

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 17, 2008

Advice Letter 3241-E

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: Diablo Canyon Independent Safety Committee (DCISC)
Yearly Compensation Letter

Dear Mr. Cherry:

Advice Letter 3241-E is effective May 1, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division

April 1, 2008

Advice 3241-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Diablo Canyon Independent Safety Committee (DCISC) Yearly Compensation Letter

Pacific Gas and Electric Company (PG&E) hereby submits an annual report (Attachment I) for establishing the compensation levels for the members of the Diablo Canyon Independent Safety Committee (DCISC) in compliance with Decision (D.) 88-12-083, dated December 19, 1988, and Resolution E-3152, dated May 19, 1989.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Background

In D.88-12-083, the Commission adopted the Diablo Canyon Settlement Agreement, which included the establishment of the DCISC, to be made up of persons with knowledge, background, and experience in the field of nuclear power facilities. The DCISC is to review Diablo Canyon operations for the purpose of assessing the safety of operations and suggesting any recommendations for safe operation.

In response to Advice Letter 1857-E, filed by PG&E on April 1, 1999, the CPUC issued Resolution E-3608 which revised the DCISC member compensation. Resolution E-3608, approved by the CPUC on September 2, 1999, established the current DCISC member compensation as follows:

- an annual retainer of \$8,000;
- a fee of \$200 per hour for attendance at committee meetings;
- for committee work performed outside of committee meetings, \$200 per hour for each hour in excess of 40 hours per year; and
- reimbursement of expenses incurred in performance of committee work.

The annual report examines the current fees paid to members of the DCISC, in comparison to fees paid to members of the Nuclear Facilities Decommissioning Master Trust Committee and the Nuclear Safety Oversight Committee. PG&E has determined that the current fees are reasonable.

Effective Date

PG&E requests that this filing become effective on **May 1, 2008**, which is 30 days after the date of filing. PG&E submits this as a Tier 2 filing.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **April 21, 2008**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: mas@cpuc.ca.gov and inj@cpuc.ca.gov

Protests also should be sent by e-mail and facsimile to Mr. Honesto Gatchalian, Energy Division, as shown above, and by U.S. mail to Mr. Gatchalian at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
P.O. Box 770000 Mail Code B10C
San Francisco, California 94177
Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Rose De La Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>

A handwritten signature in black ink, appearing to read "Brent K. Anglin". The signature is written in a cursive, somewhat stylized font.

Vice President- Regulatory Relations

Attachment 1

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. Pacific Gas and Electric Company (ID39E)

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: David Poster

Phone #: (415) 973- 1082

E-mail: dxpu@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3241-E**

Tier 2

Subject of AL: Diablo Canyon Independent Safety Committee Yearly Compensation Letter

Keywords (choose from CPUC listing): Nuclear

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.88-12-083 and Resolution E-3608

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Resolution Required? Yes No

Requested effective date: **05-1-08**

No. of tariff sheets: N/A

Estimated system annual revenue effect: (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and inj@cpuc.ca.gov

Utility Info (including e-mail)

Attn: Brian K. Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

DCISC Compensation Levels

I. Purpose

The purpose of this report is to provide an evaluation of the compensation paid to persons who provide comparable services to those of the DCISC as delineated in Finding #3 of CPUC Resolution E-3152 and to make a recommendation regarding adjustments to be made, if any, to the compensation paid to DCISC members.

II. Background

Finding #7 of CPUC Resolution E-3152 "Diablo Canyon Independent Safety Committee - Standards for compensation and accounting guidelines" states the following:

7. PG&E should annually, on April 1, file a report and advice letter with CACD [Commission Advisory and Compliance Division of the CPUC] to update the compensation levels set forth in findings 3 and 4.

Findings 3 and 4 read as follows:

3. Comparable services are those received by PG&E from the persons overseeing its Nuclear Decommissioning Trust Funds and from expert consultants used by PG&E in connection with the Diablo Canyon nuclear power plant.
4. Under the above findings, appropriate levels of compensation for members of the committee are as follows. Each member should receive an annual retainer of \$8,000. Each member should receive an hourly fee of \$200 for hours of committee work in excess of 40 hours per year, except that each member should receive a flat fee of \$500 for each committee meeting that he or she attends. Each member should receive reimbursement, consistent with procedures for such reimbursement as established by the committee, of his or her expenses incurred in the performance of duties as committee member.

In response to Advice Letter 1857-E, filed by PG&E on April 1, 1999, the CPUC issued Resolution E-3608 which revised the DCISC member compensation. Resolution E-3608, approved by the CPUC on September 2, 1999, established the current DCISC member compensation as follows:

- an annual retainer of \$8,000;
- a fee of \$200 per hour for attendance at committee meetings;
- for committee work performed outside of committee meetings, \$200 per hour for each hour in excess of 40 hours per year; and
- reimbursement of expenses incurred in performance of committee work.

III. Compensation Evaluation

A. Nuclear Facilities Decommissioning Master Trust Committee Member Compensation

The Nuclear Facilities Decommissioning Master Trust Committee is composed of two PG&E employee members and three non-PG&E affiliated members. The outside members are senior representatives from the financial community, including a retired chief investment officer and a retired chief financial officer.

DCISC Compensation Levels

The outside member compensation level is \$8,000 annual retainer plus \$500 per meeting. This is the rate established for the committee at its inception and has not changed. Over the last several years, three meetings have been held per year on average with each meeting being approximately two hours in duration. It is estimated that about four hours is required by the committee members to prepare for each meeting.

B. Expert Consultant Compensation

Nuclear Safety Oversight Committee

There are currently three paid outside consultants to the Nuclear Safety Oversight Committee (NSOC). Outside consultants for the NSOC are selected on the basis of their nuclear industry experience and their ability to provide valuable insight to the committee relative to the safe operation of Diablo Canyon. The current consultants bring significant nuclear industry experience to the committee as exemplified by their former positions in the industry:

- Former NRC Regional Administrator
- Former NRC Director of Licensing
- Retired Utility Vice President

The current NSOC consultants receive compensation of \$200 an hour for work performed on NSOC business. There are typically four NSOC meetings per year of 1-1/2 day duration each. In addition to attendance at the meetings, the consultants are expected to review numerous plant documents in support of committee business.

C. Current DCISC Member Compensation

The DCISC is made up of three members. These members are selected on the basis of their nuclear experience and their ability to provide valuable insight to the committee relative to the safe operation of Diablo Canyon. The current membership consists of individuals with extensive nuclear experience from both the power industry and the academic community as follows:

- Retired Utility Executive Vice President
- Utility Industry Consultant
- Major University Professor of Nuclear Engineering

The compensation paid to the DCISC members was originally established by the CPUC in Resolution E-3152 and subsequently revised in Resolution E-3608. Each member receives an annual retainer of \$8,000. In addition, the members receive an hourly fee of \$200 for hours of committee work in excess of 40 hours per year. The members are also compensated for attendance at public meetings at an hourly rate of \$200. Typically, three 1-1/2 day public meetings are held each year with a plant tour accompanying the first meeting of the year.

IV. Recommendation

DCISC Compensation Levels

The compensation paid to the DCISC members for time spent on committee business, as delineated in CPUC Resolution E-3608, appears to be reasonable when compared to the compensation paid for comparable services as defined in Finding #3 of the Resolution E-3152. No change is recommended.

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Kahl	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	