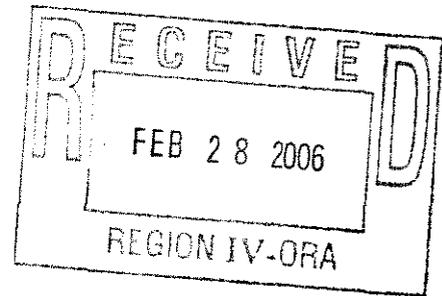


City of Morro Bay

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February 17, 2006

California Energy Commission
Joseph Desmond, Chairman
1516 9th Street
Sacramento, CA 95814

Dear Chairman Desmond,

The Morro Bay City Council joins the San Luis Obispo County Board of Supervisors in supporting the California Energy Commission's recommendation to "evaluate the long-term implications associated with the continuing accumulation of spent fuel at California's operating [nuclear power] plants, including a case-by-case evaluation of public safety and ratepayer costs of on-site interim storage of spent fuel versus transporting spent fuel offsite for interim storage."

The CEC's concerns stated that given "the high level of uncertainty surrounding the federal waste disposal program, California's utilities will likely be forced to retain spent fuel in storage facilities at currently operating reactor sites for an indefinite period of time." As a result of the CEC's concerns, the City would support an investigation into phasing out the production and storage of high-level radioactive waste at Diablo Canyon by the end of current license term.

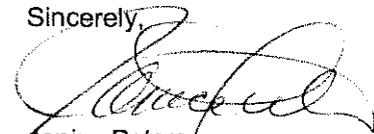
The CEC, San Luis Obispo County, and the City of Morro Bay are not alone in their concern regarding the increasing stockpiles of high-level radioactive waste on our nations' coasts and waterways. Our support of the CEC recommendation is based on increasing doubts that a permanent disposal facility for high-level radioactive waste at Diablo Canyon will ever be available. These doubts have been substantiated by nuclear experts, federal government oversight agencies, and both Republican and Democratic Senators from Nevada and Utah.

Further evidence confirming the Board's concern that our community may become a high-level radioactive waste storage site in perpetuity can be found in the November 2005 Congressional vote to cut funding for Yucca Mountain, the nations' only proposed permanent storage site.

It is time for California to address the danger of storing high-level radioactive waste on our state's earthquake active coastal zones and what legacy this could create for generations to come. This danger is increased by the very real threat of terrorism.

The City of Morro Bay is interested in working with the CEC, the State, the County, the CPUC and PG&E to plan for our state's energy needs and decrease the potential risks to our community from a radioactive release due to an act of nature, terrorism, or accident.

Sincerely,



Janice Peters
Mayor of Morro Bay

Cc: Governor Arnold Schwarzenegger
Assemblyman Sam Blakeslee
Senator Abel Maldonado
Michael Peevey, President, CPUC
William Maier, NRC

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