

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 9, 2010

Advice Letter 3677-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: Supplement – Diablo Canyon Independent Safety Committee
(DCISC) Yearly Compensation Letter**

Dear Ms. Yura:

Advice Letter 3677-E-A is effective July 19, 2010.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

Jane K. Yura
Vice President
Regulation and Rates

77 Beale Street
San Francisco, CA 94105

Mailing Address
Mail Code B10B
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.6520

June 18, 2010

Advice 3677-E-A
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Supplement - 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.

This filing supersedes Advice 3677-E in its entirety.

Background

In D.88-12-083, the California Public Utilities Commission (Commission or CPUC) 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 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. As compared to the compensation paid for comparable services (as defined in Finding #3B of the Resolution E-3152), PG&E recommends that the current fees should be increased to \$250 per hour, with the annual retainer increased to \$10,000.

Effective Date

PG&E requests that this filing become effective on **July 19, 2010**. PG&E submits this as a Tier 2 filing.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **July 8, 2010**, 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 jnj@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.

Jane K. Yura
Vice President, Regulatory Relations
Pacific Gas and Electric Company
P.O. Box 770000 Mail Code B10B
San Francisco, California 94177
Facsimile: (415) 973-6520
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. Copies of this advice letter are also being sent to members of the DCISC. Address changes to the General Order 96-B list should be directed to PG&E at email address: PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>

Jane Yura - OB

Vice President- Regulation and Rates

Attachments:

Attachment 1: DCISC Compensation Levels

cc: DCISC Legal Counsel

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: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@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) #: 3677-E-A

Tier: 2

Subject of AL: Supplement - Diablo Canyon Independent Safety Committee (DCISC) Yearly Compensation Letter

Keywords (choose from CPUC listing): Compliance

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-3152

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: N/A

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: July 19, 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). N/A

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

jn@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 3677-E-A

Attachment 1: DCISC Compensation Levels

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. The outside member compensation level is \$12,000 annual retainer plus \$500 per meeting. The annual retainer fee has increased from the original \$8,000, as approved in Commission Decision 07-01-003 on January 11, 2007. 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 four 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:

- One former NRC Deputy Director, Nuclear Reactor Regulation
- One retired INPO Senior Executive
- Two Senior Nuclear Industry Consultants

The current NSOC consultants receive compensation of \$250 an hour for work performed on NSOC business. There are typically three NSOC meetings per year of 2 days 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 NRC Administrative Judge
- Nuclear Utility Industry Consultant
- Major University Professor of Nuclear Engineering

The current compensation paid to the DCISC members as originally established by the CPUC in Resolution E-3152 and subsequently revised in Resolution E-3608 remains appropriate. 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

The compensation paid to the DCISC members for time spent on committee business, as delineated in CPUC Resolution E-3608, should be increased to \$250 per hour, with the annual retainer increased to \$10,000, when compared to the compensation paid for comparable services, as defined in Finding #3B of the Resolution E-3152.

**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	Recurrent Energy
Boston Properties	Economic Sciences Corporation	SCD Energy Solutions
Brookfield Renewable Power	Ellison Schneider & Harris LLP	SCE
C & H Sugar Co.	Foster Farms	SMUD
CA Bldg Industry Association	G. A. Krause & Assoc.	SPURR
CAISO	GLJ Publications	Santa Fe Jets
CLECA Law Office	Goodin, MacBride, Squeri, Schlotz & Ritchie	Seattle City Light
CSC Energy Services	Green Power Institute	Sempra Utilities
California Cotton Ginners & Growers Assn	Hanna & Morton	Sierra Pacific Power Company
California Energy Commission	Hitachi	Silicon Valley Power
California League of Food Processors	International Power Technology	Silo Energy LLC
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Edison Company
Calpine	Los Angeles Dept of Water & Power	Sunshine Design
Cameron McKenna	Luce, Forward, Hamilton & Scripps LLP	Sutherland, Asbill & Brennan
Cardinal Cogen	MAC Lighting Consulting	Tabors Caramanis & Associates
Casner, Steve	MBMC, Inc.	Tecogen, Inc.
Chris, King	MRW & Associates	Tiger Natural Gas, Inc.
City of Glendale	Manatt Phelps Phillips	Tioga Energy
City of Palo Alto	McKenzie & Associates	TransCanada
Clean Energy Fuels	Merced Irrigation District	Turlock Irrigation District
Coast Economic Consulting	Mirant	U S Borax, Inc.
Commerce Energy	Modesto Irrigation District	United Cogen
Commercial Energy	Morgan Stanley	Utility Cost Management
Consumer Federation of California	Morrison & Foerster	Utility Specialists
Crossborder Energy	NRG West	Verizon
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Wellhead Electric Company
Day Carter Murphy	Norris & Wong Associates	Western Manufactured Housing Communities Association (WMA)
	North America Power Partners	eMeter Corporation