

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 4, 2012

Advice Letter 4023-E

Brian K. Cherry
Vice President, Regulation and Rates
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 4023-E is effective May 3, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

April 3, 2012

Advice 4023-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 California Public Utilities Commission (CPUC or 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. On June 7, 2011 CPUC Energy Division Director Julie Fitch approved PG&E's Advice Letter 3826-E via disposition letter. Advice Letter 3826-E retained the revised compensation levels approved in Advice Letter 3677-E-A, which established the current DCISC member compensation as follows:

- an annual retainer of \$10,000;
- a fee of \$250 per hour for attendance at committee meetings;
- for committee work performed outside of committee meetings, \$250 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.

Effective Date

PG&E requests that this filing become effective **May 3, 2012**, which is 30 days from the filing date. 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 23, 2012**, 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
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests should also be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

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, Regulation and Rates
Pacific Gas and Electric Company
P.O. Box 770000 Mail Code B10C
San Francisco, California 94177

Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

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>

A handwritten signature in black ink, appearing to read "Brian Cherry". The signature is written in a cursive style with a horizontal line through the middle of the name.

Vice President- Regulation and Rates

cc: DCISC Legal Counsel

Attachments

Attachment 1 – DCISC Compensation Levels

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 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Kimberly Chang

Phone #: (415) 973-5472

E-mail: kwcc@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) #: **4023-E**

Tier: 2

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

Keywords (choose from CPUC listing): Compliance, 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/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: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

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

Resolution Required? Yes No

Requested effective date: **May 3, 2012**

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

Pending advice letters that revise the same tariff sheets: 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

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian Cherry

Vice President, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

DCISC Compensation Levels – Annual Report 2012

I. Purpose

The purpose of this 2012 Annual 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 3677-E-A, filed by PG&E on June 18, 2010 and with an effective date of July 19, 2010, the CPUC revised the DCISC member compensation as follows:

- an annual retainer of \$10,000;
- a fee of \$250 per hour for attendance at committee meetings;
- for committee work performed outside of committee meetings, \$250 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. 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 five 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 two 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 and modified in Advice Letter 3677-E-A remains appropriate. Each member receives an annual retainer of \$10,000. In addition, the members receive an hourly fee of \$250 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 \$250. Typically, three one and one-half day public meetings are held each year with a plant tour accompanying each meeting.

IV. Recommendation

The compensation paid to the DCISC members for time spent on committee business as delineated above, is reasonable when compared to the compensation paid for comparable services as defined in the benchmarks above. No change is recommended.

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

AT&T	Dept of General Services	Northern California Power Association
Alcantar & Kahl LLP	Douglass & Liddell	Occidental Energy Marketing, Inc.
Ameresco	Downey & Brand	OnGrid Solar
Anderson & Poole	Duke Energy	Praxair
BART	Economic Sciences Corporation	R. W. Beck & Associates
Barkovich & Yap, Inc.	Ellison Schneider & Harris LLP	RCS, Inc.
Bartle Wells Associates	Foster Farms	Recurrent Energy
Bloomberg	G. A. Krause & Assoc.	SCD Energy Solutions
Bloomberg New Energy Finance	GLJ Publications	SCE
Boston Properties	GenOn Energy, Inc.	SMUD
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
Brookfield Renewable Power	Green Power Institute	San Francisco Public Utilities Commission
CA Bldg Industry Association	Hanna & Morton	Seattle City Light
CLECA Law Office	Hitachi	Sempra Utilities
CSC Energy Services	In House Energy	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	International Power Technology	Silicon Valley Power
California Energy Commission	Intestate Gas Services, Inc.	Silo Energy LLC
California League of Food Processors	Lawrence Berkeley National Lab	Southern California Edison Company
California Public Utilities Commission	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Calpine	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Cardinal Cogen	MAC Lighting Consulting	Sunrun Inc.
Casner, Steve	MBMC, Inc.	Sunshine Design
Center for Biological Diversity	MRW & Associates	Sutherland, Asbill & Brennan
Chris, King	Manatt Phelps Phillips	Tabors Caramanis & Associates
City of Palo Alto	McKenzie & Associates	Tecogen, Inc.
City of Palo Alto Utilities	Merced Irrigation District	Tiger Natural Gas, Inc.
City of San Jose	Modesto Irrigation District	TransCanada
City of Santa Rosa	Morgan Stanley	Turlock Irrigation District
Clean Energy Fuels	Morrison & Foerster	United Cogen
Coast Economic Consulting	Morrison & Foerster LLP	Utility Cost Management
Commercial Energy	NLine Energy, Inc.	Utility Specialists
Consumer Federation of California	NRG West	Verizon
Crossborder Energy	NaturEner	Wellhead Electric Company
Davis Wright Tremaine LLP	Navigant Consulting	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	Norris & Wong Associates	eMeter Corporation
Defense Energy Support Center	North America Power Partners	
Department of Water Resources	North Coast SolarResources	