



**Pacific Gas and
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PG&E Letter DIL-02-008

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Docket No. 72-26
Diablo Canyon Independent Spent Fuel Storage Installation
Supplemental General and Financial Information – 10 CFR 72.22

Dear Commissioners and Staff:

By letter dated December 21, 2001, Pacific Gas and Electric Company submitted an application to the Nuclear Regulatory Commission requesting a site-specific license for an Independent Spent Fuel Storage Installation (ISFSI) at the Diablo Canyon Power Plant. The application included a Safety Analysis Report, Environmental Report, and other required documents in accordance with 10 CFR 72.

Enclosure 1 to this letter provides supplemental general and financial information regarding 10 CFR 72.22, as requested by Messrs. R. Hall and M. Dusaniwskyj of the NRC staff, during a May 21, 2002, telephone conference call in support of the December 21, 2001, Diablo Canyon ISFSI license application.

If you have any questions about this matter, please contact Terry Grebel at (805) 595-6382.

Sincerely,

Lawrence F. Womack

gwh

Enclosure

cc: Diablo Distribution
Ellis W. Merschoff
David L. Proulx
Girija S. Shukla
cc/enc: James R. Hall
David A. Repka

NUM 5501

72.22 Contents of Application: General and Financial Information

10 CFR 72.22 Section	PG&E Response	References
Each application must state:		
(a) Full name of applicant;	Pacific Gas and Electric Company ¹	Application Section 1.2
(b) Address of applicant;	Diablo Canyon PO Box 56 Avila Beach, CA 93424 Executive Offices 77 Beale Street PO Box 770000 San Francisco, CA 94177	Application Sections 1.2 and 1.3
(c) Description of business or occupation of applicant;	Pacific Gas and Electric Company, including its subsidiaries, is a wholly owned subsidiary of PG&E Corporation. PG&E Corporation is a holding company based in San Francisco, California, which provides energy services throughout North America.	Application Section 1.3
(d) If applicant is:		
(1) An individual: Citizenship and age;	Not applicable	
(2) A partnership: Name, citizenship, and address of each partner and the principal location at which the partnership does business;	Not applicable	
(3) A corporation or an unincorporated association:		

¹ On November 30, 2001, PG&E filed an application in accordance with 10 CFR 50.80 requesting NRC approval of the transfer of the 10 CFR 50 operating licenses for the Diablo Canyon Power Plant. The license transfer application relates to the implementation of a Plan of Reorganization for PG&E currently pending before the United States Bankruptcy Court. If the Plan is confirmed, and if the license transfer is approved by the NRC, and if the Plan is implemented, the name of the applicant in the 10 CFR 72 license application will need to be amended. It is expected that this would occur prior to issuance of the 10 CFR 72 license.

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10 CFR 72.22 Section	PG&E Response	References
(i) The State in which it is incorporated or organized and the principal location at which it does business; and	PG&E is a corporation organized and existing under the laws of the State of California and its principal office is located in San Francisco, California.	Application Section 1.4
(ii) The names, addresses, and citizenship of its directors and principal officers;	A list of officers is provided in the PG&E Corporation 2000 Annual Report, which is included as Attachment A to the Application. All directors and principal officers are United States citizens.	Application Section 1.4 and Attachment A pages 93-96.
(4) Acting as an agent or representative of another person in filing the application. The identification of the principal and the information required under this paragraph with respect to such principal.	Gregory M. Rueger Senior Vice President, Generation and Chief Nuclear Officer 77 Beale Street, MC B32 San Francisco, CA 94105	
(5) The Department of Energy:	Not applicable	
(i) The identification of the DOE organization responsible for the construction and operation of the ISFSI or MRS, including a description of any delegations of authority and assignments of responsibilities.	Not applicable	

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10 CFR 72.22 Section	PG&E Response	References
(ii) For each application for a license for an MRS, the provisions of the public law authorizing the construction and operation of the MRS.	Not applicable	
(e) Except for DOE, information sufficient to demonstrate to the Commission the financial qualifications of the applicant to carry out, in accordance with the regulations in this chapter, the activities for which the license is sought. The information must state the place at which the activity is to be performed, the general plan for carrying out the activity, and the period of time for which the license is requested. The information must show that the applicant either possesses the necessary funds, or that the applicant has reasonable assurance of obtaining the necessary funds or that by a combination of the two, the applicant will have the necessary funds available to cover the following:	PG&E will have the financial qualifications to construct and operate the Diablo Canyon ISFSI. PG&E is an electric utility presently subject to rates established by the California Public Utilities Commission. The funds necessary to cover the construction and operating costs will be derived from electric rates and from electric operating revenues. The costs for decommissioning will be derived from the DCPD Decommissioning Fund. ²	Application Sections 1.3 and 1.5.

² As noted above, a Plan of Reorganization for PG&E is pending. As discussed in the 10 CFR 72 license application (Section 1.5, pages 4-6), the basis for financial qualifications will change if the Plan is implemented and the 10 CFR 72 applicant is amended. Note, however, financial qualifications issues germane to the Plan are being addressed in the DCPD license transfer review.

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10 CFR 72.22 Section	PG&E Response	References
(1) Estimated construction costs;	<p>Costs for the Diablo Canyon ISFSI were provided for discrete time periods. The first period covers the present through the end of the DCPD Units 1 and 2 operating licenses. The second period is the DCPD decommissioning period. The third period is post-DCPD decommissioning until the fuel is shipped offsite to a federal repository. The estimated total costs for the first period, from now through 2025, is estimated to be a total of \$132 million, of which \$63 million are for construction and support equipment and \$69 million are operating costs, including the procurement of storage casks and canisters. The costs assume 50 storage casks are loaded to maintain capacity in the spent fuel pool for full offload capability until the end of the DCPD license terms. The costs to completely offload the spent fuel pools, an additional 88 storage casks, and to operate the ISFSI in the second period from 2026 to 2040, are estimated to be an additional \$107 million. Additional operating costs, beyond 2040, are estimated to be \$1.5 million per year. All costs are in year 2001 dollars.</p>	Application Section 1.5
(2) Estimated operating costs over the planned life of the ISFSI; and	See above.	

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10 CFR 72.22 Section	PG&E Response	References
<p>(3) Estimated decommissioning costs, and the necessary financial arrangements to provide reasonable assurance before licensing, that decommissioning will be carried out after the removal of spent fuel, high-level radioactive waste, and/or reactor-related GTCC waste from storage. Title: Part:</p>	<p>The detailed decommissioning cost estimate was submitted to the NRC in the March 1999 Decommissioning Funding Report (PG&E Letter DCL-99-038) and referenced in the March 2001 Funding Report (PG&E Letter DCL-01-026) required by 10 CFR 50.75(f)(1). As shown therein and as discussed in the Application, Attachment F, "Preliminary Decommissioning Plan" Chapter 4, it is estimated that decommissioning for the Diablo Canyon ISFSI will cost about \$12.5 million. It should be noted that the decommissioning cost of \$13.9 million referenced in Application Section 1.5 includes additional financial contingencies as discussed in the referenced PG&E letters. All estimates are escalated to 2001 dollars for the DECON alternative. The cost of decommissioning the Diablo Canyon ISFSI is expected to be a small fraction of the total decommissioning costs of the Diablo Canyon Power Plant. PG&E has established an external sinking trust fund for decommissioning DCCP Units 1 and 2. PG&E is a public utility that recovers anticipated decommissioning costs through rates established by the California Public Utilities Commission. As discussed in the Preliminary Decommissioning Funding Report to the NRC, the DCCP decommissioning trust contains monies for decommissioning the Diablo Canyon ISFSI based on the detailed decommissioning cost estimate for the site.</p>	<p>Application Section 1.5; Application Section 10.0; Application Attachment F, Chapter 4. PG&E Letter DCL-99-038 dated March 31, 1999; PG&E Letter DCL-01-026 dated March 30, 2001</p>