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September 10, 2012

Michael Peevey, President California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

Dear President Peevey:

As you know, Public Utilities Code §305 establishes a duty for the Commission President to direct CPUC staff in the performance of their duties, in accordance with Commission policies and guidelines.

As you may not know, inattentiveness by your staff has allowed the Southern California Edison Company ("SCE") to openly flout the Commission's recent decision (D.12-05-004) to require offshore 3-D seismic surveys at the San Onofre Nuclear Generating Station.¹ Even worse, the independent peer review process contemplated by D.12-05-004 was never initiated. As you are certainly aware, D.12-05-004 specifies the review take place "prior to implementation"² of SCE's plans but also provides that failure to do so within 30 days "shall not delay SCE in implementing its plans."³

A scant 60 days after the Commission authorized \$64.25 million of ratepayer funds premised on the conduct of 3-D studies, SCE submitted plans for a 2-D study of arbitrarily limited geographic scope to "Determine If 3D Deep Seismic Reflection Survey is Warranted."⁴ Never having raised this possibility before receiving the money, SCE's submittal expresses concern about being able to image the "hypothesized" Oceanside Blind Thrust Fault ("OBT") within the Catalina Schist. As SCE's submittal puts it, if the OBT Fault cannot be imaged by 2-D deep seismic

¹ You may recall your June 25, 2009 letter to SCE President Alan J. Fohrer: "It has come to my attention that SCE has not undertaken steps to include a seismic study, nor the other studies recommended in the AB 1632 Report, as part of its SONGS license extension studies for the CPUC. That deficiency prevents the CPUC from properly undertaking its AB 1632 obligations to ensure plant reliability, and in turn to ensure grid reliability, in the event SONGS has a prolonged or permanent outage. SCE is obligated to address the above itemized issues in assessing SCE's plant relicensing applications for SONGS. This commission will not be able to adequately and appropriately exercise its authority to fund and oversee the SONGS' license extension without these AB 1632 issues being fully developed and addressed."

² D.12-05-004, Ordering Paragraph #5.

³ D.12-05-004, Ordering Paragraph #8.

⁴ "2D Deep Marine Seismic Reflection Surveys", p. 4, attached to Letter from Caroline McAndrews, Director, Nuclear Strategic Projects, SCE, to Ed Randolph, Energy Division Director, July 9, 2012.

reflection surveys, then the 3-D deep seismic survey will also not be able to image the Fault "and therefore will not be conducted."⁵

Frankly, given the reservations expressed by members of the State Lands Commission last month about PG&E's choice of the same survey vessel,⁶ this apprehension about the Catalina Schist may say more about limitations of the ship SCE selected than it does about the capabilities of state-of-the-art seismic reflection imaging technology. The fact that the circumscribed geographic scope of the 2-D study was also determined by the two academic proponents of this particular ship⁷—consultants to both PG&E and SCE—does not inspire confidence in the scientific objectivity of SCE's decisions.

Could there be a more compelling argument than these disgraceful circumstances for the necessity of robust, transparent, independent peer review?

You would be well-advised to also ponder the comments published last week by NRC Chairman Allison Macfarlane regarding the proper response to the recent U.S. Circuit Court of Appeals decision vacating the NRC's 2010 waste confidence decision and temporary storage rule:

"Moreover, I feel strongly that in difficult times, NRC should be particularly on guard against loosening its standards for openness and transparency. We value openness in part because we are accountable to the people we serve. However, there is an additional reason: openness ensures that the NRC has the information it needs to make the best decisions. Effective regulation requires openness because it enables NRC to tap the deep reservoir of knowledge held by the members of the public."⁸

The CPUC staff's approach to the San Onofre seismic studies falls considerably short of this philosophy. I respectfully request that you direct SCE to suspend implementation of its study plans until their geographic scope and choice of equipment have been adequately reviewed using the process established in D.12-05-004.

Sincerely,

/s/

Rochelle Becker Executive Director

⁵ *Ibid.*, p. 4.

⁶ The State Lands Commission conditioned approval of PG&E's permit on PG&E's willingness to commit \$110,000 to independent peer review of the capabilities of the R/V Marcus G. Langseth compared to seismic imaging vessels currently used by the offshore petroleum industry.

⁷ "2D Deep Marine Seismic Reflection Surveys", p. 2, attached to Letter from Caroline McAndrews, Director, Nuclear Strategic Projects, SCE, to Ed Randolph, Energy Division Director, July 9, 2012.

⁸ Allison M. Macfarlane, NRC Chairman, Comments on COMSECY-12-0016 dated August 10, 2012, released September 6, 2012.