

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 21, 2010

Advice Letter 3649-E-A

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

Subject: Supplemental Filing: Requesting Approval of the Disbursement of Funds from the Humboldt Bay Power Plant Unit 3 Nuclear Decommissioning Trusts

Dear Ms. Yura:

Advice Letter 3649-E-A is effective May 21, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

May 21, 2010

Advice 3649-E-A

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing: Requesting Approval of the Disbursement of Funds from the Humboldt Bay Power Plant Unit 3 Nuclear Decommissioning Trusts

In Advice Letter 3649-E, filed April 13, 2010, Pacific Gas and Electric Company ("PG&E") requested approval of the disbursement of up to \$119.9 million from the Humboldt Bay Unit 3 Nuclear Decommissioning Master Trusts ("Trusts") for the purpose of funding decommissioning activities at Humboldt Bay Power Plant Unit 3 (HBPP or Humboldt Unit 3) from May 2010 through December 2011.

No protests to Advice Letter 3649-E were filed. On May 14, 2010, the Energy Division of the California Public Utilities Commission suspended the effectiveness of Advice Letter 3649-E for the purposes of further review. This supplement to Advice Letter 3649-E provides additional information in response to a request from the Energy Division and reduces the requested disbursement authorization to \$90.5 million.

A detailed description of the specific scopes of decommissioning work PG&E plans to conduct is contained in Attachment 1 of Advice Letter 3649-E. As PG&E stated, the activities incorporated in this Advice Letter were included in the TLG Decommissioning Cost Estimate filed in A.09-04-007.¹ Table 3.1b, "Schedule of Expenditures," in the TLG Cost Estimate includes the following estimated expenditures for 2010 and 2011:

Year	TLG Cost Estimate (thousands, 2008 dollars)	Escalated Estimate (thousands in nominal dollars)
2010	\$45,179	\$48,947
2011	\$55,301	\$61,772
	\$100,480	\$110,719

¹ The Motion of Southern California Edison Company (U338-E), San Diego Gas & Electric Company (U902-E), Pacific Gas And Electric Company (U 39 M), and The Utility Reform Network for Approval of a Settlement Agreement in A.09-04-009 and A.09-04-007 is pending Commission disposition.

Resolution E-4268 authorizing Advice Letter 3483-E (filed on June 29, 2009) authorized the disbursement of funds for HBPP decommissioning activities during the period 2009 through May 2010. As set forth in more detail in Attachment 1, the disbursement amount related to 2010 activities authorized in Resolution E-4268 was \$20,250,000. Removing that amount from the escalated TLG Cost Estimate results in a remainder of \$90,468,960. The difference between that amount and the \$119,900,000 requested in Advice Letter 3649-E arises out of the acceleration of planned decommissioning scopes of work from 2011/2012 into 2010/2011, primarily the acceleration of reactor vessel removal activities and associated labor costs. The acceleration of these scopes of work does not increase the overall decommissioning cost estimate.

As also set forth in Attachment 1, the authorization of an additional \$90.5 million rather than the requested amount will result in a shortfall of approximately \$30 million dollars. However, in light of the concerns expressed by the Energy Division, PG&E hereby modifies its request in Advice Letter 3649-E to seek the present authorization of \$90.5 million in disbursement from the Trusts in accordance with the original TLG Cost Estimate yearly schedule estimate. PG&E will seek through a future advice letter authorization for additional disbursements to reflect the planned expedited progress of decommissioning activities.

Protests

Since no protests were filed to Advice Letter 3649-E, and this Supplement reduces the requested authorization, in accordance with General Order 96-B, General Rule 7.5.1, PG&E does not believe that reopening the protest period is warranted.

Effective Date

PG&E requests that this advice filing, upon Energy Division approval, become effective **May 13, 2010**, as originally requested in Advice 3649-E.

Notice

In accordance with General Order 96-B, Section IV, a copy of this Supplement to Advice Letter 3649-E is being sent electronically and via U.S. mail to parties shown on the attached list as well as those on Service Lists A.09-04-009 and A.09-04-007. Address changes to the GO 96-B list and electronic approvals should be directed to PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.



Vice President – Regulation and Rates

cc: Service Lists – A.09-04-009 and A.09-04-007

Attachments

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 (ID U39 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Linda Tom-Martinez

Phone #: 415-973-4612

E-mail: lmt1@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) #: **3649-E-A**

Tier: **2**

Subject of AL: **Supplemental Filing: Requesting Approval of the Disbursement of Funds from the Humboldt Bay Power Plant Unit 3 Nuclear Decommissioning Trusts**

Keywords : **Nuclear**

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **Resolution E-4258**

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

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

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? Yes No

Requested effective date: **May 13, 2010**

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: N/A

Service affected and changes proposed: N/A

Protests, dispositions, 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

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Jane K. Yura, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

ADVICE 3649-E-A

ATTACHMENT 1

Reconciliation by Year of HBPP Unit 3 Advice Letter Trust Disbursement Requests

Year	TLG Cost Estimate ¹ (thousands, 2008 dollars)	Escalated Estimate (thousands, nominal dollars)	Advice Letter 3483-E ² (thousands, nominal dollars)	Advice Letter 3649-E (thousands, nominal dollars)
2010	\$45,179	\$48,947	\$20,250	\$41,662
2011	\$55,301	\$61,772	\$0	\$78,238
	\$100,480	\$110,719	\$20,250	\$119,900

¹ TLG Cost Estimate, Table 3.1b Schedule of Expenditures, Excluding CPUC Disallowances

² Authorized by Resolution E-4258, October 29, 2009

Breakdown of Scopes of Work Activities by Year

(in thousands, nominal dollars)

Advice Letter 3483-E	2009	2010	2011	TOTAL
ISFSI Maintenance	\$0	\$2,500	\$0	\$2,500
Waste Management/Transportation	\$6,200	\$5,200	\$0	\$11,400
Decommissioning Labor	\$12,700	\$5,300	\$0	\$18,000
Removal/Disposal Spent Fuel Racks	\$1,500	\$0	\$0	\$1,500
Environmental Studies and Permitting	\$1,700	\$800	\$0	\$2,500
Environmental Count Room	\$1,600	\$0	\$0	\$1,600
Reactor Building Access Shaft	\$550	\$2,150	\$0	\$2,700
Tools and Equipment	\$3,500	\$1,500	\$0	\$5,000
Preparatory Activities	\$9,300	\$2,800	\$0	\$12,100
TOTAL	\$37,050	\$20,250	\$0	\$57,300

Advice Letter 3649-E	2009	2010	2011	TOTAL
ISFSI Maintenance	\$0	\$2,300	\$4,900	\$7,200
Waste Management/Transportation	\$0	\$12,500	\$21,500	\$34,000
Decommissioning Labor	\$0	\$13,600	\$23,400	\$37,000
Equipment/System Removal	\$0	\$6,100	\$10,400	\$16,500
Reactor Pressure Vessel Removal	\$0	\$5,582	\$14,518	\$20,100
Tools and Equipment	\$0	\$1,580	\$3,520	\$5,100
TOTAL	\$0	\$41,662	\$78,238	\$119,900

Estimated Decommissioning Expenditures Shortfall³

(in thousands, nominal dollars)

Year	April 2010 Actual	End Of Year Estimate	TLG Cost Estimate	Difference TLG Estimate and EOY Estimate ⁴
2010	\$18,819	\$61,912	\$48,947	\$12,965.3
2011	\$0	\$78,238	\$61,772	\$16,465.7
		\$140,150	\$110,719	\$29,431.0

³ Assuming Advice Letter 3649-E disbursement authorization is reduced to \$90.5 million.

⁴ Difference relates solely to acceleration of planned decommissioning scopes of work from 2011/2012 into 2010/2011. The acceleration of these scopes of work does not increase the overall decommissioning cost estimate.

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

Alcantar & Kahl	Defense Energy Support Center	North Coast SolarResources
Ameresco	Department of Water Resources	Northern California Power Association
Anderson & Poole	Department of the Army	Occidental Energy Marketing, Inc.
Arizona Public Service Company	Dept of General Services	OnGrid Solar
BART	Division of Business Advisory Services	Praxair
BP Energy Company	Douglass & Liddell	R. W. Beck & Associates
Barkovich & Yap, Inc.	Downey & Brand	RCS, Inc.
Bartle Wells Associates	Duke Energy	Recon Research
Bloomberg New Energy Finance	Dutcher, John	SCD Energy Solutions
Boston Properties	Economic Sciences Corporation	SCE
C & H Sugar Co.	Ellison Schneider & Harris LLP	SMUD
CA Bldg Industry Association	Foster Farms	SPURR
CAISO	G. A. Krause & Assoc.	Santa Fe Jets
CLECA Law Office	GLJ Publications	Seattle City Light
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sempra Utilities
CSC Energy Services	Green Power Institute	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	Hanna & Morton	Silicon Valley Power
California Energy Commission	Hitachi	Silo Energy LLC
California League of Food Processors	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Sunshine Design
Calpine	Los Angeles Dept of Water & Power	Sutherland, Asbill & Brennan
Cameron McKenna	Luce, Forward, Hamilton & Scripps LLP	Tabors Caramanis & Associates
Cardinal Cogen	MAC Lighting Consulting	Tecogen, Inc.
Casner, Steve	MBMC, Inc.	Tiger Natural Gas, Inc.
Chris, King	MRW & Associates	Tioga Energy
City of Glendale	Manatt Phelps Phillips	TransCanada
City of Palo Alto	McKenzie & Associates	Turlock Irrigation District
Clean Energy Fuels	Merced Irrigation District	U S Borax, Inc.
Coast Economic Consulting	Mirant	United Cogen
Commerce Energy	Modesto Irrigation District	Utility Cost Management
Commercial Energy	Morgan Stanley	Utility Specialists
Consumer Federation of California	Morrison & Foerster	Verizon
Crossborder Energy	NRG West	Wellhead Electric Company
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
		eMeter Corporation
Day Carter Murphy	Norris & Wong Associates	