

OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

Date Printed: Oct 13, 2012 09:05

PAPER NUMBER: LTR-12-0565
ACTION OFFICE: OGC

LOGGING DATE: 10/04/2012

AUTHOR: City Manager John Pietig (Laguna Beach)
AFFILIATION: CA
ADDRESSEE: CHRM Allison Macfarlane
SUBJECT: Provides an adopted Resolution No. 12.068 regarding San Onofre Nuclear Generating Station

ACTION: Signature of Secretary
DISTRIBUTION: RF, SECY/RAS, SECY Ack'd on 10/5.

LETTER DATE: 09/18/2012

ACKNOWLEDGED Yes

SPECIAL HANDLING: cc: Senator Barbara Boxer on the response.

NOTES: On 10/12, this ticket was transferred fm EDO to OGC for a
response to be prepared once the Comm. acts on SECY-12-
* 0117. RAS/SECY to serve on the docket.

FILE LOCATION: ADAMS

DATE DUE: 11/13/2012

DATE SIGNED:

* (or later)



September 18, 2012

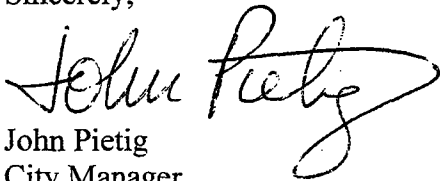
The Honorable Allison M. Macfarlane
Chairman
U.S. Nuclear Regulatory Commission
Mail Stop O-16G4
Washington, DC 20555-0001

Dear Chairman Macfarlane:

On August 7, 2012, the Laguna Beach City Council adopted Resolution No. 12.068 regarding the San Onofre Nuclear Generating Station. Attached, please find a copy of the Resolution for your consideration.

If you have any questions about the Resolution, please contact Benjamin Siegel, Assistant to the City Manager/Director of Community Services, at (949) 497-0352.

Sincerely,



John Pietig
City Manager

Enclosure

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RESOLUTION NO. 12.068

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF LAGUNA BEACH REGARDING
THE SAN ONOFRE NUCLEAR GENERATING STATION**

WHEREAS Southern California Edison's (Edison) four replacement steam generators manufactured by Mitsubishi for the two nuclear reactors at their San Onofre site were shut down after one tube failed and released radiation in January 2012, after less than two years of operation, while the original equipment operated for 28 years; and

WHEREAS Edison informed the Nuclear Regulatory Commission (NRC) that the replacement steam generators would be "like for like" or "in kind," that is, fabricated to the same design specifications as the original San Onofre Combustion Engineering steam generators, but in fact, have significant design changes from the original steam generators; and

WHEREAS the NRC has reported that design flaws have led to the malfunction of the new steam generators; and

WHEREAS the replacement steam generators in San Onofre Unit 2 and Unit 3 are identical and are both showing excessive, early tube wear that the NRC confirms poses a serious safety problem; and

WHEREAS there is no agreed, safe long-term solution to storing nuclear waste; and

WHEREAS the replacement steam generators were originally promised by Edison to save ratepayers money, since January 2012, due to the flawed re-design, the steam generators have failed to generate electricity to the consumers. In addition, consumers are likely to be pressed to pay for additional costs incurred by the shutdown and need to procure replacement power; and

WHEREAS an Order of Investigation (OII) by the California Public Utility Commission is needed to determine, in a transparent, public process, which parties are responsible for paying for the costs associated with the faulty replacement generators, including the costs incurred during the shutdown (for example, replacement power, inspections, monitoring) and the cost of any repairs; and

WHEREAS expenses for the San Onofre reactors could increase further with seismic upgrades in the wake of advancing earthquake science, lessons learned from the nuclear disaster at Fukushima Daiichi, and seismic studies underway that California's nuclear power plant operators have been mandated to undertake by the State of California; and

WHEREAS the State of California has further mandated that coastal power plants end once-through cooling (OTC) technology due to the damaging impacts on sea life, and both San Onofre and Diablo Canyon nuclear power plants are currently undergoing feasibility studies for upgrades to their OTC systems, which would be extremely costly when implemented; and

1 WHEREAS it is therefore critical to create and implement strong contingency plans for
2 alternative power sources to San Onofre, especially those deriving from conservation, energy
3 efficiency and renewable resources; and

4 WHEREAS the State of California has set aggressive goals for efficiency and renewable
5 electricity installation, but has struggled to meet its targets on time;

6 NOW, THEREFORE, BE IT RESOLVED, that San Onofre should not restart until and
7 unless Edison completes a license amendment process with a public, transparent hearing to
8 determine the safety of the restart plan; and

9 BE IT FURTHER RESOLVED, that the City of Laguna Beach urges the California Public
10 Utilities Commission to proceed with its plan to expeditiously issue an OII regarding the financial
11 status and viability of San Onofre to protect the ratepayers; and

12 BE IT FURTHER RESOLVED, that ratepayers should not be held responsible for errors
13 which led to faulty replacement steam generators being installed, outage expenses, and the need for
14 repair expenses; and

15 BE IT FURTHER RESOLVED, that additional incentives and programs are urgently
16 needed to support the rapid installation of new power generation, power savings, and grid
17 stabilizing technologies; and

18 BE IT FURTHER RESOLVED, that these new electricity solutions should prioritize
19 efficiency and renewable energy resources whenever possible.

20 ADOPTED this 7th day of August 2012.

21 ATTEST:

22 Martha Anderson
23 Martha Anderson, City Clerk
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Jane Egly
Jane Egly, Mayor

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2 I, MARTHA ANDERSON, City Clerk of the City of Laguna Beach, certify that the
3 foregoing Resolution No.12.068 was duly adopted at a regular meeting of the City Council of said
4 City held on August 7, 2012, by the following vote:

5 AYES: COUNCILMEMBERS: Iseman, Pearson, Rollinger, Egly

6 NOES: COUNCILMEMBERS: None

7 ABSENT: COUNCILMEMBERS: Boyd

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11 City Clerk, City of Laguna Beach, California
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