMAN: Thank you, your Honor.

Q We are on page 7 of ANR-4. Do you see the section that is marked Phase 3, financial analysis?

A I do.

Q Is it your understanding that this study will review the expected capital and O&M costs associated with operating Diablo Canyon for the additional period associated with the license renewal?

A That's correct.

Q What entity will provide the forecasts that are used in the study?

A What entity?

Q Yes.

A Basically, the way the study would go is we would look at the plant over the next 20 years past the present end of license, determine to the best that we can what would be necessary to maintain the plant in the safe and operable condition to serve our customers and

Pg 2094

what the costs would be to do that. And there's a number of things we do today that we will have to obviously continue doing.

We may have to do additional things based on the age of the plant. So when you get through looking at this 20-year picture out into the future, you would have a pretty good idea of what additional capital outlays you would have to have to get the plant through 20 more years and what the O&M costs would project out based on your study of basically your equipment and your operating needs for people, things like that. Obviously, we don't have a crystal ball, but you do the best you can to look out those 20 years.

Q So PG&E would internally generate these forecasts?

A We may well use some support with people that do this on a regular basis, but it could be a PG&E-driven project.

Q And a determination as to whether or not these forecasts indicate that the plant will be cost effective, will that be a key determinant of whether PG&E decides to go forward with a license renewal application?

A That is certainly one of the key measures that we would have to look at in terms of going forward. There are others, though.

Q And do you believe that PG&E at this time

PG 2095

would be able to produce forecasts for the license renewal period that it could deem -- that it would find to be reliable?

A Forecasts that we have today that would be reliable in terms of predicting the future?

Q Yes, the future period covered by the license renewal.

A We don't have those today.

Q Do you expect that the numbers that come out of the study process will be reliable?

A Yes, I do.

Q Does PG&E plan to present the cost effectiveness analysis, the financial analysis to the Commission as part of this study?

A We certainly haven't planned that far ahead yet, but I would suspect that we certainly would. That would be my guess at this point. We have not planned that far in advance, but it seems like that would be the right thing to do.

Q Is that part of the proposal that you have outlined in your testimony?

A Is it part of the proposal? I don't believe that's in my testimony.

Q So you are saying it is your expectation that the data that's used and the forecasts that are contained in such an analysis would come before the Commission at some point?

A I do. I believe that.

PG 2096

Q Is it your expectation that the entire results of the financial analysis will be reviewed not only by the Commission but by intervenors who are interested in the operation of Diablo Canyon?

A I am, quite frankly, being new to this process, I really don't know the answer to that question. I am fairly new to California.

Q Do you expect that this study, once completed, will be submitted to the Commission for comment, review, approval or something like that?

A I believe that would be part of the process, given what we have been going through with recent new generation. It seems consistent with that.

Q So is it your expectation, then, that prior to PG&E making a decision about whether or not to pursue license renewal, that the company will come to the Commission for guidance?

MS. POST: Objection, your Honor. That calls for a legal conclusion.

MR. FREEDMAN: No, your Honor. I am asking what course of action the company plans to take.

ALJ KENNEY: I will allow the question.

THE WITNESS: Well, right now I don't believe we have a plan that's that detailed down that road. If we ended up with a study that indicated -- that we either were going to shut the plant down because it wasn't feasible to run it or we

were going to recommend license renewal, it is my belief that would

Pg 2097

have to go to the Commission to make sure they agreed. That would be my understanding, in either case, whichever we decided to do.

MR. FREEDMAN: Okay. Thank you.

Those are all my questions.

ALJ KENNEY: Is there any redirect?

MS. POST: Off the record, your Honor, please?

ALJ KENNEY: Off the record.

(Off the record)

ALJ KENNEY: On the record.

MS. POST: Thank you, your Honor.

REDIRECT EXAMINATION

BY MS. POST:

Q Mr. Keenan, are you aware of whether or not PG&E has any obligation to present the results of any kind of financial analysis that it does in the context of its license renewal feasibility study to the California Public Utilities Commission?

A I'm not aware of that.

MS. POST: Thank you, your Honor.

ALJ KENNEY: Any recross, Mr. Freedman?

MR. FREEDMAN: Yes.

REXCROSS-EXAMINATION

BY MR. FREEDMAN:

Q Have you discussed internally whether or not there is an intent by PG&E to present the results of this analysis to the Commission?

A I have not had any discussions on that subject

Pg 2098

internally.

MR. FREEDMAN: Thank you.

ALJ KENNEY: Does ANR have any recross?

MS. BECKER: No, your Honor.

ALJ KENNEY: I understand PG&E has some concerns about the ANR exhibits. Could you please describe those concerns.

MS. POST: I do, your Honor. What's been marked as ANR Exhibit 1 is a transcript from a proceeding at another agency containing testimony of a former PG&E employee. In addition, it is an incomplete transcript. To the extent that Mr. Keenan answered questions with regard to this Mr.

Oatley's statement using his own personal knowledge, that evidence is in the record as part of the transcript in this proceeding. I object to the submission of the CEC transcript into the record for this proceeding.

MS. BECKER: Your Honor, may I speak to that?

ALJ KENNEY: Yes.

MS. BECKER: Mr. Oatley was the witness to begin with, and therefore my questions were brought in and I thought I was advised that I could ask them of Mr. Keenan. I can certainly provide the whole transcript if that's the problem.

MS. POST: I am not objecting, your Honor, to the questions that were asked with regard to this exhibit, nor to -- I am not moving to strike either the questions

Pg 2099

nor Mr. Keenan's answers to the questions. What I'm objecting to is the admission into evidence in this proceeding of this particular document. In other words, to the extent Ms. Becker used this document to facilitate her questions and to understand what the witness said in sponsoring PG&E's testimony in this proceeding, to see what he understood about the subject area, I don't object to that.

ALJ KENNEY: I think almost all of the ANR exhibits are more in the nature of a reference item rather than actual evidentiary material. Six and seven fall into that category. Perhaps ANR-2, which is a data response, would be considered actual evidence. And so I'm going to allow the exhibits into the record designated as exhibits with the understanding that they are really more in the nature of reference items. Is that acceptable to PG&E?

MS. POST: Yes, your Honor.

ALJ KENNEY: With that understanding, is there any objection to receiving into evidence Exhibits ANR-1 through ANR-7?

(No response)

ALJ KENNEY: Hearing none, those exhibits are hereby admitted into the record. (Exhibit Nos. ANR-1 through ANR-7 were received into evidence.)

ALJ KENNEY: The witness is excused. Thank you