

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA

ADMINISTRATIVE LAW JUDGE MARIBETH A. BUSHEY, presiding

Joint Application of Southern
California Edison Company (U338E)
and San Diego Gas & Electric Company
(U902E) to Find the 2014 SONGS Units
2 and 3 Decommissioning Cost
Estimate Reasonable and Address
Other Related Decommissioning
Issues.

) EVIDENTIARY
) HEARING
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) Application
) 14-12-007
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REPORTER'S TRANSCRIPT
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SAN FRANCISCO, CALIFORNIA
AUGUST 25, 2015 - 10:10 A.M.

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ADMINISTRATIVE LAW JUDGE BUSHEY: The Commission will come to order.

This is the time and place set for the evidentiary hearing in the Joint Application of Southern California Edison Company and San Diego Gas and Electric Company to Fund the 2014 SONGS Units 2 and 3 Decommissioning Cost Estimate -- to Find the 2014 SONGS Units 2 and 3 Decommissioning Cost Estimate Reasonable and Address Other Decommissioning Issues. This is Application 14-12-007.

Good morning. I'm Administrative Law Judge Maribeth Bushey. I'm the assigned administrative law judge to this proceeding. Our purpose this morning is cross-examination of the witnesses that have distributed testimony and the receipt of said testimony into the official record of the proceeding.

Are there any preliminary issues before we get started with the cross-examination?

Yes, Mr. Matthews.

MR. MATTHEWS: Yes, your Honor. Walker Matthews for Southern California Edison. SCE

1 objects to the private video recording of
2 this proceeding.

3 ALJ BUSHEY: Thank you. Thank you, Mr.
4 Matthews.

5 MR. LUTZ: I'd like to respond to his
6 objection.

7 ALJ BUSHEY: Mr. Lutz, the recording is
8 being allowed. You have your way. There's
9 nothing for you to respond to other than
10 shake your head and say yes.

11 So let's proceed to our
12 cross-examination.

13 MR. LUTZ: Okay. Excuse me, ma-am. We
14 had several motions that were on the table,
15 and I'd like those taken before up before we
16 get into the proceeding.

17 ALJ BUSHEY: What motions?

18 MR. LUTZ: We had a motion regarding
19 the water use which was submitted way back
20 when, I think several months ago. There was
21 no ruling on that. Would you please rule on
22 that now?

23 ALJ BUSHEY: It's under advisement, and
24 it will be taken in due course.

25 Mr. Matthews, would like to call
26 your first witness.

27 MR. MATTHEWS: Yes, your Honor. SCE
28 calls Tom Palmisano.

1 Thomas J. Palmisano, called as a
2 witness by Southern California Edison
3 Company, having been sworn, testified
4 as follows:

5 ALJ BUSHEY: Please be seated. State
6 your full name for the record and spell your
7 last name.

8 THE WITNESS: My name is Thomas Joseph
9 Palmisano. The last name is spelled
10 P-a-l-m-i-s-a-n-o.

11 ALJ BUSHEY: Mr. Walker, before we move
12 into the witness's testimony, shall I read
13 into the record the exhibits that we
14 identified before we went on the record?

15 MR. MATTHEWS: Yes.

16 ALJ BUSHEY: Exhibit 1 is the Testimony
17 on the Nuclear Decommissioning of SONGS 2 and
18 3.

19 (Exhibit No. 01 was marked for
20 identification.)

21 ALJ BUSHEY: Exhibit 2 is the errata to
22 that testimony.

23 (Exhibit No. 02 was marked for
24 identification.)

25 ALJ BUSHEY: Exhibit 3 is the second
26 errata to that testimony.

27 (Exhibit No. 03 was marked for
28 identification.)

 ALJ BUSHEY: Exhibit 4 is the witness

1 qualifications.

2 (Exhibit No. 04 was marked for
3 identification.)

4 ALJ BUSHEY: Exhibit 5 is the errata to
5 the witness qualifications.

6 (Exhibit No. 05 was marked for
7 identification.)

8 ALJ BUSHEY: Exhibit 6 is the second
9 errata to the witness qualifications.

10 (Exhibit No. 06 was marked for
11 identification.)

12 ALJ BUSHEY: And Exhibit 7 is Southern
13 California Edison Company's rebuttal
14 testimony.

15 (Exhibit No. 07 was marked for
16 identification.)

17 ALJ BUSHEY: Mr. Walker.

18 MR. MATTHEWS: Thank you, your Honor.

19 DIRECT EXAMINATION

20 BY MR. MATTHEWS:

21 Q Mr. Palmisano, the purpose of
22 your testimony in this proceeding is to
23 sponsor portions of Exhibits SCE-1, 2, 3, 4,
24 5, 6, and 7 for SCE's direct and rebuttal
25 testimony, witness qualifications, and errata
26 as identified in the table of contents
27 thereto?

28 A That is correct.

1 Q Was this material prepared by you
2 or under your supervision?

3 A Yes, it was.

4 Q In so far as this material is
5 factual in nature, do you believe it to be
6 correct?

7 A Yes, I do.

8 Q In so far as this material is in
9 the nature of opinion or judgment, does it
10 represent your best judgment?

11 A Yes, it does.

12 Q Do you adopt this material as your
13 sworn testimony in this proceeding?

14 A Yes, I do.

15 MR. MATTHEWS: Your Honor, the witness
16 is available for cross-examination.

17 ALJ BUSHEY: Thank you, Mr. Matthews.
18 We'll begin with Mr. Freedman from TURN for
19 cross-examination.

20 MR. FREEDMAN: Thank you, your Honor.

21 CROSS-EXAMINATION

22 BY MR. FREEDMAN:

23 Q Good morning, Mr. Palmisano. I'm
24 Matt Freedman with TURN.

25 A Good morning.

26 Q I would like to start with your
27 testimony, your direct testimony, Exhibit 1,
28 on page 10 where you discuss a set of

1 activities that relate to implementing cold
2 and dark projects.

3 A Yeah. I am on page 10.

4 Q And following subsection C here you
5 have a list of six specific activities. Are
6 these the complete list of activities
7 relating to the implementation of cold and
8 dark?

9 A Just one minute, please. These six
10 represent the grouping of activities related
11 to cold and dark. There are some very
12 specific items underneath them, but
13 generally, this is the accurate list of the
14 activities for cold and dark.

15 Q So keeping in mind this section of
16 your testimony, I would like to ask you to
17 take a look at Appendix D to Exhibit SCE-1,
18 which is the detailed cost tables developed
19 pursuant to the decommissioning cost
20 estimates.

21 A Just one minute, please.

22 Q Sure. I would ask you to take your
23 attention to page 2 of Appendix D, which is
24 the section that deals with distributed costs
25 for Decommissioning Period 2.

26 A Okay.

27 ALJ BUSHEY: We'll be off the record.

28 (Off the record.)

1 ALJ BUSHEY: Back on the record.

2 Mr. Freedman.

3 MR. FREEDMAN: Thank you, your Honor.

4 Q So Mr. Palmisano, on what has been
5 marked as page A-1-57 do you see the list of
6 distributed costs identified for
7 Decommissioning Period 2?

8 A Yes, I do.

9 Q And if I were to look at lines 2.18
10 and 2.19, do these two lines show the
11 estimate, the entire estimate for costs
12 associated with all of the cold and dark
13 activities referenced in your testimony?

14 A The line 2-18 is titled Planning
15 and Design For Cold and Dark. And line 2-19
16 is Implement Cold and Dark. And in
17 parentheses it says "Repower Site." Is that
18 correct, or am I looking at the correct
19 lines?

20 Q Yes.

21 A Okay. So I think you need to look
22 at the, you know, the entire listing here.
23 You see, for planning you see implementation.
24 You see install 12 kV service line. So I
25 think the total cost of cold and dark
26 includes this and potentially some other
27 activities on this page.

28 Q So when I'm looking at 2.18 and

1 2.19, what activities do those refer to that
2 are described in your testimony?

3 A Well, 2.18, if you have a specific
4 section of my testimony back to that section
5 that was a high level listing of the six
6 major activities, if you will. 2.18 does
7 reflect the planning cost. 2.19 in this
8 table appears to reflect repowering the site
9 was the electrical changes related to cold
10 and dark.

11 Q And are those described in any
12 detail in your testimony?

13 A We can go back to the testimony and
14 look. So let's go back to that page. So
15 again, back to my testimony on Section C on
16 page 10 which talks about implement cold and
17 dark you see some subparagraphs that talk
18 about temporary power ring, on page 11, spent
19 fuels islanding, effluent pathways. So those
20 subparagraphs specify more detail about the
21 implementation of cold and dark.

22 Q Okay, Mr. Palmisano, but I was
23 specifically asking about 2.18 and 2.19,
24 those lines. I understand that there are
25 specific items below them. I'm trying to get
26 a sense of what those line items refer to
27 that is described in your testimony. Are you
28 saying that there are some elements of the

1 six items listed in your testimony that are
2 included in those line items?

3 A I'm saying those line items are a
4 more detailed breakout of the six items
5 described in my testimony. For example, 2.18
6 talks about repowering. If I go back to that
7 page, talks about implement cold and dark
8 repower site. That would correlate to Item C
9 1, temporary power ring.

10 Q So line 2.19, which refers to
11 implementing cold and dark repower site,
12 includes the costs of the temporary power
13 ring?

14 A It covers -- it includes the cost
15 of the temporary power ring. We would also
16 have to look at 2.20 installing 12 kV service
17 line to the power ring to have the full
18 understanding of repowering the site and
19 implementing cold and dark in that sense.

20 Q Okay. So costs associated with the
21 temporary power ring show up in two line
22 items, 2.19 and 2.20; is that right?

23 A Well, they're related. There's the
24 temporary power ring itself, and there's the
25 12 kV power supply to the temporary power
26 ring.

27 Q And if I were to look at the item
28 described as spent fuel pool islanding in

1 your testimony, which is on page 11, that
2 paragraph 2, would those show up in line
3 items 2.23 through 2.31?

4 A Just one second. Jump back and
5 forth. Which line items were you looking at
6 again?

7 Q 2.23 through 2.31.

8 A So 2.23 certainly is the spent fuel
9 pool support system. It does not include
10 items through 2.31. For example, 2.24 is
11 design control room relocation, which is a
12 different activity, different than spent fuel
13 islanding. And then as you get into 2.25,
14 2.26, 2.27, 2.28, those are clearly spent
15 fuel pool islanding related.

16 Q So design control room relocation
17 should not be included as part of the spent
18 fuel pool islanding activity; is that right?

19 A Only if there's an element in terms
20 of spent fuel pool implementation that had to
21 be modified. We are not relocating the
22 control room as part of spent fuel pool
23 islanding, but there may be some
24 instrumentation activities related to spent
25 fuel pool island that may have been captured
26 in that line item.

27 Q So there might be other costs
28 unrelated to spent fuel pool islanding that

1 are captured in that item as well?

2 A Just looking at the general title,
3 control room relocation is an option we have
4 in the future to relocate out of the current
5 control room to an alternate control room.
6 So that item may be broader than that.
7 Without getting into more detail behind the
8 line item I can't tell you whether there's
9 more cost embedded. The title would tell me
10 this is not just spent fuel pool islanding in
11 that one line item.

12 Q Do you know if anywhere in Edison's
13 testimony there is a more detailed list of
14 activities associated with each of these line
15 items?

16 A That I do not know.

17 Q And if I look at the project
18 schedule for this activity, spent fuel pool
19 islanding, which is in page A-1-49, the cost
20 estimate, it shows a completion date of June
21 30, 2015. Has this -- have these activities
22 been completed already?

23 A No. This schedule was done in the
24 spring of 2014 when we developed the
25 decommissioning cost estimate. We have
26 reestablished the schedule. The control cold
27 and dark activities are currently in
28 progress.

1 Q Has the new schedule been included
2 in any of Edison's testimony?

3 A I don't know that it has.

4 Q And if I were to look then back at
5 your testimony, page 11 of your direct
6 testimony, you discuss effluent pathways
7 modifications as one of the activities. Do
8 you see that?

9 A Yes, I do.

10 Q Going to the cost tables that we've
11 been spending a little time on, where would I
12 find the costs of effluent pathway
13 modifications on the line items for the
14 distributed activities for Period 2?

15 A Just wait one minute then. So
16 you're looking at Appendix A-1 to the
17 testimony?

18 Q Yeah. Page A-1-57, the same page
19 we've been going through for Decommissioning
20 Period 2 and the costs?

21 A Just one minute, please. I don't
22 see it explicitly listed in this table on
23 page A-1-57 based on a quick look.

24 Q How would the Commission know, be
25 able to determine what the estimated costs
26 were for this activity, the activity titled
27 effluent pathways modifications?

28 A We need to make sure it's not

1 elsewhere in the DCE. Off the top of my head
2 I can't answer that without checking the rest
3 of the DCE.

4 Q And if I were to ask the same
5 question about page 12 of your testimony
6 where you reference fire protection systems
7 modifications, do those show up in the Period
8 2 distributed activities list?

9 A The fire protection system
10 modifications. Just one minute. In Period 2
11 we have 2.04, which is prepare a
12 post-shutdown fire protection plan that would
13 include some analysis of any needed physical
14 changes to the fire protection system.

15 Q So is it your understanding then
16 that the entire cost of fire protection
17 systems modifications described in your
18 testimony would be included in line item
19 2.04?

20 A No, not necessarily.

21 Q And if I were to ask you the same
22 question about telecommunications systems
23 modifications that you reference on page 12
24 of your testimony, where would I find those
25 in the distributed activities cost estimate?

26 A The -- I will have to take some
27 time and look at that to give you a clear
28 answer.

1 Q Okay. Thank you very much. Going
2 back to your testimony, your direct
3 testimony, Exhibit 1, page 8, you state on
4 line 17 that the site-specific DCE was
5 developed for the purpose of being used as
6 the basis for an executable decommissioning
7 plan and schedule. Do you see that?

8 A Yes, I do.

9 Q And then keeping that in mind, I'd
10 like to turn back to page A-1-48, which is
11 the detailed project schedule to the DCE,
12 part of I believe what has been titled as
13 Appendix A. This would be Appendix C to
14 Appendix A.

15 A Okay. And page A-1-47, that's what
16 you're looking at currently?

17 Q A-1-48.

18 A 48. Got it. Thank you.

19 Q Yeah. And I'd like to draw your
20 attention to the line item 68 titled
21 Decommissioning Period 2 Decommissioning
22 Planning and Site Modifications. Do you see
23 that?

24 A Yes, I do.

25 Q Does this describe the entire
26 Decommissioning Period 2? Is this the top
27 header for that entire period?

28 A Give me one minute to refresh my

1 memory on the entire table. Just one minute,
2 please. Okay. Now repeat your question,
3 please.

4 Q Does this line item include all of
5 the activities for license termination in
6 Decommissioning Period 2?

7 A Give me the line number again,
8 please.

9 Q Line No. 68.

10 A 68. Thank you. So line 68 is a
11 high level what you'd call a hammock activity
12 and scheduling shows the duration of Period
13 2.

14 Q And does this show that Period 2 is
15 scheduled to begin January 1, 2014, and end
16 on June 30th, 2015?

17 A That was the -- that was the
18 initial schedule date when we developed the
19 DCE.

20 Q And did the completion of Period 2
21 by the date here of June 30, 2015, depend
22 upon the individual activities within Period
23 2 being completed on schedule?

24 A The end date was constrained by the
25 completion of the activities in Period 2.
26 That is correct.

27 Q And the impact on the schedule of
28 Period 2 from a delay in one or more

1 activities would be to push out the
2 completion date for the entire period; isn't
3 that right?

4 A Generally that's correct.

5 Q And if I were to turn to the next
6 page, that being A-1-49.

7 A Yes.

8 Q And look at line 113, does that
9 show the sort of the hammock, as you state,
10 for Decommissioning Period 3 decommissioning
11 preparations and reactor internals?

12 A That does based on the spring of
13 2014 schedule and plan.

14 Q And according to that schedule,
15 that period was scheduled to begin on
16 June 30th, 2015, right?

17 A That is correct.

18 Q And have delays in the completion
19 of Period 2 affected the schedule for license
20 termination in Period 3?

21 A Yes, it has.

22 Q How has the schedule been affected?

23 A Right now Decommissioning Period 2,
24 back to line 68, is currently forecast to be
25 March of 2016. So that would then constrain
26 Period 3 to start March of 2016.

27 Q And would you expect the end date
28 to be shifted back by an equivalent amount of

1 time?

2 A Potentially. Like with anything,
3 once you actually get to the start of an
4 activity, you reforecast how much time
5 duration you need for the activity. The
6 activity, the end date may be directly
7 affected, may be affected to a lesser degree.
8 Difficult to say until we get to that point.

9 Q And if I look on this page A-1-49,
10 there are several items related to DGC
11 contract award on line 111 and DGC
12 mobilization and planning on line 115.

13 A Yes.

14 Q Those are related to the
15 decommissioning general contractor that
16 Edison intends to use?

17 A That is correct.

18 Q And when does Edison expect to
19 execute a contract with the decommissioning
20 general contractor?

21 A Currently we anticipate that will
22 be March of 2016.

23 Q And after the execution of that
24 contract is that when the mobilization and
25 planning section would begin?

26 A That is correct.

27 Q Let me ask you to turn to page
28 A-1-57 that we have been previously looking

1 at. This has to do with the distributed
2 activities for the Decommissioning Period 2.
3 If I turn to page -- turn the page to A-1-58,
4 if I look at the top line there's a
5 distributed subtotal of 126,376,000. Do you
6 see that?

7 A I see that.

8 Q At this point does Edison expect
9 that the delay in the scheduled completion of
10 Period 2 will affect the cost of distributed
11 activities? That's this cost?

12 A No, we do not.

13 Q And if I were to continue down on
14 page A-1-58 there are a list of undistributed
15 costs and undistributed activities. And the
16 estimate there is 114,764,000; is that right?

17 A I see that, yes.

18 Q How will the delay in the scheduled
19 completion of Period 2 affect the total
20 amount of undistributed costs?

21 A It may or may not have a direct
22 effect. You know, we've been successful in
23 reducing our staffing in accordance with the
24 plan. So when you look at the undistributed
25 costs, as you can see for the first several
26 line items, you see staffing. Then you see
27 things like lease, insurance expense,
28 community outreach, on down. Some things,

1 the thing that would be most affected by a
2 delay is labor cost. And again, we've been
3 successful in mitigating some of that by
4 reducing head count and more judicious use of
5 contractors. So at this point I don't know
6 that there's an effect. I would not
7 anticipate a significant effect if there's
8 any.

9 Q Are some of these costs recurring
10 based on time?

11 A Well, for example, utility staff
12 cost certainly is. You know, there's a
13 monthly labor cost for the number of people
14 mobilized on site. That's a cost that I
15 would consider recurring over time if that's
16 what you mean.

17 Q It is what I mean. Would that also
18 be true for the security guard force?

19 A Yeah. That's a labor cost as well.

20 Q Would that also be true for energy
21 costs on line 1.10?

22 A Excuse me. Certainly energy cost,
23 think of that as house loads, if you will.
24 That does have some time dependency. The
25 longer period of time, the more energy cost
26 you may incur. But again, with mitigating
27 actions to reduce the number of people and
28 control the pace of activities, that can be

1 mitigated to some degree.

2 Q Would property tax also be an
3 expense that simply that recurs on a time
4 basis?

5 A I'm not an expert on property tax.
6 So I'd really have to defer that question to
7 somebody else.

8 Q And if I were to continue on the
9 cost tables to look at the costs for Period
10 3, Decommissioning Period 3 shows up on page
11 A-1-59, and there is an estimate of
12 distributed costs for Period 3 of
13 263,431,000.

14 A Yes, I see that.

15 Q And do you expect given the delays
16 in the commencement of Decommissioning Period
17 3 that there will be any impact on the
18 distributed costs associated with that
19 period?

20 A No, I do not.

21 Q And if we turn to the next page
22 A-1-60 and look at the undistributed costs
23 for Decommissioning Period 3, those are
24 estimated at 275,579,000. Do you see that?

25 A I do see that.

26 Q And do you expect a delay in the
27 commencement of Period 3 to have any impact
28 on the estimate of undistributed costs?

1 A I would not expect a substantial
2 impact, but you know, I think as we enter
3 Period 3 we'll reforecast the cost, but I
4 would not expect a substantial impact.

5 Q What do you mean by reforecast the
6 costs?

7 A Well, just as we do with the
8 schedule. Once we complete Period 2 n the
9 March 2016 timeframe and select a
10 decommissioning contractor, we'll take a look
11 at the plan with the actual contractor hired,
12 reforecast what the plan is and the
13 associated cost.

14 Q And when would you expect their
15 reforecasting to occur?

16 A Sometime in late 2016.

17 Q Thank you. Let's turn back to your
18 testimony, your direct testimony, pages 8 and
19 9. And on line -- starting on line 20 you
20 state that the plan, the decommissioning cost
21 estimate includes costs to complete all
22 aspects of the SONGS 2 and 3 decommissioning
23 project including radiological
24 decommissioning to the extent required to
25 terminate the plant's NRC licenses pursuant
26 to 10 CFR 50.75(c). You also reference on
27 the next page, page 9, the ISFSI
28 decommissioning, I-S-F-S-I decommissioning,

1 pursuant to 10 CFR 72.30. Do you see that?

2 A Yes, I do.

3 Q Edison currently operates San
4 Onofre under a part -- or owns San Onofre
5 under a Part 50 license; is that right?

6 A That is correct.

7 Q And the Part 50 license, does that
8 cover the entire site including the ISFSI?

9 A Yes, it does.

10 Q Does Edison expect that this Part
11 50 license will be terminated when the entire
12 site is clean, all fuel has been removed, and
13 the ISFSI has been fully decommissioned?

14 A Yes. When the ISFSI is fully
15 decommissioned, that will be the final
16 license termination.

17 MR. FREEDMAN: Your Honor, at this time
18 I would like to introduce a cross-examination
19 exhibit.

20 ALJ BUSHEY: We'll be off the record.

21 (Off the record.)

22 ALJ BUSHEY: We'll be back on the
23 record. While we were off the record we
24 identified Exhibit 8. This is TURN
25 cross-examination exhibit. It is a response
26 to TURN's data request to SCE No. 004,
27 Question 04.

28 (Exhibit No. 08 was marked for
identification.)

1

ALJ BUSHEY: Mr. Freedman.

2

3

MR. FREEDMAN: Thank you, your Honor.

4

That is the first item in this packet. There

5

are a few data responses here and also a map

6

and testimony from the last nuclear

7

decommissioning cost triennial proceeding

8

sponsored by Edison. I intend to ask Mr.

9

Palmisano about all these items.

10

ALJ BUSHEY: Okay. Please begin.

11

MR. FREEDMAN: Thank you.

12

Q Mr. Palmisano, I'd like you to turn

13

to the first item in the cross exhibit, which

14

is Edison's response to TURN Set 4, Question

15

4. I know you're not the preparer of this

16

response, but are you able to answer

17

questions about it?

18

A I believe I am on this question.

19

Q Great. And this question asks

20

whether the Part 50 license for San Onofre

21

includes the ISFSI and whether a separate

22

license could be obtained for the ISFSI. Do

23

you see that?

24

A Yes, I do.

25

Q And the response states that a

26

separate license is available through the

27

requirements of 10 CFR 72 that would only

28

cover the ISFSI. Do you see that?]

1 A I do.

2 Q So is it your understanding that
3 Edison can obtain a separate Part 72 license
4 for the ISFSI but is not proposing to do so?

5 A That is a correct statement.

6 Q And Edison is not making this
7 proposal because of the challenges or delays
8 associated with obtaining a separate license
9 from the NRC?

10 A Well, fundamentally it would be
11 unnecessary. You may be aware that the NRC
12 allows ISFSI licensing in two different ways
13 originally when ISFSIs were first built for
14 reactors, you had to get a Part 72-specific
15 license, which is a separate licensing
16 process, a separate license issued to a
17 licensee to establish and maintain and
18 operate an ISFSI.

19 Later in time I think -- I believe
20 in the early 1990s, the NRC changed the rules
21 to allow you to license into ISFSI under a
22 Part 50 license, which you had to operate and
23 possess spent nuclear fuel for your operating
24 reactors. They realized managing spent fuel
25 reactors and spent fuel pools was
26 fundamentally no different on a licensing
27 basis than an having it for an ISFSI.

28 So a licensee starting in the '90s

1 had the option to build an ISFSI under a Part
2 50 general license with a license certificate
3 of compliance under Part 72 or go the route
4 of a site-specific Part 72 license. Edison
5 elected to utilize a general license
6 provisions under Part 50. So that is how the
7 current ISFSI and the planned ISFSI, until
8 all the ISFSI demolition, will be maintained
9 under the Part 50 license.

10 As a result in decommissioning we
11 will undergo two license termination
12 processes. At the end nominally of 15 to 20
13 years, we'll go through a license termination
14 for decommissioning the reactors and the
15 power plant per say, which will then reduce
16 the Part 50 license to the ISFSI only, which
17 will then be maintained until the ISFSI is
18 demolished.

19 Q Let me ask you to turn to the next
20 page of the data responses, which is Edison's
21 response to Question 5. And here the
22 question is asked whether "if a separate site
23 license is obtained for the ISFSI, can the
24 Part 50 license for the ISFSI be terminated
25 prior to 2050?" In the response the response
26 states that "If the ISFSI were under a
27 separate Part 72 license based on the current
28 decommissioning schedule, the Part 50

1 operating license could be terminated before
2 2050."

3 Are you suggesting that's already
4 the plan to terminate the Part 50 license for
5 the site before 2050?

6 A It is. Not having prepared this
7 response, the way I would answer that is the
8 current plan will terminate. Or the way to
9 think about it is reduce the Part 50 license
10 at the end of the major decommissioning of
11 the site to reflect the ISFSI only, and that
12 will be the continuing part of the Part 50
13 license.

14 Q And if I were to ask you to turn to
15 the next page then of this cross packet, this
16 is a chart from the U.S. Nuclear Regulatory
17 Commission's website showing facilities on --
18 throughout the United States that have both
19 site licenses and specific licenses for their
20 fuel storage facilities. Is this --

21 A What it shows is the use of the
22 general license or the site-specific license
23 under Part 72, and then it shows also what's
24 pending. So you have a lot of data on the
25 chart.

26 Q If you look at this chart, is this
27 consistent with your understanding that all
28 the nuclear facilities shown in this chart

1 that are on the West Coast with the exception
2 of San Onofre, Columbia, and Palo Verde have
3 separate Part 72 licenses for their spent
4 fuel facilities?

5 A That is what this reflects. That's
6 correct.

7 Q Is that your understanding?

8 A That's my understanding.

9 Q And if I were to ask you to turn to
10 the next page of the cross packet, this is
11 testimony from the last NDCTP by Southern
12 California Edison. You were a witness in
13 that proceeding, were you not?

14 A Yes, I believe I was.

15 Q Okay. I would like you to ask you
16 to turn to what is marked as page 18. The
17 title on the top is "Spent Fuel Monitoring
18 Costs." And this relates to Palo Verde. I
19 understand this is not your testimony. This
20 would be Mr. Opitz's testimony from that
21 case. Do you see that?

22 A I do.

23 Q I just have a very simple question
24 for you about this. Is it -- is it your
25 understanding that -- well, Edison is a part
26 owner of the Palo Verde plant, is it not?

27 A Yes, we are.

28 Q And is it your understanding that

1 the Palo Verde plant -- that the owner
2 operator of that plant, Arizona Public
3 Service, intends to seek a Part 72 license in
4 the future to cover the ISFSI at that
5 facility?

6 A I have no knowledge of their plans.

7 Q Turning to the last page of the
8 cross exhibit, there's Question and Answer 10
9 from TURN Data Request Set 4.

10 Mr. Opitz is the sponsoring
11 witness, but are you able to answer questions
12 about management reporting that is provided
13 to you?

14 A Let me look at the questions for
15 just a minute.

16 Yes, I'm able to answer general
17 questions on this statement.

18 Q And this response describes, does
19 it not, the frequency and format of reporting
20 on the status of decommissioning process?

21 A This specifically talks about the
22 Cost Performance Report.

23 Q Can you describe what the Cost
24 Performance Report includes?

25 A Well, it gives me a monthly report
26 showing me the plant cost for the month, the
27 plant cost for the year-to-date, as well as
28 the plant and forecast costs for year-end.

1 And so basically every month I get a report
2 of actual expenditures versus budget or
3 plant.

4 Q And does this report breakout costs
5 by undistributed and distributed activities?

6 A Yes.

7 Q And do the reports include
8 forecasts of schedule?

9 A No, that's -- there is separate
10 reporting that takes place with respect to
11 schedule performance.

12 Q And what type of report do you
13 receive with respect to schedule and expected
14 completion dates?

15 A I get a monthly report on project
16 schedule status.

17 Q And how widely are these reports
18 distributed within Edison?

19 A They're distributed to the project
20 staff.

21 Q And are these reports provided to
22 the co-owners of San Onofre?

23 A They're shared with the co-owners.

24 Q Are they shared with the co-owners
25 on a monthly basis or some other timeframe?

26 A I believe they're shared monthly.

27 Q All right. So turning to page 15
28 of your testimony, you discuss the use of a

1 formerly known as decommissioning operations
2 contractor now a decommissioning general
3 contractor; is that right?

4 A That is correct.

5 Q To the extent that any schedule
6 delays or cost increases are attributable to
7 performance issues by the DGC, will Edison
8 agree to take responsibility for the results
9 in proceedings before the Commission?

10 A The -- first of all, the
11 decommission general contractor contract has
12 not been awarded yet, so the specific terms
13 and conditions have not been established. It
14 certainly our intent, you know, as -- as one
15 of the owners and the operator of the site
16 and the decommissioning agent, we are
17 responsible for the performance of the
18 decommissioning.

19 Q So do you agree, then, that Edison
20 stands in the shoes effectively of the DGC
21 for any reasonableness reviews conducted by
22 the Commission?

23 MR. MATTHEWS: Objection, to the extent
24 it seeks a legal conclusion.

25 ALJ BUSHEY: A legal conclusion.

26 Mr. Freedman, are you asking for
27 this witness to make a legal commitment or to
28 make a legal conclusion?

1 MR. FREEDMAN: No. I'm asking about
2 positions that Edison intends to assert with
3 respect to reasonable review as it relates to
4 the decommissioning general contractor. We
5 have a unique situation here, and I'm just
6 trying to understand what types of liability
7 ratepayers might have and what types of
8 liabilities Edison might have for poor
9 performance by the DGC.

10 ALJ BUSHEY: But is it within the scope
11 of this witness' testimony to make future
12 commitments about reasonableness reviews?

13 MR. FREEDMAN: Well, your Honor, it is
14 within this witness' testimony to discuss all
15 aspects related to the decommissioning
16 general contractor, including any specifics
17 of any contracts that may be negotiated.
18 This is our one chance to discuss the issue.

19 ALJ BUSHEY: But didn't he just answer
20 that they haven't executed the contract, so
21 he doesn't know what the liability provisions
22 will entail. So hasn't it been -- it seems
23 to me it's been asked and answered to the
24 extent this witness can.

25 MR. FREEDMAN: Okay. I think I'm fine
26 on this one. Thank you, your Honor.

27 ALJ BUSHEY: Okay.

28 MR. FREEDMAN: Thank you,

1 Mr. Palmisano. Those are all my questions.

2 THE WITNESS: Thank you.

3 ALJ BUSHEY: All right. We'll move on
4 down the line then to Mr. Peffer.

5 And, Mr. Peffer, I would ask that
6 you continue Mr. Freedman's good habit of
7 starting us out with a reference to the
8 testimony so we know exactly what it is
9 you're questioning on.

10 MR. PEFFER: Yes, your Honor.

11 CROSS-EXAMINATION

12 BY MR. PEFFER:

13 Q So can I start out by drawing your
14 attention to SCE-01, page 6?

15 A I believe I have that in front of
16 me. Good morning by the way.

17 Q Good morning. And thank you for
18 being here.

19 A Yeah.

20 Q So down at line 5 there's a
21 heading, "Decommissioning Plan," and then you
22 say, "A brief summary of the SONGS 2 and 3
23 decommissioning plan is provided below."

24 What decommissioning plan are you
25 referring to? Is there a separate document
26 that you're summarizing, or is it the state
27 of the current plans that SCE has?

28 A Well, at the time we wrote this

1 testimony in the -- you know, this is the
2 based on the 2014 decommissioning cost
3 estimate at the time we wrote this testimony.
4 The decommissioning plan is outlined in the
5 Post Shutdown Decommissioning Activities
6 Report submitted to the NRC, also provided to
7 the PUC. And that's summarized in the
8 decommissioning cost estimate.

9 Q And is SCE asking that the
10 Commission find that this decommissioning
11 plan is reasonable in this proceeding?

12 A The -- we are asking that -- this
13 is a decommissioning cost estimate proceeding
14 as I understand it, so my understanding is we
15 are asking the decommissioning cost estimate
16 be found as reasonable.

17 Q Okay. And your position is that
18 the decommissioning plan is relevant to a
19 finding of reasonableness for the DCE; is
20 that correct?

21 A Can you clarify what you're asking?
22 I believe I just answered that.

23 Q Well, so let me ask it again. So
24 is it your position that the decommissioning
25 plan is directly relevant to a finding of
26 reasonableness for the decommissioning cost
27 estimate?

28 A It's my position that the

1 decommissioning plan is reflected in the
2 decommissioning cost estimate.

3 Q Okay. And, therefore, is relevant
4 to the reasonableness of the decommissioning
5 cost estimate; is that correct?

6 A In terms of the timeframes and the
7 costs in the decommissioning cost estimate, I
8 would agree to that.

9 Q Okay. And does the decommissioning
10 plan that you provided a summary of include
11 operational decisions by SoCal Edison?

12 A What would you mean by a
13 operational decision?

14 Q Well, what is the normal meaning of
15 the term in your opinion?

16 A I don't know that my opinion is
17 particularly relevant. What do you mean by
18 the question?

19 Q Well, there's been significant
20 debate in this proceeding on what constitutes
21 operational decisions, and that's been --
22 Southern California Edison has taken
23 positions on that.

24 So I'm wondering in your opinion,
25 does this summary include the summary of
26 operational decisions. So for instance, let
27 me elaborate. Would the decision to -- for
28 -- to go cold and dark, for instance -- would

1 that constitute a operational decision per
2 your definition?

3 MR. MATTHEWS: Objection, as to form.
4 Ambiguous.

5 ALJ BUSHEY: Ambiguous. Let's just
6 hold on to that for a minute.

7 Mr. Peffer, could you give me some
8 idea of where we're going with this? I have
9 a fear that it is going to lead us to the
10 scoping memo, but please disabuse me of that
11 notion.

12 MR. PEFFER: What do you mean by go to
13 the scoping memo, your Honor?

14 ALJ BUSHEY: Where are you going with
15 this? Forget everything I've said. What is
16 it that you're trying -- let's back up. What
17 fact not now on the record do you hope to get
18 on the record with this cross-examination?

19 MR. PEFFER: I simply want to find out
20 whether or not this testimony includes
21 operational decisions.

22 ALJ BUSHEY: Includes it in what
23 respect? That --

24 MR. PEFFER: Discusses operational
25 decisions in the context of whether or not
26 those operational decisions are relevant to
27 the reasonableness of the DCE.

28 ALJ BUSHEY: Well, the decommissioning

1 cost estimate is an estimate.

2 MR. PEFFER: Yes.

3 ALJ BUSHEY: It assumes certain things
4 are done, which have -- which are operational
5 or have operational impacts, and most
6 importantly for this purpose, have costs.

7 MR. PEFFER: I understand that, your
8 Honor. And what this goes to is Ms.
9 Gilmore's testimony. And there has been a
10 discussion over whether or not certain issues
11 regarding the reasonableness of the DCE and
12 the context of SoCal Edison's operational
13 decisions is relevant. And that's something
14 that -- essentially, if Mr. Palmisano's
15 testimony covers operational decisions and is
16 relevant and is in scope, then our argument
17 is Ms. Gilmore's is as well.

18 ALJ BUSHEY: Okay. I understand your
19 argument, but this witness' testimony is not
20 about the decision making that led to -- that
21 encompasses the operational decision solely
22 about the cost.

23 MR. PEFFER: I understand that, your
24 Honor.

25 ALJ BUSHEY: So it's a catalog of
26 operational decisions and associated costs.

27 MR. PEFFER: And that's exactly what
28 I'm trying to get to, whether or not a

1 discussion of operational decisions or
2 evidence regarding operational decisions is
3 relevant to the reasonableness of the DCE.

4 ALJ BUSHEY: It has to be, or how could
5 he -- he has to add up the cost of the
6 different operational decisions.

7 MR. PEFFER: Uh-huh.

8 ALJ BUSHEY: That's what's reflected
9 here. But that's obvious from the testimony.

10 MR. PEFFER: Sure. All I want to know
11 is whether or not he characterizes these as
12 operational decisions.

13 ALJ BUSHEY: As making operational
14 decisions, or reflecting that certain
15 operational decisions were made?

16 MR. PEFFER: Reflecting the operational
17 decisions that were made.

18 ALJ BUSHEY: Okay. Is the witness
19 prepared to answer the question?

20 THE WITNESS: I believe I can.

21 ALJ BUSHEY: All right. The witness
22 will answer that question.

23 THE WITNESS: When I think in terms of
24 operational decisions, I think in terms of
25 I'm going to run Pump A versus pump B; I'm
26 going to align a system a certain way when I
27 operate the plant; or even in the current
28 state when I operate the remaining systems.

1 The decommission cost estimates and
2 the decommission plan at this level in this
3 point in time doesn't reflect those
4 operational decisions.

5 MR. PEFFER: Q Thank you.

6 A What it does reflect is decisions
7 on how the sequence and the major activities
8 in terms of how the plant would be
9 dismantled, how the plant would go to NRC
10 license termination, how spent fuel would be
11 managed, is it in the spent fuel pool, is it
12 in the dry cask storage. In my mind those
13 are higher level decisions than operational
14 decisions.

15 Q Okay. So would the selection of a
16 certain cask design be a operational decision
17 or a high level decision as you described?

18 A In my mind --

19 MR. MATTHEWS: Objection, the question
20 is seeking a legal conclusion. That should
21 be directed to your Honor in SCE's opinion.

22 ALJ BUSHEY: Well, that's very
23 flattering, Mr. Matthews, that you believe
24 I'm in a position to make that determination.
25 I am not a nuclear expert, but I believe
26 that --

27 MR. MATTHEWS: Can I clarify?

28 ALJ BUSHEY: Let's clarify that

1 objection.

2 MR. MATTHEWS: SCE has filed a motion
3 to strike that your Honor has already ruled
4 on.

5 ALJ BUSHEY: Uh-huh.

6 MR. MATTHEWS: We've also objected to a
7 number of data requests on the grounds that
8 the selection of Holtec Technology and the
9 selection of other technologies are
10 operational decisions that are excluded under
11 the scoping memo.

12 ALJ BUSHEY: Uh-huh.

13 MR. MATTHEWS: So I think the question
14 is really asking Mr. Palmisano to provide his
15 opinion on what's in scope and out of scope.
16 And I think that question is -- is a question
17 that should be directed to your Honor.

18 ALJ BUSHEY: Right. But that
19 determination would be made on a factual
20 assertion, which I think the witness was
21 about to make. So let's see.

22 Mr. Palmisano, can you answer the
23 question?

24 THE WITNESS: Please -- please start
25 again. What question are you asking?

26 ALJ BUSHEY: And I'd like you to take
27 it in two steps. First, understand what the
28 question is.

1 THE WITNESS: Right.

2 ALJ BUSHEY: And then indicate to me
3 whether you are capable of answering the
4 question. And then we will decide whether we
5 will go ahead and hear your answer.

6 THE WITNESS: Okay.

7 MR. PEFER: Q So under the definition
8 of operational decisions that you just
9 provided, would the selection of a specific
10 canister design or design type constitute a
11 operational decision?

12 A Okay. I believe I understand the
13 question. Do I look at a major decision such
14 as selection of a canister type as a
15 operational decision?

16 Q Yes, that's correct.

17 A In the example I gave you, I gave
18 you the lower level operational decisions of
19 do I run Pump A or Pump B. I really will
20 defer to a legal expert if there's a motion
21 on made on this and a decision made on that
22 motion. I'm not the right person to answer
23 the question.

24 Q Okay. Thank you.

25 One moment.

26 Okay. So can I draw your attention
27 to SCE-01, page 13? At line 8, it says:

28 SCE is currently working with the

1 dry fuel storage vendor to obtain
2 an updated canister design that
3 is expected to be licensed by the
4 NRC to safely accommodate
5 significantly greater heat
6 levels.

7 Did I read that correctly?

8 A Yes, you did.

9 Q Okay. So can you describe this
10 canister design to me? Are you referring to
11 a specific vendor or a general canister
12 design?

13 A At -- at the time this was written,
14 I believe this was referring to a general
15 statement. We were in the bid process for
16 the selection of a vendor.

17 Q Okay. But this statement -- are
18 there certain specifics of canister design
19 that all of the bids that you were
20 considering when you wrote the statement --

21 A Actually, let me -- as I reread the
22 previous sentence and the previous paragraph,
23 this was referring -- at the time before we
24 had selected the new vendor, the Transnuclear
25 -- the Transnuclear 24 PTH canister, they
26 were working at the time on a 32 PTH, which
27 had greater capacity. So this is referring
28 to a product that AREVA NUHOMS Dry Cask

1 Storage System was in the process of
2 licensing. That's what this was referring
3 to.

4 Q And the canister system that SCE
5 actually selected was the Holtec High Storm
6 System; is that correct?

7 A It's the Holtec UMAX System, yes.

8 Q Does it statement apply equally to
9 the UMAX system?

10 A The UMAX system has a higher heat
11 load than the 24 PTH canister allows.
12 Although this statement was not written
13 applying to that, the UMAX system does have a
14 higher rating.

15 Q And are the materials that the UMAX
16 system is made of the same as the material in
17 terms of the actual stainless steel that it's
18 composed of? Is that the same material as
19 the AREVA System that you reference here?

20 MR. MATTHEWS: Objection, beyond the
21 scope of this witness.

22 ALJ BUSHEY: Sustained. This witness
23 is here to talk about cost.

24 MR. PEFFER: Okay, your Honor.

25 Q Okay. So let me draw your
26 attention to SCE-05, page 40.

27 MR. MATTHEWS: That's going to be --

28 THE WITNESS: What is SCE-05.

1 MR. MATTHEWS: That's going to be
2 Exhibit 07.

3 MR. PEFFER: The rebuttal testimony.

4 THE WITNESS: Yeah, I have SCE-05.

5 ALJ BUSHEY: We need to use one form of
6 reference, so I'm going to insist that it be
7 mine. So we've numbered this exhibit as
8 Exhibit 07, so let's stick with that.

9 THE WITNESS: I have Exhibit 07. Thank
10 you.

11 ALJ BUSHEY: Mr. Peffer?

12 MR. PEFFER: Yes, your Honor.

13 Q So -- so page 40 -- and I'm looking
14 at your answer to Question 75. And the
15 question is "What cost information has SCE
16 shared?" And the last sentence you state,
17 "The DCE does not address canister failures,
18 nor does it estimate the costs of a canister
19 failure;" is this correct?

20 A I believe you've read that
21 correctly, yes.

22 Q Okay. And that's your opinion as
23 well?

24 A Yes, the -- the DCE does not
25 explicitly address canister failure.

26 Q Does it implicitly address canister
27 failure?

28 A Not to my knowledge.

1 Q So the DCE does not include any
2 line item or any expense to cover the
3 replacement of canisters that have either
4 aged or become un-useful?

5 A The decommissioning cost estimate
6 includes costs for aging management and
7 maintaining the existing canisters, and we
8 fully expect these canisters to last the time
9 period described in the decommissioning cost
10 estimate.

11 Q Okay. So is the DCE then based on
12 the assumption that the canisters will last
13 for the length of the decommissioning
14 process?

15 A I believe I just answered that, but
16 yes.

17 ALJ BUSHEY: Asked and answered.

18 Please continue, Mr. Peffer.

19 MR. PEFER: Thank you, your Honor.
20 One moment.

21 Q So you state that -- you stated
22 that you believe that the canisters will last
23 for the duration of the decommissioning
24 process; correct?

25 A I stated that, yes.

26 Q What is this opinion based on?

27 A The -- based on the industry
28 experience with canisters since the 1980s of

1 various designs and various materials. Based
2 on the NRC requirements for the license
3 period and for license renewal and Aging
4 Management Program.

5 Q And can you describe this industry
6 experience? Specifically, how much industry
7 experience is there with this specific cask
8 design, the Holtec design, that was selected?

9 A The UMAX system is a fairly new
10 system. It's based on Holtec's previous
11 designs for their vertical storage canisters.
12 The difference here is instead of a
13 standalone concrete vertical enclosure, it's
14 in an underground vertical enclosure. But
15 there's a wealth of experience that Holtec
16 has with their systems, as well as the
17 industry in general with stainless steel
18 canisters.

19 Q And how long -- when you say,
20 "wealth of experience," can you elaborate on
21 that?

22 A Well, since I think the late '80s
23 to early '90s when stainless steel canisters
24 were put in use.

25 Q And are -- the stainless steel
26 canisters that you're referring to, are they
27 all five-eighths inches thick or --

28 A A number of them are a half-inch

1 thick. Five-eighths inch thick was a
2 conservative thing that Edison did back with
3 the original design of the AREVA canister,
4 and we've carried that into the UMAX design.

5 Q And you mentioned the second item,
6 the licensing process -- the NRC licensing
7 process. Can you elaborate on that?

8 A Well, canister designs -- we're
9 talking about the use of the general Part 50
10 license, for example. But in general, the
11 NRC has to license canister systems or cask
12 systems, either one, for fuel storage in this
13 country.

14 So the NRC initially licenses for a
15 20-year period, and after that the vendor or
16 the NRC has to apply for renewal. So the
17 first round of systems are in the process of
18 having their licenses renewed now. For
19 example, our existing AREVA NUHOMS System,
20 which is a horizontal stainless steel
21 canister design. A sister system has just
22 been relicensed in the Calvert Cliffs plant
23 in Maryland. That's an example. So the NRC
24 is in a relicensing process.

25 The canister system is designed for
26 many years, but it's licensed in increments
27 to allow the NRC to periodically review the
28 performance and the requirements before they

1 reissue a license. So in general terms,
2 that's the licensing process for the canister
3 systems.

4 Q So the current system, the Holtec
5 System, has not been licensed for more than
6 20 years at this point?

7 A The initial period for any system
8 is 20 years.

9 Q Okay. And in considering that
10 license, did the NRC consider aging issues or
11 the lifespan of the system?

12 MR. MATTHEWS: Objection, outside --
13 objection, outside the scope of the
14 proceeding.

15 MR. PEFFER: Your Honor, if I may
16 respond? We've already established that the
17 DCE is based on the assumption that these
18 canisters are going to last for the duration
19 of the decommissioning process.

20 ALJ BUSHEY: Repeatedly we've
21 established that, yes.

22 MR. PEFFER: Yes, your Honor. So the
23 question of lifespan is relevant, and I'd
24 like to know what the basis for the claims
25 that these are going to last the entire
26 decommissioning process is.

27 ALJ BUSHEY: For what purpose?

28 MR. PEFFER: For establishing the

1 reasonableness of that assumption. This is
2 an underlying assumption for the DCE.

3 ALJ BUSHEY: Right. But this agency
4 does not issue the 20-year license and will
5 not.

6 MR. PEFFER: Right.

7 ALJ BUSHEY: That's an issue before the
8 NRC. And it's been issued? Has the license
9 been issued?

10 THE WITNESS: For the AREVA System, the
11 license was issued and we're in the first
12 20-year period. The UMAX System has zero
13 licenses issued and one is going to be issued
14 in September. So the NRC has decided on the
15 initial 20-year licensing period for these
16 systems.

17 ALJ BUSHEY: Right. The important
18 point was those licenses were issued by the
19 Nuclear Regulatory Commission.

20 THE WITNESS: Right.

21 MR. PEFFER: Yes, your Honor. And.
22 The witness offered that as support for the
23 assumption that the canisters will last for
24 the duration of decommissioning, so I'd
25 simply like to address his claim.

26 ALJ BUSHEY: Are you disputing that the
27 Nuclear Regulatory Commission issued these
28 licenses?

1 MR. PEFFER: No, I'm -- I would like to
2 elaborate on that and see what evidentiary
3 value that has, if any, and what support, if
4 any, that has for the position that these
5 canisters will last.

6 ALJ BUSHEY: Well, Mr. Peffer, if you
7 want to challenge the Nuclear Regulatory
8 Commission's issuance of that license, you
9 have to do that at the Nuclear Regulatory
10 Commission. This witness is relying on
11 evidence that the has been issued and here is
12 the cost estimate that goes along with it.

13 MR. PEFFER: Yes, your Honor. I'd like
14 to get in the record what the fact of the
15 license being issued means and whether or not
16 that provides any support at all for the
17 DCE's assumption that the underlying --
18 underlying assumption that the canisters are
19 going to last for the duration.

20 ALJ BUSHEY: I assume the license is a
21 public document?

22 THE WITNESS: It is a public document.
23 Correct.

24 ALJ BUSHEY: It speaks for itself. I'm
25 trying to get what -- again, what fact not
26 now on the record do you wish to get on the
27 report from this witness that's relevant to
28 this proceeding?

1 MR. PEFFER: Right, your Honor. I can
2 move on.

3 ALJ BUSHEY: Sounds good.

4 MR. PEFFER: One moment, your Honor.

5 ALJ BUSHEY: Okay.

6 MR. PEFFER: Q So are there any other
7 items that provide a basis for support for
8 your assertion -- the underlying assumption
9 in the DCE that the canisters will last for
10 the duration of decommissioning?

11 A Could you be more specific?

12 Q Well, you've offered two pieces of
13 -- you know, two claims of support for that
14 assumption. Are there any others?

15 A What two claims are you referring
16 to just to refresh my memory?

17 Q The industry practice and the --
18 the NRC license.

19 A So industry experience --

20 Q Uh-huh.

21 A -- with canisters and cask systems.
22 The NRC license.

23 Probably what I would point out --
24 not to get us into the NRC too deeply. The
25 current NUHOMS system at San Onofre, which
26 has fifty canisters loaded has a 20-year
27 period. The sister system has been renewed
28 for an additional 20 years. The NRC has

1 acted on that. So I have high confidence
2 that the licenses will be renewed for the
3 period, and the canisters, with proper
4 maintenance, will continue to perform
5 effectively through the decommissioning
6 period.

7 Q So the DCE does not specifically
8 state that it assumes that the canisters will
9 last for the duration of decommissioning;
10 correct? That's not included as one of the
11 enumerated assumptions?

12 A As far as it being an explicit
13 assumption, I don't recall if that's stated
14 explicitly or not.

15 Q Was that a decision by SCE or the
16 consultants, or was it just something that
17 was left out?

18 A Was what the decision?

19 Q The decision not to state that
20 assumption.

21 A Oh, I -- I don't -- that I don't
22 know. That I don't know.]

23 Q So have any of the current
24 canisters at San Onofre been inspected?

25 A Inspected for what?

26 Q For through-wall cracking or the
27 signs partial through-wall cracking?

28 A No.

1 MR. MATTHEWS: Objection. Outside the
2 scope.

3 ALJ BUSHEY: It is outside the scope,
4 but it seems to be a simple answer. So let's
5 just -- I'll hold on to your objection, and
6 let's let the witness answer and see where
7 that goes.

8 THE WITNESS: The canisters are not
9 inspected to date for through-wall cracking
10 of the canister itself.

11 MR. PEFFER: Q And is there currently
12 technology available for testing canisters
13 for through-wall cracking?

14 A There's technology. There's not
15 tooling developed.

16 Q Okay. Can you elaborate on
17 tooling? What does that mean?

18 A Well, let me explain the
19 difference. We have the ability to inspect
20 stainless steel for cracking. We have done
21 it in many different systems, in tanks, in
22 piping systems and other vessels. We've done
23 it underwater. We've done it in high
24 radiation areas. That's what I mean the
25 technology exists. The tool would have to be
26 adapted for the canister.

27 Q And when you inspect it -- is the
28 technology that's currently available able to

1 inspect the part of the canister that is
2 embedded in concrete or buried underground?

3 MR. MATTHEWS: Objection. Same
4 objection.

5 ALJ BUSHEY: Yes, Mr. Matthews, I think
6 it's about time to sustain your objection.
7 Mr. Peffer, we're talking about the
8 decommissioning cost estimate here. This is
9 not a general review of all of their
10 operations.

11 MR. PEFFER: Your Honor, I understand
12 that, but this is directly relevant to the
13 life span of the canisters, and that's
14 relevant to the reasonableness of the DCE.
15 The scoping memo specifically identifies
16 assumptions, reasonableness assumptions as
17 one of the areas that is in scope.

18 ALJ BUSHEY: Right. And you know very
19 clearly from the testimony that their
20 assumption is that the canisters will last.
21 There's no doubt about that. We've covered
22 that point several times. We're now off in
23 the land of potential techniques to inspect
24 them. That's not within the scope.

25 MR. PEFFER: Your Honor, we've
26 established that they have that assumption.
27 Now I'd like to speak to the reasonableness
28 of that assumption and ask questions

1 regarding the reasonableness of that
2 assumption.

3 ALJ BUSHEY: Right. And I allowed you
4 to do that. And now you've gotten to the
5 point where they have explained that they do
6 not have the tools to implement the
7 technology that they use in other
8 circumstances.

9 MR. PEFFER: I'd also like to find out
10 whether or not they have the tools for
11 inspecting the parts that are embedded in the
12 concrete.

13 ALJ BUSHEY: I think he just said no,
14 right?

15 MR. PEFFER: Q Did you answer?

16 A I'm not sure what you mean by the
17 parts embedded in concrete.

18 Q The underground part of the system.

19 A That is not embedded. That is
20 removable and can be withdrawn properly
21 handled for inspection.

22 Q Okay. So can I draw your attention
23 to SCE-01, 7 2 to 7 5?

24 A What page references?

25 Q I'm sorry. Page 7, line 2?

26 A Page 7, line 2.

27 Q You say:

28 As part of this effort, SCE

1 performed extensive benchmarking
2 with two other nuclear units that
3 were also recently permanently
4 retired, Crystal River and
5 Kewaunee.

6 I believe.

7 A That is correct.

8 Q So can you just give me a brief
9 description of this benchmarking process?

10 A Certainly. Let me read the part of
11 the paragraph that starts on page 6 so I have
12 the right context. Yes. This refers, once
13 we made the decision to permanently cease
14 operations in June of 2013, we then --
15 benchmarking refers generally to visiting and
16 examining and assessing how other plants or
17 facilities are doing business in a similar
18 situation. That's generally what
19 benchmarking means.

20 So we chose Crystal River and
21 Kewaunee, both of whom had decided to cease
22 operations and were ahead of us in the
23 planning process for decommissioning. So we
24 went and looked, what were the requirements,
25 what were their plans, what have they
26 concluded and why, and how might it be
27 applicable to San Onofre.

28 Q And does that benchmarking include

1 the review of the decommissioning cost
2 estimates for those plants?

3 A Not necessarily, no.

4 Q In the case -- in this case did it?

5 A Not necessarily, no.

6 Q Has SCE reviewed the
7 decommissioning cost estimates for other
8 plants either as part of the preparation of
9 the decommissioning cost estimate in this
10 proceeding or as part of the application in
11 this proceeding?

12 A What we did in this case, you know,
13 realize this is what the NRC calls a
14 site-specific decommissioning cost estimate.
15 So in selecting the contractor, Energy
16 Solutions, we brought in their industry
17 experience coupled with our experience with
18 previous cost estimate work for San Onofre.
19 So that's how we brought in industry
20 experience was really through Energy
21 Solutions. Because it's not an
22 apples-to-apples comparison. When you go to
23 Kewaunee and Crystal River that were built
24 and designed ten years earlier to simpler
25 standards, much smaller facilities, it's very
26 difficult to do an apples-to-apples
27 comparison.

28 Q Aside from an apples-to-apples

1 comparison, was there any review of the other
2 plant's decommissioning cost estimate?

3 A Not as part of this benchmarking
4 effort.

5 Q As part of the process, any process
6 related to this application, including
7 preparation of the DCE?

8 A Not as part of preparation of the
9 DCE.

10 Q Was any process related to this
11 application?

12 A That's too broad a question. I'm
13 not aware of how to bound. I'm not sure what
14 you're asking.

15 Q So you're not aware of SoCal Edison
16 reviewing the DCEs for other plants at all in
17 relation to the San Onofre decommissioning?

18 A Other than understanding that they
19 had been filed and what the value was, we did
20 not compare our DCE to other plants.

21 Q Thank you. So SCE-01, page 14.

22 A I have that page.

23 Q Thank you. And this page discusses
24 SoCal Edison's assumption that the DOE will
25 start accepting fuel from commercial nuclear
26 industry in 2024; is that correct?

27 A That is correct.

28 Q Okay. Is there a specific facility

1 that SCE expects to be online by 2024 to
2 accept the spent fuel?

3 A Not necessarily.

4 Q What are the possible facilities
5 that you're aware of that could be available
6 by 2024 to accept spent fuel?

7 MR. MATTHEWS: Objection.

8 ALJ BUSHEY: Sustained. This witness
9 is not the expert from the Department of
10 Energy. He stated what his assumption was,
11 and there.

12 MR. PEFFER: It goes to the
13 reasonableness of the assumption, your Honor.

14 ALJ BUSHEY: But again, we're not --
15 this is not the Department of Energy.
16 They're making their decisions. They're
17 looking at whatever sites they're looking at,
18 and they have whatever timetable they have.
19 This is the -- he's clearly articulated what
20 the assumption is in the decommissioning cost
21 estimate.

22 MR. PEFFER: I'm just simply asking
23 what the basis for that assumption is.

24 ALJ BUSHEY: And he answered the
25 information from the Department of Energy.

26 MR. PEFFER: I don't believe he
27 answered or identified specific information
28 from the Department of Energy, your Honor.

1 ALJ BUSHEY: Let's let the witness
2 answer that question. What was the basis of
3 your selection of the year 2000 -- what was
4 it -- 24?

5 THE WITNESS: 24. If you look at the
6 testimony that you're referencing starting an
7 line 3 and read that paragraph, it explains a
8 decision adopted by the Commission in a
9 previous proceeding that assumed 2020 for DOE
10 start pick up of fuel from the industry.

11 And then as you go down through the
12 remaining sentences in the next paragraph it
13 explains there has been no new information
14 from Department of Energy. So we simply
15 added four years to that since the time of
16 the previous assumption in the previous
17 Commission proceeding. That's the basis.

18 MR. PEFFER: Q And there's no other
19 information that provides support for this,
20 to your knowledge; is that correct?

21 A So let me read it again. DOE has
22 not provided any new, definitive, or binding
23 information.

24 Q And it's not based on any
25 connection to a real world project or
26 facility?

27 A I think I've really answered it.

28 MR. MATTHEWS: Objection,

1 argumentative.

2 ALJ BUSHEY: Asked and answered. It
3 was answered in the text of the testimony.

4 MR. PEFER: Thank you, your Honor.

5 Q So page 38 of your rebuttal
6 testimony, Exhibit 7.

7 A Rebuttal testimony. Thank you.
8 Yeah, I have page 38.

9 Q I'm looking at your response to
10 Question 71 where you describe the fact that
11 the Holtec system has been -- just one
12 second. You state that Holtec has also
13 submitted an amendment to the NRC that
14 upgrades the seismic capability of the
15 HI-STORM UMAX system; is that correct?

16 A Are you reading lines 17 and 18?

17 Q I believe I am.

18 A That is correct.

19 Q As of today's date has the Holtec
20 system been approved for use at San Onofre?

21 MR. MATTHEWS: Objection. Outside the
22 scope of the proceeding to the extent that
23 we're talking about current licensing
24 activities, and question is not related to
25 the decommissioning cost estimate.

26 ALJ BUSHEY: Well, it could be related
27 if it's been denied, if the NRC has denied
28 this amendment. Why don't we turn this

1 around to a status question. What is the
2 status of that amendment?

3 MR. PEFFER: Q What is the status of
4 that amendment?

5 A The status is on the top of page
6 39, lines 1 through 7, and it is accurate to
7 my knowledge. The NRC has decided to approve
8 the amendment. They are proceeding with
9 what's called direct final rulemaking and
10 have indicated to us it will be published in
11 the Federal Register in September. And it
12 becomes effective after it's published. So
13 that will provide the seismic qualification
14 for the higher seismic areas.

15 Q So on page 39 looking at lines 6
16 and 7 you state that SCE expects the NRC
17 direct final rule implementing the amendment
18 will be effective September 8, 2015; is that
19 correct?

20 A At the time we wrote this, that was
21 correct.

22 Q Okay. What is the basis for your
23 expectation the NRC will approve the direct
24 final rule?

25 A I think the NRC has already
26 published --

27 Q Has it been approved?

28 A -- that they are proceeding with

1 direct final rulemaking and will publish in
2 the final rule in the Federal Register in
3 September. That's a matter of public record
4 which you can look up.

5 Q And is that process subject to
6 public comment?

7 A Public comment period is closed.
8 The information I have is there were no
9 substantive public comments that would
10 prevent direct rulemaking.

11 Q Where is that information from?

12 A Discussions with the NRC.

13 Q Can you be more specific? Is there
14 a --

15 A A spent fuel project office in the
16 NRC. And you can reach out to them publicly.
17 So.

18 Q And was that -- so that's not an
19 official NRC statement. It's just something
20 that -- a conversation that you had with
21 them?

22 A Last status that I had from them,
23 correct. But I think they have published
24 officially in the Federal Register about
25 their intent. So that's a matter of public
26 record that you can pull up.

27 Q So Question 80, same exhibit.

28 A Do you have a page number

1 reference?

2 Q Yes. It's page 42.

3 A Page 42. I have that. Thank you.

4 Q So in your response you discuss the
5 aging management program. Do you discuss
6 through-wall cracking?

7 A Do you have a line item reference
8 here that you're interested in?

9 Q In your response. So let me
10 rephrase that.

11 Do you believe that through-wall
12 cracking is an aging issue that applies to
13 these canisters?

14 A I believe that cracking is a
15 potential issue that applies to these
16 canisters, and that's the reason the NRC will
17 require an aging management program for the
18 subsequent license removal period. And we
19 will comply with all the requirements that
20 the NRC imposes for aging management or
21 monitoring of the canisters.

22 Q And addressing through-wall
23 cracking would be part of that aging
24 management program?

25 A Again, we'll comply with all the
26 requirements that the NRC imposes in the
27 aging management programs for the relicensing
28 of the canisters.

1 Q Is there a standard aging
2 management program or a set of standards that
3 you intend to comply with?

4 A I would refer you to the NRC's
5 material on licensing and relicensing of
6 canisters and dry cask storage systems.

7 Q To your knowledge as of today, does
8 the NRC require the addressing of
9 through-wall cracking and aging management?

10 A If you look at the relicensing
11 that's been done. And I keep referencing
12 Calvert Cliffs because it's a sister plant to
13 our current system. They have been
14 relicensed. If you go look at that publicly
15 available document, it contains the
16 requirements.

17 Q Right. But I'm asking you whether
18 or not those requirements contain or address
19 through-wall cracks to your knowledge?

20 MR. MATTHEWS: Objection. Asked and
21 answered.

22 ALJ BUSHEY: Sustained. Mr. Peffer,
23 they're going to do that at the NRC. So
24 let's move on.

25 MR. PEFFER: Okay. Your Honor, if
26 you'll allow it, I'd like to allow Ms.
27 Gilmore to ask a couple of questions. She's
28 appearing as an advocate as well as a witness

1 in this proceeding.

2 ALJ BUSHEY: And you're not capable of
3 asking these questions?

4 MR. PEFER: Well, she would like to --
5 I'd like her to ask the questions.

6 ALJ BUSHEY: All right. Ms. Gilmore,
7 how many questions do you have?

8 MS. GILMORE: I'll stick to a narrow
9 area so this doesn't take forever.

10 ALJ BUSHEY: I think that sounds like a
11 very good idea. We need to conclude for the
12 morning in about ten minutes or so. So it
13 would be nice if you could complete your
14 questions in the next ten minutes.

15 CROSS-EXAMINATION

16 BY MS. GILMORE:

17 Q What I'd like to do is go back to
18 one of the answers that you gave him where
19 you said your confidence in the canister life
20 was partly due to operational experience,
21 right?

22 A Unless you want to re -- I said
23 something to that effect, yes.

24 Q Yeah. And the tools don't exist,
25 as you said, the tools don't exist yet to
26 inspect. So was there some other operational
27 experience that you looked at since the tools
28 don't exist to inspect these canisters? Is

1 there some other operational experience that
2 was used?

3 A Yeah. The operational experience
4 I'm referring to is fairly broad. It's
5 operation with stainless steel components in
6 nuclear power plants in various applications.
7 And it's particularly operating experience
8 with dry fuel storage canisters and casks
9 that have been in service since the late '80s
10 in this country. So broadly it's the
11 operational experience with materials like
12 stainless steel in different applications and
13 the performance of canisters and casks.

14 MS. GILMORE: Was the exhibit, did you
15 turn that in?

16 ALJ BUSHEY: Ms. Gilmore.

17 MS. GILMORE: Q In terms of
18 operational experience, are you aware of the
19 NRC's operational experience regarding the
20 components at other nuclear plants?

21 A Can you be more spec --

22 MS. GILMORE: Can you give that to him?

23 THE WITNESS: Can you be more specific?

24 MS. GILMORE: Q Well, for example, on
25 October 5th, 2014, Darrell Dunn, the stress
26 corrosion and cracking expert for the NRC, he
27 said because we -- you don't have the ability
28 to inspect for cracks in containers filled

1 with spent nuclear fuel, they had to look at
2 other components at nuclear plants. And one
3 of the plants they looked at was the Koeberg.
4 Are you familiar with the Koeberg nuclear
5 plant component that had a through-wall crack
6 in 17 years?

7 A I believe --

8 MR. MATTHEWS: Objection. Objection.
9 Vague.

10 MS. GILMORE: This is related to the
11 assumption -- he said based on operating
12 experience was one of his assumptions that
13 these canisters would last the life of
14 decommissioning. And that's --

15 ALJ BUSHEY: But he specifically ties
16 his experience to stainless steel canisters
17 generally, not anything in particular.

18 MS. GILMORE: Right. Because I'm
19 asking for a particular one to support that
20 assumption. He hasn't given any examples of
21 canisters that support that assumption. He
22 just kind of made a broad statement.

23 ALJ BUSHEY: Right. He made a broad
24 statement. Now you're asking about a
25 specific fact pattern in a specific location,
26 correct?

27 MS. GILMORE: Right.

28 ALJ BUSHEY: All right. So his

1 question is yes or no. The answer is yes or
2 no to that question.

3 MS. GILMORE: Q Okay. So are you
4 familiar with the issue of the container that
5 failed in 17 years at the Koeberg plant?

6 MR. MATTHEWS: Objection, your Honor,
7 on hearsay grounds as well as --

8 ALJ BUSHEY: Hearsay. Lack of
9 foundation.

10 MR. MATTHEWS: As well as lack of
11 foundation. The question is also compound.
12 And if I can briefly explain.

13 ALJ BUSHEY: Yes, please.

14 MR. MATTHEWS: She read from an NRC
15 report which is not in front of the witness.
16 It's not in front of your Honor. She quoted
17 from the report, you know, reference's a name
18 in the report. It's just a compound question
19 with hearsay that's vague.

20 ALJ BUSHEY: Let's break it down, and
21 let's start with the first simple question.
22 Are you aware of this purported event?

23 THE WITNESS: The one I'm aware of if
24 it's the Koeberg plant in South Africa, I
25 believe?

26 MS. GILMORE: Correct.

27 THE WITNESS: It was a refueling water
28 storage tank.

1 MS. GILMORE: Correct.

2 THE WITNESS: Which was not a dry fuel
3 storage canister.

4 MS. GILMORE: Correct.

5 THE WITNESS: Is that what you're
6 referring to?

7 MS. GILMORE: Yes.

8 THE WITNESS: I have some awareness of
9 it.

10 MR. PEFFER: Your Honor, we have
11 cross-examination exhibits if we can approach
12 the bench.

13 ALJ BUSHEY: Where are we going with
14 this? It doesn't sound like this has any
15 relevance.

16 MS. GILMORE: Well, the relevance here
17 is the assumption that these canisters are
18 going to last and the basis for that
19 assumption, questioning the basis for that
20 assumption, because we have data that the NRC
21 themselves has produced to show operating
22 experience shows that similar material,
23 similar components can fail in 17 years.

24 ALJ BUSHEY: The witness has already
25 explained that. That's a different type of
26 system.

27 MS. GILMORE: The NRC considers this
28 the closest they have because no one has been

1 able to ever inspect a canister because
2 technology doesn't exist, the tools don't
3 exist to even know if these canisters are
4 currently cracking. So that was the next
5 best thing they had to use was components
6 made out of the same kind of material
7 manufactured the same way that the NRC
8 considers comparable to these containers.

9 ALJ BUSHEY: Right. And this
10 information is all in front of the NRC, and
11 they had that available to them when they're
12 making apparently their decision now to
13 license this particular --

14 MS. GILMORE: They license for 20
15 years, but in the approval for the UMAX they
16 specifically state, and we have that exhibit,
17 that they -- it's out of scope -- we're
18 familiar with that term -- it's out of scope
19 to consider anything that might happen after
20 20 years when they approve it. They do not
21 consider it.

22 And why it's important to consider
23 it here is we have to pay for that. And so
24 the NRC doesn't care after 20 years, but we
25 care because we need to have some assurance
26 that these are going to last so that we don't
27 need to buy these canisters again. That's
28 the whole point.

1 ALJ BUSHEY: Right. And Ms. Gilmore,
2 that is very fine policy arguments that you
3 can make in your brief.

4 MS. GILMORE: Okay. But we need to get
5 on the same page with the data. What I'm
6 trying to establish is, are we dealing with
7 the same facts here? And he said he made an
8 assumption based on operating experience.
9 And I'm asking about the op --

10 ALJ BUSHEY: He's already answered.
11 He's already answered.

12 MS. GILMORE: Q So you're familiar
13 with the Koeberg plant? You're familiar that
14 it failed in 17 years?

15 ALJ BUSHEY: Okay. Ms. Gilmore, you
16 have made a lot of testimony yourself.

17 MS. GILMORE: Okay.

18 ALJ BUSHEY: Okay. The purpose of
19 cross-examination is to cross-examine the
20 witness. The witness did not even address
21 this topic, this specific plant.

22 MS. GILMORE: He didn't address any --
23 any examples.

24 ALJ BUSHEY: Again, that's testimony
25 that you can make, that's policy argument
26 that you can make in your brief.

27 MS. GILMORE: Q Okay. Are you
28 planning to repair canisters? Is that part

1 of your assumption that you'll be able to
2 repair canisters or that there will be no
3 repairs needed?

4 MR. MATTHEWS: Objection. Compound.

5 ALJ BUSHEY: And isn't asked and
6 answered?

7 MR. MATTHEWS: Asked and answered.
8 Those were like three or four questions.

9 ALJ BUSHEY: And it's in the testimony.

10 MS. GILMORE: Okay.

11 ALJ BUSHEY: He's read the testimony
12 three times.

13 MS. GILMORE: So are you -- okay. So
14 that you are aware -- okay. So he's already
15 answered that there's no repair technology
16 right now that exists. Was that already
17 answered?

18 ALJ BUSHEY: It doesn't matter. In the
19 decommissioning cost estimate they've made no
20 cost estimate for repairs.

21 MS. GILMORE: For repairs, for
22 replacements. Okay.

23 Q If you had to add that, is that
24 something that could be -- that you would be
25 able to estimate? Is that something that you
26 considered?

27 A When you say if that's something I
28 considered, that's a very broad question. I

1 mean can you be a little more specific?

2 Q If your assumption that you're not
3 going to have to repair or replace, did you
4 consider that, and did you have -- did you
5 consider that as a possibility?

6 A Okay. So let me provide an answer
7 on two levels. First, we fully expect both
8 dry storage systems, the current one and the
9 new Holtec UMAX system, to last with normal
10 maintenance, inspection, and monitoring,
11 which will be required, as you know, in the
12 future, to last the life of the
13 decommissioning. We do expect that.

14 Secondly, the decommissioning cost
15 estimate itself is in a sense a living
16 document that has to be periodically updated.
17 It's not a document that's done once and then
18 is valid for the next 40 years. It will be
19 updated periodically in these proceedings as
20 we gain more experience in plan
21 decommissioning and as we gain experience
22 with, you know, the activities during
23 decommissioning.

24 Q So do I take that as a no, that you
25 didn't consider the contingency for having to
26 replace the canisters then?

27 A At this point we don't think it is
28 a realistic possibility that we're going to

1 have to replace canisters.

2 Q So we have no information as to
3 what that would cost then; is that correct?

4 A And I answered that earlier. We
5 did not cost that.

6 Q Okay. So we don't have that.
7 Okay. And are you aware that the coastal
8 environment that we're in is a significant
9 corrosion factor?

10 MR. MATTHEWS: Objection.
11 Argumentative.

12 ALJ BUSHEY: Ms. Gilmore.

13 MS. GILMORE: Too much on that.

14 ALJ BUSHEY: No. Ms. Gilmore, listen
15 to me.

16 MS. GILMORE: Okay.

17 ALJ BUSHEY: You are arguing this
18 witness.

19 MS. GILMORE: Okay.

20 ALJ BUSHEY: You are talking over this
21 witness, which drives our court reporters
22 insane.

23 MS. GILMORE: Sorry about that. This
24 is my first time. So I'm learning.

25 ALJ BUSHEY: Okay. Ms. Gilmore, focus
26 on fact that you want from this witness, not
27 a general discussion about topics, a
28 particular fact that's directly related to

1 the decommissioning cost estimate. Is there
2 any fact that you would like to get on the
3 record that's not now on the record?

4 MS. GILMORE: Okay. All right. Switch
5 gears.

6 Q On the -- I don't have the page
7 with the spent fuel. So not counting that.

8 So are you aware that the NRC is
9 not considered -- are you aware that the NRC
10 is considering allowing five years for
11 technology to be developed? Is that what you
12 were talking about?

13 A I'm not aware of that fact.

14 Q All right. And you mentioned
15 possibly using a transport cask if there is a
16 failure in your -- one of your question
17 responses?

18 A Can you give me reference to a
19 question and a page number, a line number,
20 please?

21 Q Yeah. Hold on.]

22 Page -- it's Question 76, rebuttal
23 testimony, page -- page 40 -- 40 and 41?

24 A I -- I have page 40 of my rebuttal
25 testimony, Question 76, starting at line 18.

26 Q Right. And it's on page 41. Oh,
27 no. It's on page -- sorry about that. Page
28 40. 76 starts on page 40 and ends on -- oh,

1 it doesn't end on 41. It ends on 40. Okay.
2 Page 40.

3 And on line 22, "Another mitigation
4 option is to stage a transfer cask that can
5 be used for long-term storage of any
6 compromised canisters."

7 Does the decommissioning estimate
8 include costs for using a -- for casks for
9 this purpose?

10 MR. MATTHEWS: Objection, vague.

11 ALJ BUSHEY: I was thinking that it's
12 answered in the testimony in the question --
13 or the response above it, Response 75.

14 MS. GILMORE: Okay. I just wanted.

15 ALJ BUSHEY: Do you have any further
16 questions, Ms. Gilmore?

17 MS. GILMORE: One second. I don't know
18 where the pool one went so -- can I -- I'm
19 missing one area that I was looking for
20 regarding the spent fuel pool, so I don't
21 have a reference. Can I come back and -- and
22 ask that question after?

23 ALJ BUSHEY: Why don't we hold that for
24 the end of all of the cross-examination?
25 Maybe one of the other parties will ask a
26 similar question.

27 MS. GILMORE: Okay.

28 ALJ BUSHEY: Does that complete your

1 questions then for the moment?

2 MS. GILMORE: Okay. For the moment,
3 yeah.

4 ALJ BUSHEY: All right. We will be
5 adjourned until 1:30 when we will resume
6 cross-examination with Mr. Geesman and then
7 move on to Mr. Lutz.

8 MS. SALUSTRO: Your Honor, a
9 housekeeping measure?

10 ALJ BUSHEY: Yes.

11 MS. SALUSTRO: Could we please have
12 cross-exam exhibits shared ahead of the
13 witness taking the stand that they refer to?

14 ALJ BUSHEY: That would be preferred.
15 Unless it's --

16 MS. SALUSTRO: Impeachment, yes.

17 ALJ BUSHEY: Yes.

18 We will be off the record.

19 (Whereupon, at the hour of
20 11:48 p.m., a recess was taken until
1:30 p.m.)

21 * * * * *]
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1 AFTERNOON SESSION - 1:30 P.M.

2

3 * * * * *

4 ALJ BUSHEY: We'll be back on the
5 record.

6 We are in the midst of
7 cross-examination. Mr. Peffer had completed
8 his as well as Ms. Gilmore, so we're now on
9 to Mr. Geesman.

10 THOMAS PALMISANO,
11 resumed the stand and testified further as
12 follows:

13

14 CROSS-EXAMINATION

15 BY MR. GEESMAN:

16 Q Mr. Palmisano, hello.

17 A Good afternoon.

18 Q John Geesman for the Alliance for
19 Nuclear Responsibility. It's good to see
20 you.

21 A Good to see you, sir.

22 Q My questions are focused on your
23 rebuttal testimony, which the judge has
24 identified as Exhibit 07.

25 ALJ BUSHEY: Mr. Geesman, before I
26 forget, while we were off the record, we
27 identified another exhibit just for
28 housekeeping purposes.

1 Exhibit 09 is the witness
2 qualifications for Edison's rebuttal
3 testimony.

4 Sorry for the interruption, but
5 please continue.

6 (Exhibit No. 09 was marked for
7 identification.)

8 MR. GEESMAN: Thank you, your Honor.

9 Q I want to focus you on page 21 of
10 your rebuttal testimony, the sentence that
11 begins on line 8 and runs through line 11.
12 And let me read it to you.

13 Moreover, if SCE was able to
14 participate in an exchange that
15 would accelerate the pick up of
16 fuel from SONGS, these
17 requirements would still not
18 impose a constraint. This is
19 because no restrictions exist for
20 the transportation of SONGS 2 and
21 3 fuel on public roads.

22 My first question is would you
23 distinguish for me between any restrictions
24 that would apply to SONGS Unit 1 fuel and
25 SONGS Unit 2 and 3 fuel on public roads?

26 A Certainly. Give me a minute to
27 read the whole paragraph, and I'll give you
28 an answer on it.

1 Q Sure.

2 ALJ BUSHEY: And while the witness is
3 doing that, Mr. Geesman, the page number
4 again?

5 MR. GEESMAN: 21.

6 THE WITNESS: Okay. So that paragraph
7 with the sentence starting with "Moreover" on
8 line 8 on page 21?

9 MR. GEESMAN: Q Yes.

10 A So if you look at the entire
11 paragraph and the answer starting on page 21,
12 23, it's talking about the sequence and the
13 dates that SONGS 1 fuel -- the DOE may pick
14 up SONGS 1 fuel. Then it goes on to SONGS 2
15 and 3.

16 What it notes are the restrictions
17 on SONGS 1 fuel and the canister system its
18 stored in there is some decay time before
19 it's eligible to be shipped over public
20 roads. That's what it's referring to in the
21 restrictions. With SONGS 2 and 3 fuel, it
22 notes no restrictions fuel exists. SONGS 2
23 or 3 fuel needs to meet decay requirements,
24 but by that time there will be no
25 restrictions for SONGS 2 and 3.

26 Q By 2030?

27 A Yeah, I think it says before 2030,
28 so I'm reading into that as early as 2027 for

1 SONGS 2 and 3 fuel.

2 Q Now, could you elaborate a little
3 bit on how an exchange scenario would --
4 would unfold where Edison would be able to
5 participate in a swap of some sort that would
6 accelerate the pick up of fuel?

7 A Yeah. What this refers to --
8 envisioned under the Nuclear Waste Policy Act
9 is a sequence for the Department of Energy to
10 take fuel from various nuclear sites. And I
11 don't have the details at my fingertips, but
12 there was a queue set up with slots allocated
13 to different licensees.

14 So Southern California Edison and
15 SONGS might be eligible -- might be in the
16 queue to ship three canisters and five
17 canisters the following year, and then
18 interspersed are all the other licensees. So
19 what is really envisioned when the Department
20 of Energy is ready to accept fuel -- there
21 will be an s exchange between the utilities.
22 Okay, that an operating plant which has
23 adequate onsite fuel storage has no need to
24 take their slots in a queue in a given year.
25 I might offer to trade some of my later slots
26 for their earlier slots.

27 So that's the exchange that's
28 envisioned. It's really an exchange between

1 utilities between the slots in the DOE queue.

2 Q Currently do decommissioned plants
3 have priority in that queue?

4 A No. The way the queue is set up,
5 decommissioned plants themselves don't
6 necessarily have priority. It's set up
7 really with all the plants operating, and the
8 queue was set up based on that.

9 Q Can I turn your attention then to
10 -- to page 20, and your answer to Question
11 39. The sentence that starts on line 12:
12 "SCE will continue to update its DOE
13 assumptions regarding the DOE's performance
14 as new information becomes available."

15 Could you describe what process you
16 follow to -- to monitor whether new
17 information has become available?

18 A Let me read the previous sentence
19 and question as well just for context. Just
20 one minute.

21 So restate the question please,
22 then?

23 Q How does Edison go about
24 determining whether, quote, "new
25 information," has become available or not?

26 A Well, we're talking about new
27 information with respect to DOE's anticipated
28 performance.

1 Q That's correct.

2 A So we monitor the developments in
3 the industry. So we do that as part of
4 industry groups like the Nuclear Energy
5 Institute, which on behalf of the industry
6 monitors development in spent fuel storage
7 and disposal and activities by the DOE and by
8 Congress with respect to the Nuclear Waste
9 Policy Acts. So through our industry
10 organizations as well as our own connections
11 with DOE and NRC, we monitor the developments
12 that may affect DOE's ability to pick up fuel
13 in a certain timeframe.

14 Q Now, in response to a question from
15 Mr. Peffer, you described how you had changed
16 your -- Edison had changed its assumptions
17 from a 2020 start date to a 2024 start date
18 for acceptance of spent nuclear fuel in your
19 2012 NDCTP testimony. Do you recall that?

20 A I remember the discussion that we
21 had this morning.

22 Q And have I correctly stated it?
23 Did Edison adjust its assumption for start
24 date between its 2008 NDCTP testimony and its
25 2012 NDCTP testimony?

26 A We would have to go to the specific
27 wording in our testimony to exactly identify
28 2008 versus 2012, but it is true that we

1 adjusted from a 2020 assumption to a 2024
2 assumption.

3 Q Okay. To reflect the four years
4 that had passed since --

5 A That is correct, yeah. That is
6 correct.

7 Q But I noticed in the three years
8 that have passed since 2012 -- and we're
9 almost in 2016 -- you haven't made a similar
10 adjustment. Why not?

11 A The decommission cost estimate,
12 which is under consideration in this
13 proceeding, is developed in -- started really
14 in late 2013 and completed in Spring of 2014
15 and reviewed and then ultimately submitted in
16 the Fall of 2014. So it reflects what we
17 saw, what we assumed in late 2013 if you
18 will.

19 So as I mentioned earlier this
20 morning, the decommission cost estimate is
21 essentially a living estimate that will be
22 updated periodically, and there will be
23 adequate time to update assumptions on DOE
24 performance as more information is available.

25 Q So your failure to update since
26 2012 is -- is based on when the testimony or
27 the DCE was prepared, not on any independent
28 sense that we're three or four years closer

1 to having DOE acceptance?

2 MR. MATTHEWS: Objection,
3 argumentative. He's characterizing it as a
4 failure. The question is argumentative.

5 ALJ BUSHEY: Would you like to rephrase
6 that, Mr. Geesman?

7 MR. GEESMAN: Certainly, your Honor.

8 Q Your omission of any update in
9 assumptions for the DOE acceptance date
10 reflects the time when the DCE was prepared
11 rather than any assessment by Edison that we
12 are three or four years closer to that DOE
13 acceptance date?

14 A The way I would phrase it? Our
15 decision to remain with the 2024 estimate was
16 based on the information we had at the time
17 and no new information would have a more
18 meaningful update.

19 MR. GEESMAN: Thanks very much,
20 Mr. Palmisano.

21 That completes my questioning.

22 ALJ BUSHEY: Thank you, Mr. Geesman.

23 Let's move to Mr. Lutz. We'll move
24 the web casting microphone along as well.

25 MR. LUTZ: Okay. I have some papers
26 I'd like to hand out before we get started.

27 ALJ BUSHEY: Okay. We'll be off the
28 record.

1 (Off the record.)

2 ALJ BUSHEY: We'll be back on the
3 record.

4 While we were off the record, we
5 received a number of documents that Mr. Lutz
6 is going to present to the witness. I'd like
7 to start with the document that's labeled
8 COPS-014, "Proposed Offsite ISFSI Location in
9 California."

10 MR. LUTZ: Can I introduce these in a
11 proper order, your Honor? I'd like to
12 introduce them as we go through the testimony
13 if that's okay? Can I go in the order that
14 I'd like to proceed? In other words, I'd
15 like to start with COPS-010, No. 10?

16 ALJ BUSHEY: Okay.

17 MR. LUTZ: COPS-010 was a data response
18 sent from SCE to question from Citizens
19 Oversight. Is there any objection to the
20 data responses from SCE?

21 MS. SALUSTRO: Your Honor?

22 ALJ BUSHEY: Hold on.

23 MR. LUTZ: That's what I'd like to put
24 in right now.

25 ALJ BUSHEY: All right. Does SCE have
26 a position on this?

27 MR. MATTHEWS: Yes, your Honor. SCE
28 would object to putting what amounts to 33

1 data request responses in the record without
2 proper introduction to them.

3 ALJ BUSHEY: Mr. Lutz, who would you
4 have sponsor these?

5 MR. LUTZ: Well, these were -- we sent
6 in appropriately done, I understand, data
7 requests to SCE. They responded in written
8 responses, and I assume they responded
9 honestly and as accurately as they could.

10 And is there any reason that you
11 feel that I'm -- we could ask SCE. Is there
12 any reason that they feel like -- that they
13 weren't preparing these responsibly when they
14 were asked and that they have some objection
15 to their own responses?

16 MR. MATTHEWS: May I respond?

17 ALJ BUSHEY: Yes.

18 MR. MATTHEWS: Your Honor, I think -- I
19 think Citizens Oversight misses the point.
20 These -- Edison, you know, did provide, you
21 know, these discovery responses, but Citizens
22 Oversight had an opportunity to submit
23 testimony in this proceeding, has not done
24 so. Now is not the time to essentially try
25 to submit testimony by trying to introduce
26 SCE's discovery responses.

27 If Citizens Oversight wanted to
28 introduce SCE's discovery responses, it could

1 have done so in its testimony.

2 ALJ BUSHEY: Yes.

3 Mr. Lutz, you could put on a witness
4 to sponsor this.

5 MR. LUTZ: Well, then I'll be my own
6 witness. I'll sponsor this. And I'd like to
7 introduce this into the record. Thank you.

8 ALJ BUSHEY: Well, Mr. Lutz. It's too
9 late. That's why we have prefiled direct
10 testimony.

11 MR. LUTZ: Well, this is their
12 responses to this stuff. I don't know why I
13 have to sponsor their own -- their own
14 responses. It's their responses to the data
15 requests, not mine.

16 ALJ BUSHEY: Right. But this is a
17 cross-examination. The purpose of this event
18 is to cross-examine this witness over what
19 this witness has said, not as a means of
20 putting unexplained documents into the record
21 for who knows what purpose.

22 MR. LUTZ: Well, if you'd -- if you'd
23 like, I would like to proceed with my
24 questions to Mr. Palmisano. And then if
25 there is any reason why SCE thinks that --
26 that their own responses are inaccurate or
27 should not be admitted to -- as a support for
28 my questioning, then they can object to each

1 one.

2 ALJ BUSHEY: Well, they've just
3 objected. This is -- we talked about this
4 particular type of thing at the prehearing
5 conference, of bringing in copies of data
6 requests that have no -- and trying to get
7 them in the record that have no link to the
8 testimony.

9 MR. LUTZ: This does have link. This
10 is the testimony that they -- data requests
11 that they responded to.

12 ALJ BUSHEY: Right. But they may have
13 responded to -- I assume they responded to
14 hundreds. The entire body of discovery in
15 this proceeding is voluminous.

16 MR. LUTZ: Why would they object to
17 their own responses to questions? Those are
18 their responses to them. And then you're
19 saying I can't use that as a basis for my
20 questioning of Mr. Palmisano.

21 ALJ BUSHEY: You can use -- what type
22 -- are you going to ask questions that relate
23 to every one of these 33 data responses?

24 MR. LUTZ: My intention is to go
25 through this as a guideline so that I can ask
26 questions related to these data request
27 responses that they provided as a basis for
28 my further questioning.

1 Yes, there was things that I did not
2 get from my data requests, and I still don't
3 understand them. And I'd like to ask the
4 questions of the witness so he can explain
5 them.

6 ALJ BUSHEY: Well, this isn't the
7 witness for most of these responses?

8 MR. LUTZ: Well, actually that's not
9 true because SCE has changed whose on it.
10 They said that actually Mr. Bledsoe was not
11 the appropriate person to testify to these
12 questions. And they knew in advance that I
13 was intending to ask questions about this
14 because I asked them specifically about all
15 of the data request questions and who was
16 responsible for it.

17 They gave me a list that
18 Mr. Palmisano was the appropriate person for
19 most of these responses, and that's the basis
20 for my statement earlier in the proceeding
21 where I said I wanted to switch over my time
22 to Mr. Palmisano from Mr. Bledsoe. Maybe we
23 can ask SCE who is the appropriate witness
24 for these data request responses because
25 that's the person I want to ask.

26 ALJ BUSHEY: Okay. Well, Mr. Lutz,
27 we've got the cart before the horse. Let's
28 let the testimony that the witness has

1 provided be your guide for your questions.
2 So ask the questions. To the extent facts
3 from these data responses are used, we'll
4 address them as they go along.

5 MR. LUTZ: Well, my questions relate to
6 the responses that they made.

7 CROSS-EXAMINATION

8 BY MR. LUTZ:

9 Q Let me start with this, if you
10 don't mind. In my Question No. 2 of
11 COPS-010, there is a statement there that in
12 the DCE -- let me get to exactly what -- if
13 you look at Question No. 2, the response says
14 that SCE -- this is like the third or so
15 statement from the end. "SCE expects any
16 costs not currently identified in the DCE to
17 be paid by available funds in the SONGS
18 decommissioning trusts."

19 And my question is is it true that
20 SCE expects any costs not in the DCE cost
21 estimate to be paid for from the
22 decommissioning trust?

23 And I'm sorry. Thank you for -- I
24 wanted to welcome Mr. Palmisano. I didn't
25 get to that. My name is Ray Lutz with
26 Citizens Oversight.

27 A Nice to see you again.

28 Q Yes. Thank you.

1 So that's my first question?

2 A May I have a copy of the document
3 please? I have nothing in front of me.

4 Q Oh, yeah. Where is that pile of
5 documents?

6 ALJ BUSHEY: You can have one of mine.

7 THE WITNESS: So I have a copy of
8 something that's labeled COPS-010.

9 MR. LUTZ: Q Yeah. And if you can
10 refer to your response -- or the SCE response
11 to Question 02.

12 A Question 02. Just a minute,
13 please.

14 Q And originally answered by Walker
15 Matthews Senior Attorney. And in this we got
16 the statement that "SCE expects costs not
17 currently identified in the DCE to be paid by
18 available funds in the SONGS decommissioning
19 trusts."

20 Do you see that sentence? I guess
21 it's the second one from the end.

22 A You're in the last paragraph?

23 Q Yeah.

24 A I do see that sentence.

25 Q Okay. Is that true that you expect
26 things that are not in the decommissioning
27 cost estimate still to be paid from the
28 decommissioning trust?

1 A What I would tell you is we expect
2 decommissioning activities that are
3 appropriate to be paid for from the
4 decommissioning trust fund.

5 Q But aren't those supposed to be
6 reflected in the DCE?

7 A The decommissioning cost estimate
8 is an estimate done to a certain level of
9 detail. If there is an unanticipated
10 situation that's identified in subsequent
11 years, that's why we will do a periodic
12 update of the decommissioning cost estimate.

13 Q What is the process for adding
14 costs not already in the DCE?

15 A What? In terms of just updating
16 the cost estimate?

17 Q Well, let's say there's something
18 that comes up that according to this sentence
19 that is a cost not currently identified in
20 the DCE? How would -- what would happen?

21 A So for example, if there were a
22 change in regulation that affected how the
23 decommissioning activity had to be conducted
24 and, therefore, the cost of the
25 decommissioning activity, we would assess it,
26 determine if it's appropriate, update the
27 decommissioning cost estimate, and then the
28 periodic update to the NRC and the CPUC would

1 be provided an updated decommissioning cost
2 estimate subject to whatever proceeding is
3 set up by the Public Utility Commission.

4 Q So is there any limit to the costs
5 that could be potentially added -- paid for
6 without being reflected in the DCE, or does
7 it have to be in the DCE first?

8 MR. MATTHEWS: Objection, compound and
9 argumentative.

10 ALJ BUSHEY: Mr. Lutz, they're very
11 clear about how this is going to go.

12 MR. LUTZ: Well, I'd still like to ask
13 my questions and get these things in the
14 record. Does --

15 ALJ BUSHEY: It's already there.

16 MR. LUTZ: Okay. So this statement was
17 that any costs not identified in the DCE can
18 still be paid. That's a concern for the
19 Citizens because we don't want just any costs
20 to be paid for from the decommissioning trust
21 without adequate review. So no, it isn't
22 there. This is the statement that holds
23 water here if that's really true. That's a
24 problem.

25 ALJ BUSHEY: Okay. Mr. Lutz, I
26 understand that's your client's position, and
27 you can feel free to make that argument in
28 your brief. But right now --

1 MR. LUTZ: That's why I'm asking the
2 question.

3 ALJ BUSHEY: Asking what question? A
4 statement has been made that the witness has
5 elaborated on it and changed some subtleties
6 with it. What more do you want?

7 MR. LUTZ: Q So the question. Will
8 the DCE be revised before -- what is it --
9 sorry. Let me restart.

10 What criteria will be used to
11 require that the DCE is revised before new
12 costs can be -- can be paid, or is there any
13 limit to -- I'm sorry. I'm starting to get
14 compound again.

15 ALJ BUSHEY: Yes, yes you are.

16 MR. LUTZ: Q Is there -- what is the
17 requirement that the DCE get revised given
18 new costs? Is there any requirement?

19 A Under the NRC rules, if there's a
20 substantial change to the cost estimate, we
21 update it. And we provide an update every
22 year. I assume out of this DCE proceeding an
23 appropriate mechanism will be set up for
24 updates as well as reasonableness reviews.
25 So that's the best answer I can give you at
26 this point.

27 Q So there isn't any mechanism
28 defined at this time for that?

1 MR. MATTHEWS: Objection, asked and
2 answered.

3 MR. LUTZ: He said it would be defined
4 later.

5 ALJ BUSHEY: It's requested in here.
6 Mr. Lutz, the goal of cross-examination is to
7 get facts not now in the record in the
8 record, not for you to make statements. So
9 what fact do you need from this witness
10 that's not now in the record?

11 MR. LUTZ: Okay. Let's go onto the
12 next question.

13 Q We asked for -- from SCE-01, page
14 69, which is the DCE, there's a table which
15 detailed the ownership levels and cost
16 categories for switch yards.

17 ALJ BUSHEY: So I'm sorry. Where are
18 we? Is this in this compendium, 010?

19 MR. LUTZ: No, this was asked -- I'm
20 going to go through using that as a guide,
21 but I'm going now to a document, SCE-01,
22 which is --

23 ALJ BUSHEY: Their direct testimony?

24 MR. LUTZ: Their direct testimony.

25 ALJ BUSHEY: Okay. That's hearing
26 Exhibit 01. All right. What page in there?

27 MR. LUTZ: Page 69. That's the DCE
28 page 8. Let me see if I can find it too.

1 ALJ BUSHEY: We'll be off the record.

2 (Off the record.)]

3 ALJ BUSHEY: We'll be back on the
4 record.

5 Mr. Lutz.

6 MR. LUTZ: Q Okay. This table is --
7 it has a -- it's under Section 2.1, study
8 objective cost categories. Do you see that
9 table?

10 A Yes, I do.

11 Q Okay. Now, the last, well, not the
12 last item, but the three items just before
13 the last item are San Diego switchyard,
14 Edison switchyard, and interconnection
15 facilities. I asked which items were not
16 included in the DCE, and I said, for example,
17 the switchyards. And SCE didn't answer that.

18 Are the switchyards included in the
19 decommissioning cost estimate?

20 A Well, I'm not familiar what
21 previous question you're referring to. The
22 switchyards are part of the Part 50 license
23 area and included in the decommissioning
24 process, because ultimately the NRC license
25 will have to be terminated and the
26 switchyards are around part of the NRC
27 licensed property.

28 Q Are they included in the DCE?

1 A In what aspect?

2 Q The cost for demolishing, I guess,
3 the switchyards.

4 A There currently, the
5 decommissioning plan and cost estimate is
6 based on the switchyard remaining but being
7 remediated to the point it can be released
8 under the NRC rules to terminate the license.
9 So in answer to your question, they are
10 included in the decommissioning cost estimate
11 for the work that is planned.

12 Q So your answer then means that
13 you're not planning to remove them; is that
14 right?

15 A Currently we are not planning on
16 removing the switchyards when decommissioning
17 is completed, but they are subject to the
18 decommissioning process to release them from
19 the NRC license.

20 Q So how do we -- are we supposed to
21 be talking about the costs for removing the
22 switchyards in this proceeding, or is that in
23 a different proceeding? If you're not going
24 to remove them in this proceeding, when do we
25 talk about that? When do we talk about the
26 cost to remove the switchyards?

27 MR. MATTHEWS: Objection. Calls for
28 speculation.

1 ALJ BUSHEY: Sustained.

2 MR. LUTZ: I'd like to know. The CPUC
3 is in charge of this whole thing. Who is
4 responsible for it?

5 ALJ BUSHEY: Mr. Lutz, there's no
6 testimony from the witness that the
7 switchyards are going to be removed.

8 THE WITNESS: Right.

9 MR. LUTZ: Q But he also said, did you
10 not, Mr. Palmisano, that to get termination
11 of the site license, which is the end goal of
12 decommissioning, these switchyards have to be
13 removed; isn't that correct?

14 A No, it's not correct. You're
15 misunderstanding. The switchyards have to be
16 surveyed. If there's any radiological
17 contamination it would have to be remediated.
18 And then the intact switchyard would be
19 released from the NRC license, and the
20 switchyard would remain post-decommissioning.

21 Q Okay. So switchyards -- is that
22 the plan of SCE, to leave the switchyards
23 there indefinitely or until some other
24 proceeding?

25 A As I said, the current plan is the
26 switchyards will remain post-decommissioning.

27 Q Okay. Are there other elements of
28 the decommissioning project like the

1 switchyards that are utility equipment that
2 may need to be removed but are not included
3 in the decommissioning project?

4 A Not to my knowledge.

5 Q In my question I asked SCE,
6 Question 4, I asked if there was any
7 conflicts of interest in the decommissioning.
8 And the response was that they must be
9 reported.

10 So my question is, are there any
11 conflicts of interest and in what manner are
12 they reported?

13 A What question are you referring to?
14 Is this in your handout?

15 Q My document, which is the data
16 request response from SCE, my Question No. 4.
17 I asked about conflicts of interest. And --

18 MR. MATTHEWS: Objection to the extent
19 the question misstates the contents of SCE's
20 response.

21 MR. LUTZ: Okay. Well, let's read it
22 exactly.

23 ALJ BUSHEY: Well, hold on. We're
24 looking at Question and Answer No. 4, right?

25 MR. LUTZ: Q Yeah. There was a whole
26 paragraph of objection to everything, and
27 then he finally say, SCE's code of conduct
28 prohibits conflicts of interest between

1 potential vendor and SCE's agents, directors,
2 officers or employees and requires any
3 conflict of interest to be reported. Do you
4 see that sentence?

5 A I do.

6 Q Okay. So my question then is, are
7 there any conflicts of interest?

8 A Probably the best answer I can give
9 you since you called me out by name in your
10 question, I have no conflicts of interest.
11 I'm not the director of a nuclear waste
12 disposal firm that you asked in your
13 question. And as our answer says, SCE has a
14 process that potential conflicts of interest
15 are reported, identified, and resolved.

16 Q What is that process? Is it a
17 public process? Can we get the reports?

18 A I'm not the one best positioned to
19 answer that.

20 Q Do you know who would be the right
21 witness?

22 A No.

23 Q No one knows. Does --

24 So do you know how the conflicts of
25 interest are reported?

26 A Yes. We have an internal process
27 that, for example, if I had a potential
28 activity that would be a conflict of

1 interest, I report it to a certain
2 organization in the company that would then
3 evaluate it and advise me whether it's
4 acceptable.

5 MR. LUTZ: So at some point I would
6 like for SCE to tell me who the appropriate
7 witness is that I can ask that question and
8 might have the answer because this witness
9 didn't have it.

10 ALJ BUSHEY: Well, Mr. Lutz, did you
11 propound discovery on that matter?

12 MR. LUTZ: Yes. I have the data
13 request here and --

14 ALJ BUSHEY: Did you do a followup?
15 This response was at the end of April.

16 MR. LUTZ: I asked them what conflicts
17 of interest, and they avoided the question,
18 and they didn't give me an answer. So I'm
19 asking now, and I'd like to know which
20 witness it is. I was answered by Mr.
21 Bledsoe. Maybe he's the right one. So maybe
22 we'll defer that until Mr. Bledsoe and see if
23 he knows if there's any reports.

24 MR. MATTHEWS: Your Honor, you know,
25 there are a number of objections that we have
26 to the question which are stated in the
27 response. I would also add that this
28 particular issue is beyond the scope of this

1 proceeding. We're focused on the
2 decommissioning cost estimate. We're not
3 focused on the reasonableness or actual
4 activities in what we're currently doing. So
5 I would say that the question is outside the
6 scope, and we should move on.

7 ALJ BUSHEY: And the most important
8 witness has clarified that he has no
9 conflicts.

10 MR. LUTZ: Q Okay. Let's move on to
11 my next question. We asked in Question 5
12 regarding the cost for maintaining the ISFSI
13 beyond the target date. SCE has said that
14 they expect the Department of Energy to start
15 accepting fuel from industry in 2024. And
16 SCE provided a sensitivity chart which they
17 provided in their response to Question 5. I
18 believe this was actually in response to a
19 data request by the Alliance for Nuclear
20 Responsibility.

21 Now, in your sensitivity analysis --
22 well, let me start, do you see the chart
23 where it says sensitivity analysis? Do you
24 see that in your response?

25 A It appears to be a chart with the
26 page number 19 in the lower right. There's
27 no page numbers on the previous two pages.
28 So I can't be sure that that's correct.

1 ALJ BUSHEY: Where is it? I can't see
2 this. Where is it?

3 MR. LUTZ: Okay. This is in their
4 response, which is in COPS-010, and it's in
5 response to Question No. 5, and it's their
6 sensitivity cost estimate assumptions. And
7 the second item in this chart, it says,
8 Department of Energy or DOE spent fuel
9 pickups start 2034, and then it says 133
10 million.

11 Q Do you understand what that might
12 mean is that perhaps if it's delayed by ten
13 years that it costs an additional 133
14 million? Is that how I should interpret
15 that?

16 A I do understand what it might mean.
17 So clarify your question.

18 Q Yeah. Can you explain what that
19 means?

20 A Certainly. When you look at that
21 line item that says DOE fuel, spent fuel
22 pickup. So if you look at the line, the
23 vertical line that says zero dollars at the
24 bottom, that's your baseline. So that's
25 assuming DOE would start in 2024. So if I
26 assume a 10-year delay to 2034, that would
27 add approximately \$133 million to the cost
28 estimate for the decommissioning cost

1 estimate. That's the way to read that chart.

2 Q So then about 13.3 million per year
3 because it's ten years delay?

4 A Roughly. Yeah. Approximately.
5 It's roughly a linear estimate.

6 Q We note that in the DCE, and I have
7 another question on this, but in the DCE,
8 let's go there, which is page A-1-45. Let's
9 go there. A-1-45 in SCE-01.

10 A I have A-1-45 in front of me.

11 Q All right. One moment here. Okay.
12 This is called SONGS Unit 2 and Unit 3 spent
13 fuel shipping schedule 2024 DOE acceptance.
14 Do you agree with that?

15 A Yeah. You've read that correctly.

16 Q Okay. Thank you. And as we look
17 down, if we look at line item -- I say the
18 rightmost column, it gives us Units 2 and 3
19 canisters transferred to Department of
20 Energy. Do you see that column?

21 A Yes, I do.

22 Q And we see that nothing is
23 transferred to them until 2030, and then
24 there's four canisters transferred. Do you
25 see that number?

26 A I see that.

27 Q So is it the concept that we're
28 going to be waiting six years after 2024

1 before they pick up the first canisters?

2 A Those are the Unit 2 and 3
3 canisters, and that is consistent with the
4 earlier testimony. That is correct.

5 Q And then as we look down with these
6 numbers, I see all kinds of different numbers
7 ranging from 0 to 12 each year. Is there
8 some rationale for choosing those numbers in
9 that column?

10 A Yes.

11 Q Can you explain that?

12 A This relates to the earlier
13 discussion about the Department of Energy has
14 a queue to accept spent fuel from a variety
15 of sites across the country. These reflect
16 the current spaces in the queue for San
17 Onofre Units 2 and 3.

18 Q Okay. So even though they don't
19 start until -- they're starting in 2030 --
20 let me just stop for a second. Stop that
21 question and go back to my questions.

22 Would it be -- do you think it
23 would be approximately correct to continue to
24 multiply 13.3 million per year if the pickup
25 date is further extended such as to 2048
26 according to the Blue Ribbon Commission
27 estimate? Should we just multiply that out
28 to get an estimate for how much more it would

1 cost?

2 MR. MATTHEWS: Objection. Calls for
3 speculation.

4 MR. LUTZ: Q Is there any reason why?

5 ALJ BUSHEY: Mr. Lutz, can I rule on
6 the objection?

7 MR. LUTZ: Oh, I'm sorry. I didn't
8 mean to interrupt. Go ahead.

9 ALJ BUSHEY: It seemed to me that your
10 question was more like a hypothetical. Would
11 you say, Mr. Lutz, that's what you're trying
12 to do, a hypothetical?

13 MR. LUTZ: Yes, we are. Everything is
14 hypothetical because we're trying to plan for
15 the future here and we're trying to get a
16 cost estimate for future events. So all of
17 these plans are hypothetical. And we have a
18 number of estimates for when the fuel will be
19 picked up. That's all hypothetical. And so
20 we do have a statement from the Blue Ribbon
21 Commission appointed by the President to
22 investigate nuclear fuel sites and when it
23 would be picked up. I think that's relevant
24 information.

25 They said 2048, and I'm trying to
26 get an estimate, hypothetical indeed from SCE
27 about how much it would cost if this Blue
28 Ribbon Commission is correct and the 2024

1 date is not correct so that then we can use
2 that amount to make an argument in our briefs
3 to whether or not the amount allocated for
4 decommissioning is correct or not. That's
5 the goal.

6 ALJ BUSHEY: Well, you've got all the
7 facts that you need. Their sensitivity study
8 shows 130 million. If it's ten years late,
9 so divide that by 10, then you get a rough
10 estimate of \$13 million a year. What more?

11 MR. LUTZ: Well, I'm asking SCE if
12 that's correct. You think it's correct. I'm
13 asking them. Can they answer?

14 ALJ BUSHEY: Wait a minute. This is
15 just arithmetic.

16 MR. LUTZ: Well, you would think so,
17 but if it's that simple, let him answer and
18 say yes.

19 ALJ BUSHEY: That what, I did the
20 arithmetic correctly?

21 MR. LUTZ: It may be other factors
22 involved that go beyond simple arithmetic. I
23 want to make sure that it's correct for us to
24 say that we should just extrapolate out by
25 using 13.3 million per year, or there are
26 other issues that may come into play during
27 that period of time if that is extended that
28 we need to recognize.

1 ALJ BUSHEY: Then we need to go back to
2 the beginning point and ask the witness if he
3 agrees that it's valid to divide the total by
4 ten years to get a per year estimate. Let's
5 take that question first.

6 MR. LUTZ: Okay. We did that. Go
7 ahead.

8 ALJ BUSHEY: Mr. Palmisano.

9 THE WITNESS: So that is a valid
10 approach for a simple conservatively high
11 estimate.

12 MR. LUTZ: Q Okay. All right. Good.
13 Thank you for the answer.

14 Now I'd like to turn to in the DCE
15 the cost of the ISFSI rough estimates by
16 Energy Solutions, and we asked about this in
17 Question 6. And there is a table which the
18 bottom line is \$405 million.

19 ALJ BUSHEY: And where might that table
20 be located, Mr. Lutz?

21 MR. LUTZ: Let's see where. That was
22 actually provided by SCE in the data response
23 to Question No. 6. And perhaps they can say
24 where that is in their testimony, but that's
25 where I'm looking at is in COPS.

26 MR. MATTHEWS: It's in the exhibit,
27 your Honor, that he passed out to you,
28 COPS-10. It's the next thing past the chart,

1 the butterfly chart.

2 ALJ BUSHEY: Okay. Before we get too
3 far into this, could the witness please
4 explain what ISFSI is.

5 THE WITNESS: Yes. ISFSI is
6 Independent Spent Fuel Storage Installation.
7 It is an NRC acronym for a dry cask storage
8 system.

9 ALJ BUSHEY: Thank you.

10 MR. LUTZ: Q Okay. Excuse me. Lines
11 denoted D 7.02 and D.702 says \$4.4 million to
12 design and fabricate the spent fuel canisters
13 for each unit. And then lines 8.10 through
14 11 says 62 and \$63 million to design and fab
15 fuel canisters. And why are there two sets
16 of line items here?

17 MR. MATTHEWS: Objection, your Honor.
18 The question lacks foundation. Mr. Lutz is
19 correct that we did meet and confer regarding
20 which of these responses should be asked to
21 which witness. And the list that we provided
22 him, we noted for him that this particular
23 response as well as others should be directed
24 to Bob Bledsoe, to Mr. Bledsoe, who is a
25 witness in this proceeding.

26 I just raise the objection that we,
27 you know, in good faith went through this
28 effort of identifying which responses should

1 be directed to which witness. And there's
2 been a couple of responses where we've gone
3 outside this. If the witness is able to
4 answer it, it's fine.

5 ALJ BUSHEY: I'm wondering if the
6 witness is because the answer I was -- I
7 assume that the U2 and U3 are the units, U2
8 and U3?

9 THE WITNESS: That's correct.

10 MR. LUTZ: Q But my question is, the
11 first set, I know, it's U2 and U3. It says,
12 "design and fab spent fuel canisters." Then
13 down here it's procure and fab fuel
14 canisters. Those are four line items for U2
15 and U3. The first set is for 4, and the
16 second set is for 62 and 63. What are the
17 two sets of line items for so I can
18 understand?

19 A I think I can educate you a bit on
20 this. The first two lines, 7.02 design and
21 fabrication, based on the dollar values, it's
22 largely design work with not much fabrication
23 in it. The bulk of the fabrication are in
24 lines 8.10 and 8.11 when you see procure and
25 fabricate canisters. And the additional
26 component AHSM, this is AREVA terminology for
27 the horizontal storage modules. This
28 estimate was done before we had finalized a

1 decision on which vendor to go with.

2 So you see some generic
3 terminology, but the way I read would this is
4 702 is really design activities. Lines 8.10,
5 8.11 are fabrication and procurement.

6 Q Thank you. Now that SCE has been
7 in consultation and I guess chosen Holtec,
8 have these figures been refined?

9 A The decommissioning cost estimate
10 which is currently under review in this
11 proceeding is based on these figures
12 developed in late 2013, spring of 2014. We
13 will update the decommissioning cost estimate
14 in the future to reflect the Holtec contract.

15 Q Okay. Now, on lines 8.12 through
16 8.13 it says, I guess del and lo means
17 deliver and load fuel canister. Is that what
18 del means?

19 A I didn't prepare this exhibit. I
20 would assume that's what it means, but I did
21 not prepare this exhibit.

22 Q Okay. You see those line items,
23 though?

24 A I do.

25 Q Now, do you happen to know --
26 perhaps you're not the right witness -- why
27 it makes sense that it costs twice as much
28 just to load them than to fabricate the

1 canisters? Is that what I'm reading?

2 A I would defer that question to the
3 more appropriate witness.

4 Q Okay. Thank you. At the end of
5 decommissioning then with this Holtec design
6 on board we will have two types of ISFSI
7 system. The existing new homes system will
8 remain, and the Holtec UMAX will be added; is
9 that correct?

10 A That is correct.

11 Q Okay. On my Question 7 I asked
12 what the cost would be to remove the fuel
13 assemblies from those new home AREVA
14 canisters to the Holtec canisters. And you
15 guys answered \$90 million including
16 contingencies.

17 Is SCE planning to move the fuel
18 from the Holtec canisters to the -- I'm
19 sorry. Are you planning to move the fuel
20 from the AREVA canisters to the Holtec
21 canisters?

22 A We are not planning to at this
23 time.

24 Q Thank you. Okay. In this list of
25 costs for the ISFSI you were trying to get an
26 idea of how much it would cost to build a
27 Holtec type ISFSI at another location. We
28 know these costs are not really for Holtec,

1 but assuming the costs are similar to what we
2 see as estimated, we see \$21 million for the
3 ISFSI structure for about 50 canisters or
4 about 420 K per canister rounding to say 500
5 K. Would we guess at our offsite ISFSI with
6 a capacity of 150 canisters might cost around
7 75 million?

8 MR. MATTHEWS: Objection. Vague.
9 Calls for speculation. Outside the scope.

10 ALJ BUSHEY: Yes. Sustained.

11 MR. LUTZ: Okay. Thank you.

12 Q We asked for a matrix for Holtec's
13 selection, and it was not provided, although
14 it was for other intervenors. Is there a
15 reason that we didn't get it?

16 A I'm not familiar with that
17 question.

18 MR. MATTHEWS: Objection.

19 ALJ BUSHEY: Argumentative. Go on.

20 MR. LUTZ: Q Question 10. We asked
21 for your plans for the reactor pressure
22 vessels. We noticed that -- okay. So you
23 say you have not developed plans to deal with
24 the reactor pressure vessels for any units at
25 SONGS; is that correct?

26 MR. MATTHEWS: Objection to the extent
27 it misstates the response.

28 MR. LUTZ: Q Okay. Let me see exactly

1 how to respond. Our Question No. 10. A.
2 SCE has not developed a detailed plan for
3 disposing of the Units 2 and 3 reactor
4 pressure vessels. That's what was responding
5 to. Do you see that response in number A?

6 A Yes, I do.

7 Q Is that true?

8 A Well, I think what is true is that
9 we don't have a detailed plan at this point
10 because the decommissioning general
11 contractor has not been hired and has not
12 done the detailed planning.

13 Q Is the cost reflected in the DCE
14 for that?

15 A The cost reflects the removal of
16 the reactor vessels and disposal of the
17 reactor vessels. Yes.

18 Q Do you have a nondetailed plan at
19 this time?

20 A We certainly know how it's going to
21 be done. They're going to be segmented and
22 removed in segments and cut up and packaged
23 and shipped off-site as waste.

24 Q Okay. Question 11, we asked for
25 the draft or final contract with the DGC. At
26 that time you were calling it the DOC. You
27 said it was not available at the time the
28 data response was drafted. Is this now

1 available?

2 A No, it is not.

3 Q You state it will be a fixed cost
4 contract. Please explain how contingencies
5 are handled.

6 A What question are you referring to
7 here? I don't think that's in my testimony.

8 Q Okay. In the data response -- let
9 me make sure I got the right number.

10 MR. MATTHEWS: SCE also objects to the
11 question on the grounds that it's been asked
12 and answered by another party regarding
13 contract terms. I believe there was prior
14 testimony that there are no contract terms.
15 Hasn't been finalized.

16 ALJ BUSHEY: This witness answered the
17 question. Not another party.

18 MR. MATTHEWS: If I misstated that, I
19 meant this witness, your Honor.

20 ALJ BUSHEY: Right. I misunderstood.

21 Mr. Lutz, your next question.

22 MR. LUTZ: Q Okay. I guess I'll have
23 to defer until I can find where you said it
24 would be a fixed cost contract because I'm
25 not sure where that was.

26 Let me ask, do you know if it will
27 be a fixed cost contract?

28 A Again, we are just in the bid

1 process. We have not finalized any contract
2 terms.

3 Q Okay. Good enough. Now, I'm going
4 to skip along here. We asked you regarding a
5 study of alternative or how you decided where
6 to put the ISFSI. And we appreciated that
7 SCE provided results of a study that was
8 conducted to review the various sites. This
9 was in response to Question 14.

10 I think this is really important
11 information because this is the results of a
12 study with many pages here which certainly
13 should go in the record.

14 Now, my question is, regarding
15 these alternatives for replacing the ISFSI,
16 did -- you said that you did not come up with
17 plans for an offsite ISFSI; is that correct?

18 A Could you refer me to what you're
19 referring to? Because in response to
20 Question 14 it talks about five possible
21 onsite locations. So I'm a bit unclear of
22 what you're looking at right now.

23 Q Okay. The response for Question
24 14, which is actually 13 pages from SCE.

25 MR. MATTHEWS: SCE also objects on the
26 grounds that questions regarding alternative
27 locations for the ISFSI are outside the scope
28 of this proceeding. I don't think this

1 proceeding is looking at ISFSI locations.

2 MR. LUTZ: Well, let me explain why
3 it's relevant. The mission of the CPUC is to
4 guarantee service and infrastructure for the
5 utilities and with low rates. And it isn't
6 just all about money. It's about the
7 infrastructure that's going to be required.
8 And we don't want to just blow off this
9 really important infrastructure at the end.
10 We realize that service has already been
11 provided, but it's a responsibility of the
12 utilities to provide this infrastructure for
13 storage of the spent fuel in a safe manner.

14 ALJ BUSHEY: Mr. Lutz, this agency is
15 not blowing anything off. We're collecting
16 \$4 and a half billion of ratepayer money to
17 fund all of this. The sole purpose of this
18 proceeding is to come up with a reasonable
19 estimate of how much money we need to have in
20 the trust funds. We're not going to solve
21 every detail here. This is going to have to
22 unfold. This analysis that they did was done
23 in May. That was after the estimate was
24 prepared in any event.

25 MR. LUTZ: I'm not debating any of
26 that. I'm just -- there was an objection put
27 forward by SCE that said that my question was
28 out of line, and I made the case that it was

1 in line, and I'd like to ask this question.
2 So may I?

3 ALJ BUSHEY: What exact question did
4 you want to ask?

5 MR. LUTZ: Q I would like to ask SCE,
6 Mr. Palmisano, whether SCE reviewed
7 additional sites in addition to the onsite
8 locations?

9 ALJ BUSHEY: I'm going to sustain
10 Mr. Walker's objection to that.]

11 MR. LUTZ: Okay. Now, so -- so let me
12 see. Is it the case that it's not an
13 interest to make sure that SCE does due
14 diligence in investigating the future of this
15 nuclear waste, where it's going to be headed?
16 Isn't it appropriate for them to do due
17 diligence, and we need to make sure the due
18 diligence in these proceedings?

19 ALJ BUSHEY: Mr. Matthews' objection,
20 which I sustained, is to the scope of this
21 proceeding. All of these issues are very
22 important issues that need to be addressed.
23 They're just not being addressed in this
24 proceeding or necessarily by this agency.

25 MR. LUTZ: Well, cost is one of the
26 issues and whether or not they're providing
27 sufficient infrastructure to provide service.
28 And that's what I'm talking about, cost of

1 service.

2 ALJ BUSHEY: Cost of service is
3 something we do in general rate cases, not in
4 decommissioning cost estimates.

5 MR. LUTZ: Isn't the decommissioning
6 cost estimate have to do with cost?

7 ALJ BUSHEY: Yes, it does.

8 MR. LUTZ: Okay. So -- and that cost
9 is based on what type of infrastructure is
10 being planned by SCE to be installed.

11 ALJ BUSHEY: Ultimately, it will.
12 Mr. Lutz, I'm not here to argue with you.
13 What is your point? I've sustained the
14 objection. Do you have a question about
15 something that is relevant to this
16 proceeding?

17 MR. LUTZ: Okay. Well, I guess I will
18 accept -- I would like to have Mr. Palmisano
19 just look at the document which we numbered
20 COPS-014, which is a -- do you have that one?

21 ALJ BUSHEY: I think I -- hold on,
22 Mr. Lutz.

23 Do you have a copy of this.

24 THE WITNESS: I have a copy.

25 ALJ BUSHEY: Mr. Matthews, do you have
26 an objection to this document?

27 MR. MATTHEWS: Yes, your Honor. It's
28 providing a proposed offsite location. SCE

1 would have the same objection that this issue
2 is beyond the scope of this proceeding.

3 ALJ BUSHEY: And does this witness have
4 any foundation?

5 MR. MATTHEWS: I would also object on
6 those grounds.

7 ALJ BUSHEY: Yes. Have you ever seen
8 this before?

9 THE WITNESS: I have never seen it.

10 MR. LUTZ: Well, let me just ask -- I'm
11 not going to ask anything in detail.

12 ALJ BUSHEY: No. You're not going to
13 ask anything at all.

14 MR. LUTZ: Can I just try to ask the
15 question and you can deny it?

16 ALJ BUSHEY: I'm denying it now. No
17 questions based on this. This document --
18 this witness has not prepared it. You have
19 not provided any sort of foundation for this
20 whatsoever.

21 MR. LUTZ: I want to ask whether or not
22 SCE has done any sort of planning similar to
23 this looking at a site in California. Isn't
24 that a question?

25 ALJ BUSHEY: No, they've told you what
26 they did to come up with their estimate.

27 MR. LUTZ: Okay. I'll move on.

28 Q Okay. In Question number 20, we

1 asked you about monitoring of the ISFSI and
2 --

3 ALJ BUSHEY: Mr. Lutz, is that Data
4 Response Question No. 20 in your packet?

5 MR. LUTZ: Yes. Yes, COPS No.
6 Document 010, Question No. 20.

7 ALJ BUSHEY: All right.

8 MR. LUTZ: Q And the response to that
9 No. A was:

10 In addition to the remote
11 temperature monitoring allowed by
12 the UMAX license, permanent or
13 temporary monitors could also be
14 added to measure moisture,
15 airflow, or salt content in
16 various locations about the cask.
17 These monitoring 10 CFR 72.48 to
18 determine if they meet NRC
19 approval prior to implementation.
20 Did I read that correctly,
21 Mr. Palmisano?

22 A You appear to have read it
23 correctly.

24 Q Thank you. Has the costs for these
25 monitors been included in the DCE?

26 A Let me read this response. I did
27 not prepare it, so I'm not familiar with the
28 response.

1 Q Okay.

2 A Let me take a minute.

3 Yeah, I would refer the answer to
4 the person who prepared this response.

5 Q Okay. Do you know if it's true
6 that SCE could improve the safety measures in
7 the ISFSI beyond the minimum requirement
8 specified by the NRC? You could go above and
9 beyond the requirements, couldn't you?

10 A That's a vague question. What do
11 you mean by improve the safety measures?

12 Q Such as the temperature monitoring
13 and other thing that's we just mentioned,
14 remote monitoring moisture, airflow, and salt
15 content. You could add additional monitoring
16 if you wanted to, couldn't you, in addition
17 do what the minimum requirements --

18 A I think I told you that I didn't
19 prepare this response, so I would ask that
20 you ask the appropriate witness.

21 Q Okay. We'll ask Mr. Bledsoe.

22 A Okay.

23 Q Okay. And we asked you about
24 degradation and who is responsible for it.
25 How long is the warranty period -- you
26 mentioned a warranty period in the Holtec
27 contract. Is there a warranty period defined
28 at this time in the Holtec contract?

1 MR. MATTHEWS: Objection, vague.

2 MR. LUTZ: Q Is there a warranty --
3 how long is the warranty period in the Holtec
4 contract?

5 MR. MATTHEWS: Objection, lacks
6 foundation as well.

7 ALJ BUSHEY: Is the Holtec contract the
8 one that we have or the one that you don't
9 have?

10 MR. MATTHEWS: It has been signed, your
11 Honor.

12 ALJ BUSHEY: It has been signed. So
13 there is -- the document exists, so there are
14 presumably warranty provisions or could be?

15 MR. MATTHEWS: Yes.

16 ALJ BUSHEY: Could be. Does this
17 witness know about warranty provisions?

18 THE WITNESS: There are warranty
19 provisions, I don't have them at my
20 fingertips. So I can't quote the number of
21 years, but there are warranty for a
22 significant period of time by the
23 manufacturer.

24 MR. LUTZ: Q Okay. Is that -- okay.
25 You don't know how long it is.

26 Is there a way to get that
27 information so we can determine if the amount
28 of money for -- if they're not responsible

1 for it, then I assume that SCE would be. And
2 so we're trying to figure out if the amount
3 of money is adequate. How can we find out
4 the length of the warranty period of the
5 Holtec contract?

6 ALJ BUSHEY: Mr. Lutz, you should have
7 asked that back in -- in May.

8 MR. LUTZ: But the contract didn't
9 exist then and so they wouldn't answer it.
10 So now I'm trying to get the answer now that
11 it exists. Since the contract does exist and
12 the information is now available, how long is
13 the warranty period? How do I get that
14 information?

15 ALJ BUSHEY: You ask it -- you propound
16 discovery.

17 MR. LUTZ: Okay. So they're unwilling
18 to answer it now, and I have to go through a
19 written discovery process?

20 ALJ BUSHEY: Mr. Lutz, is this your
21 first proceeding at the Commission?

22 MR. LUTZ: I'm not an attorney. I'm an
23 engineer. It is not my first proceeding, but
24 I'm a beginner. So I request that you're
25 lenient on me. I'm not a professional
26 attorney.

27 ALJ BUSHEY: Okay. We ask questions --
28 We'll go off the record.

1 (Off the record.)

2 ALJ BUSHEY: Back on the record.

3 MR. LUTZ: Let's let objections happen.
4 I don't mind. But let's get it on the record
5 that they're objecting to these questions.

6 ALJ BUSHEY: Let's get the questions
7 out, Mr. Lutz.

8 MR. LUTZ: Q The cost for designing
9 and implementing the Aging Management Program
10 is in the DCE; correct.

11 A What question -- is that a specific
12 question that was asked, or is that a general
13 question?

14 Q That's a general question.

15 A The cost of the Aging Management
16 Program is included in the DCE. That is
17 correct.

18 Q Is Holtec or your vendor -- I guess
19 it's Holtec. Are they responsible for
20 implementing the Aging Management Program?

21 A Well, Southern California Edison is
22 responsible for implementing the Aging
23 management Program. And that includes both
24 AREVA for the current canisters and Holtec
25 for the new canisters. And the two vendors
26 have responsibilities to us to develop those
27 programs.

28 Q Are you familiar for what the NRC

1 requirements for and Aging Management Program
2 such as NRC New Reg 1927?

3 A I am generally familiar with it.

4 Q Okay. The standard says that if
5 cracks are developing, then the vendor will
6 need to repair or replace the canisters.
7 Will the Holtec contract include repairing or
8 replacing the canisters in the event that
9 occurs?

10 A During the warranty period, Holtec
11 will have some responsibility for repair or
12 replacement. Okay? After the warranty
13 period it will be Southern California Edison.

14 Q Okay. But as we learned, we don't
15 know really know how to do the repair or
16 replacement at this time?

17 A Not true. Not true.

18 Q We do know?

19 A I explained to you we know the
20 technology. We don't have the tooling
21 developed. That's the differentiation we
22 made.

23 Q Thank you. All right. I won't go
24 into that.

25 Now let's go onto the next topic.
26 And in general, I'm not referring to
27 anything -- but the cost of the ISFSI and its
28 operation is likely to be something that SCE

1 may be able to recover from the Department of
2 Energy.

3 I don't know if this is a question
4 for you but are you familiar with the
5 recovery from the Department of Energy?

6 A Yes, I am.

7 Q Okay. In Question 22 I went
8 through a whole list of things asking about
9 who is responsible for what. And I
10 understand that the cost of the spent fuel
11 pool and islanding are -- are not something
12 that you expect to get from the Department of
13 Energy according to your response here. Is
14 that -- do you understand that that's the
15 case?

16 A What was the first part of your
17 statement?

18 Q The cost of for the spent fuel and
19 the spent fuel islanding?

20 A You mean the cost of spent fuel --

21 Q The pool -- the spent fuel pool and
22 the spent fuel pool islanding is not
23 something that you would likely get from the
24 Department of Energy; is that correct?

25 MR. MATTHEWS: Objection, compound. If
26 we could break those up into separate
27 questions, it would be helpful.

28 MR. LUTZ: Okay. I'll accept that.

1 ALJ BUSHEY: Mr. Lutz, are we just
2 going to read this response?

3 MR. LUTZ: Are you objecting to my
4 question, or is there something I need to do?

5 ALJ BUSHEY: I'm trying to understand
6 where we're going here.

7 MR. LUTZ: I'm trying to find out now
8 if -- let me get to this.

9 Q If SCE is able to recover the cost
10 from the Department of Energy, is that
11 returned to the ratepayer immediately, or
12 does it go back into the trust fund?

13 A The -- the monies that we recover
14 from the Department of Energy through a
15 lawsuit are returned to the customer. They
16 are not added to the trust fund or returned
17 to the trust fund. I think if you look at
18 the answers that we provided to you, they
19 look fairly accurate. If you want to take
20 the time to walk down through these?

21 Q Well, I didn't really want to go
22 through all of them unless SCE does not want
23 to allow this evidence admitted. Then I
24 guess I can go through each one of these.
25 I'd prefer that they just allow the
26 document -- their responses be allowed as
27 evidence so we don't have to go through each
28 one.

1 ALJ BUSHEY: Well, Mr. Lutz, how many
2 more questions do you have?

3 MR. LUTZ: I have just a few. We're on
4 22 and there is a total of 33. And most of
5 them I'm not going to ask at the end.

6 ALJ BUSHEY: Let's proceed through your
7 questions as quickly as possible, and then
8 we'll take an afternoon break.

9 MR. LUTZ: Okay.

10 Q Now, there's been some talk about
11 the spent fuel islanding costs and concerns
12 about the design and capacity of the chiller
13 systems. I sent you a letter, and you
14 responded to it.

15 My question is is the design of the
16 spent fuel islanding an area which will be
17 subject to NRC safety review?

18 MR. MATTHEWS: Objection, outside the
19 scope to the extent it raises NRC safety
20 issues.

21 ALJ BUSHEY: Where -- where is this?

22 MR. LUTZ: This is on -- I'm sorry. My
23 question is No. 25. And -- no, I'm sorry.
24 It's still on 22 where I'm going through the
25 different costs for the fuel pool and the
26 pool islanding.

27 Because the fuel pool islanding is
28 not something that will be likely obtained

1 from the Department of Energy, the way I
2 understand it, that would be a cost that
3 would be attributed and not refunded to the
4 ratepayer. And so I'm concerned about that
5 cost, but also the robustness of the design.
6 And my question is is the design subject to
7 NRC safety review.

8 MR. MATTHEWS: SCE's objection is to
9 the second part of the question regarding
10 design and subject to safety review.

11 ALJ BUSHEY: That's definitely outside
12 the scope of this agency.

13 MR. LUTZ: I'm not asking you to review
14 it. I'm just asking if SCE if it will be
15 reviewed so that we don't have to do it here.

16 Q Will it be reviewed by the NRC for
17 safety concerns?

18 MR. MATTHEWS: Same objection. It's
19 not being reviewed here.

20 ALJ BUSHEY: We're not going to do any
21 safety review in this proceeding.

22 MR. LUTZ: I realize that. My question
23 is this. In many cases, the CPUC is
24 responsible for safety and -- and the nuclear
25 plant case you're not. And you've deferred
26 that over to the NRC. And my question is
27 regarding the designing capacity of the
28 chiller systems for the fuel islanding, will

1 it be subject to NRC safety review? That's
2 all. Yes or no.

3 ALJ BUSHEY: It's -- that's not -- the
4 location of that safety review is not an
5 issue for our decommissioning cost estimate.
6 We're here to talk about the decommissioning
7 cost estimate, not where every issue is going
8 to be reviewed for safety.

9 MR. LUTZ: Well, it does --

10 ALJ BUSHEY: Mr. Lutz, could you move
11 on? Do you have any issues that relate to
12 the decommissioning cost estimate?

13 MR. LUTZ: Well, isn't the cost for
14 performing a license amendment request for
15 example something that the -- part of
16 decommissioning that has to be done, then
17 that would be a cost wouldn't it? Would it
18 not.

19 ALJ BUSHEY: That's just testimony on
20 your part, Mr. Lutz.

21 MR. LUTZ: Well, no it's not testimony.
22 I'm asking the question.

23 Q Is the license amendment request
24 that may result from an NRC safety review
25 something that would be a line item in the
26 DCE or a cost that would come out of the
27 decommissioning fund if it has to be done?

28 A I can give you a general answer.

1 NRC review activities and inspection
2 activities, including approvals of emergency
3 plan changes which have just been done, those
4 costs are included in the decommissioning
5 cost estimate.

6 Q Okay. So that means it is an issue
7 for us here to review whether or not a -- the
8 fuel islanding would be subject to NRC safety
9 review and, therefore, a license amendment --
10 perhaps a license amendment request that
11 would be perhaps costly or take a lot of
12 time.

13 Now, are you guys planning to do --
14 send it to NRC for safety review? That's
15 what I'm trying to get to. Is that cost
16 included or not?

17 ALJ BUSHEY: He just said yes.

18 MR. LUTZ: Q Can you answer it?

19 I'd like the witness to answer the
20 question.

21 Did you -- is it something that the
22 NRC -- are you going to file a NRC license
23 amendment request?

24 A Have all the objections been
25 settled here?

26 ALJ BUSHEY: I would think there would
27 be one forthcoming.

28 [!EZ SPEAKER 01]: Yes, your Honor.

1 MR. LUTZ: I object to the judge
2 coaching them to ask for an objection.
3 That's not proper procedure. If they want to
4 object, let them do that on their own
5 initiative.

6 ALJ BUSHEY: Mr. Lutz.

7 MR. LUTZ: Don't coach SCE about how to
8 object.

9 ALJ BUSHEY: Okay. Mr. Lutz, I've been
10 doing a lot of coaching of you for the last
11 hour, during which time I don't think you've
12 developed very much on the record.

13 Now, what information that's
14 relevant to the decommissioning cost estimate
15 do you need?

16 MR. LUTZ: Well, I object to your --
17 you saying and characterizing my line of
18 questioning as not developing anything on the
19 record. That's something that I need to be
20 able to produce in my briefs. It's not
21 something that you -- you can evaluate at
22 this time because I haven't -- I'm not trying
23 to make arguments here.

24 ALJ BUSHEY: Well, okay. Mr. Lutz,
25 there are a lot of objections have been
26 raised. A lot of them have been sustained.
27 Much of your questions and the testimony
28 you've offered has not been related to the

1 decommissioning cost estimate.

2 Again, do you have any questions
3 that relate to the decommissioning cost
4 estimate and relate to facts not now on the
5 record that you would like to get on the
6 record?

7 MR. LUTZ: Well, I think we got to the
8 point of getting a positive response to the
9 question that the -- whether there would
10 be -- a license amendment request would be a
11 cost in -- that would come out of the
12 decommissioning trust fund.

13 And my question still stands. Does
14 SCE plan to submit a license amendment
15 request for the chiller design for the spent
16 fuel pools? That's my question.

17 MR. MATTHEWS: Same, objection, your
18 Honor. I think if the question was rephrased
19 has SCE included costs for licensing actions
20 with respect to spent fuel islanding project,
21 that would be an appropriate project.

22 ALJ BUSHEY: In the DCE, yes.

23 MR. LUTZ: Okay. Let. Me try that
24 one.

25 ALJ BUSHEY: Try that one.

26 MR. LUTZ: Q Has SCE included costs to
27 cover potential license amendment requests
28 regarding the spent fuel islanding design?

1 Has that been included?

2 A As I said earlier, SCE has included
3 costs for NRC activities, which include
4 license amendments, inspections, various
5 submittals for the decommissioning process in
6 the decommissioning cost estimate.

7 Q Okay. So that would cover this as
8 well?

9 A We have included NRC-expected
10 costs.

11 Q Thank you. Oh, man.

12 If the fuel pool is removed, then
13 what -- I understand that's -- that is
14 advantageous, is it not, for SCE because as
15 soon as you get the fuel out, you can start
16 charging the Department of Energy or going
17 after the money from the Department of
18 Energy? And so -- but are other costs
19 reduced like insurance costs, disaster
20 preparedness costs? Because that wasn't in
21 the sensitivity analysis and I wanted to get
22 an idea.

23 MR. MATTHEWS: Objection --

24 MR. LUTZ: What other costs are reduced
25 or increased when you get rid of the fuel
26 pool?

27 MR. MATTHEWS: Objection, vague and
28 compound.

1 ALJ BUSHEY: It's meandering.

2 So Mr. Lutz, what you want to know
3 is when the fuel moves out of the pool, what
4 other costs are reduced; correct? Is that
5 what you want to know?

6 MR. LUTZ: Or increased. Does the
7 insurance go down? I mean, this was -- I
8 understand that perhaps disaster preparedness
9 then stops because you don't have a fuel
10 pool; is that correct?

11 MR. MATTHEWS: There's two questions
12 there. If we want to start with the
13 insurance question, I'm --

14 ALJ BUSHEY: Okay.

15 MR. LUTZ: Q Okay. Does the insurance
16 go down?

17 A Insurance -- it's possible that
18 insurance will go down because the plants are
19 permanently defueled and ceased operating.
20 Whether the fuel is in the fuel pool or the
21 ISFSI, that's not the key determinant.

22 Q Okay. So it doesn't really relate
23 then.

24 Disaster preparedness, does it
25 continue the same until the ISFSI is finally
26 demolished, or does it change when the fuel
27 pool is taken out?

28 A I think you mean emergency planning

1 in our terminology.

2 Q I'm sorry. Emergency planning,
3 yes.

4 A Emergency planning has already
5 changed with the permanent defueled state and
6 the amount of time since shutdown. And
7 that's been publicly announced and expressed.
8 There will be a subsequent change to
9 emergency planning likely when all the of
10 fuel is out of the fuel pool.

11 Q Okay. Thank you.

12 There's been some discussion in the
13 industry regarding compatibility of these
14 canisters with the proposed permanent nuclear
15 waste depository. Has SCE reviewed the
16 requirements for permanent storage canisters?

17 A The DOE has no requirements today
18 for permanent -- for canisters for permanent
19 disposal.

20 Q The only thing I found was in the
21 book "Uncertainty Underground." They said
22 that the -- it would be 5 centimeters thick
23 interlayer of stainless steel and 2 to
24 2-and-a-half centimeters thick of Alloy 22.

25 ALJ BUSHEY: Mr. Lutz?

26 MR. LUTZ: Are you familiar with these
27 -- these standards?

28 ALJ BUSHEY: Mr. Lutz, it's not for you

1 to make testimony.

2 MR. LUTZ: Well, is this an objection
3 from someone else? Is there an objection?

4 ALJ BUSHEY: Mr. Lutz, what do you need
5 from this witness? We can't bring in all
6 sorts of other reference materials that you
7 may have had access to to ask him about it.

8 Let's get back to the
9 decommissioning cost estimate. What specific
10 number in the decommissioning cost estimate
11 are you interested in?

12 MR. LUTZ: I'm trying to provide
13 foundation for the question.

14 Q My question is has SCE reviewed the
15 plans for the permanent disposal site and
16 considered whether investing in these
17 temporary thin canisters is a prudent step
18 from a cost standpoint?

19 A The DOE currently has not specified
20 the particular canister they will accept, so
21 we have deemed it's prudent and appropriate
22 and reasonable to load the canisters we are
23 planning on utilizing and anticipating that
24 the DOE will be able to accept a variety of
25 canisters designs.

26 Q Okay. Thank you.

27 The fuel pools, when they're
28 removed -- I understand -- let me back up.

1 In the case where you would have
2 perhaps a cracked canister or an Aging
3 Management Program, you may notice that
4 they're aging and it would have to be a
5 repair or replacement performed according to
6 the programs that I've seen.

7 If you -- some of those responses
8 require a fuel pool; correct?

9 A I have no idea what you're
10 referring to.

11 MR. MATTHEWS: Objection, incomplete
12 hypothetical.

13 MR. LUTZ: If you have to repair the
14 canister --

15 ALJ BUSHEY: Mr. Lutz.

16 MR. LUTZ: This is a cost issue with
17 regard to whether or not the fuel pool should
18 remain during the entire time the ISFSI is in
19 operation.

20 ALJ BUSHEY: I understand. But when
21 their counsel have objected --

22 MR. LUTZ: Yes.

23 ALJ BUSHEY: -- you need to wait for me
24 to rule on the objection.

25 MR. LUTZ: Sorry. I apologize.

26 ALJ BUSHEY: I thought we went over
27 that.

28 All right. I was about to sustain

1 his objection. Now -- and in my opinion,
2 this question has already been asked and
3 answered earlier.

4 MR. LUTZ: Well, can I make my case
5 before you sustain it? You didn't ask me for
6 a response.

7 ALJ BUSHEY: Mr. Lutz, could we just
8 get focused on the decommissioning cost
9 estimate --

10 MR. LUTZ: Well, okay.

11 ALJ BUSHEY: -- rather than
12 hypotheticals about -- we already went over
13 the canisters this morning. We've been over
14 that.

15 MR. LUTZ: I'm not asking about the
16 canisters. I'm asking about the spent fuel
17 pools and the cost to maintain that in order
18 to deal with so repair or replacement
19 activities that are currently --

20 ALJ BUSHEY: That's yet another
21 hypothetical that --

22 MR. LUTZ: Everything is hypothetical
23 at this point of the we're trying to decide
24 whether the costs allocated are adequate to
25 deal with these hypothetical issues that may
26 happen in the future. And that's our
27 responsibility, to find out what might happen
28 and say whether or not the money allocated is

1 sufficient, is it not?

2 ALJ BUSHEY: Okay. Make it a short,
3 simple question like has Edison considered
4 retaining the spent nuclear fuel pool in case
5 it needs it for cask repair?

6 MR. LUTZ: Okay. I was trying to build
7 the foundation that there is a --

8 MR. MATTHEWS: Can the witness answer
9 the question that your Honor asked?

10 ALJ BUSHEY: Okay. Can you answer
11 that?

12 MR. LUTZ: Okay.

13 THE WITNESS: Okay. You asked me has
14 Edison considered retaining the spent fuel
15 pools. We evaluated that and concluded there
16 is no requirement to retain the spent fuel
17 pools. We don't think there's a realistic
18 probability of using them in the future, and
19 that would be a cost increase to
20 decommissioning. And as a result, we are not
21 planning on keeping the spent fuel pools.

22 MR. LUTZ: Okay. Good.

23 Okay. So I believe for this witness
24 I've come to the end of my questions.

25 ALJ BUSHEY: Thank you.

26 MR. LUTZ: And --

27 ALJ BUSHEY: Do you have anything
28 further, Mr. Lutz?

1 MR. LUTZ: I do want to always say --
2 in case something else comes up, some new
3 thing that -- and Mr. Palmisano is around
4 that I would be able to ask because I'm
5 trying to reorganize. And there's been some
6 juggling of the witnesses.

7 ALJ BUSHEY: Okay.

8 MR. LUTZ: And if I can figure out what
9 questions are appropriate for him, I'd like
10 opportunity to ask.

11 ALJ BUSHEY: We're going to take our
12 afternoon break then for the next 10 minutes.
13 We'll be in recess until 3:15.

14 (Recess.)]

15 ALJ BUSHEY: We'll be back on the
16 record.

17 Ms. Gilmore, you have a few last-
18 minute questions.

19 CROSS-EXAMINATION (Resumed.)

20 BY MS. GILMORE:

21 Q Okay. Exhibit 1, page 11, line 11,
22 you reference the spent fuel pool cooling
23 island system. And my question is, if for
24 some reason fuel needed to be returned from
25 the canisters to the pools, will this system
26 work for that or will we need to spend money
27 on something else?

28 A So to make sure I understand,

1 you're asking once the spent fuel pool island
2 is in service for cooling purposes --

3 Q Right.

4 A -- would that be sufficient? Yes.
5 That system is fully capable of cooling all
6 the fuel in the pool today.

7 Q No. I didn't mean the fuel in the
8 pool. I meant if you have to move the fuel
9 from the canisters back in the pool.

10 A Right. About to get there.

11 Q Sorry.

12 A The capability of the system is
13 capable of all the fuel today. If the pool
14 was still in service and I had to bring a
15 canister back in, yes, the island system
16 would have sufficient heat removal
17 capability.

18 Q Okay. Do you need to do -- would
19 you need to do that after the pool is empty?

20 A Need to do what? Could you
21 clarify?

22 Q Put fuel back. Well, let me tie it
23 to a different question. You had mentioned
24 earlier that you were still considering
25 moving the existing AREVA canisters to the
26 Holtec system and you hadn't decided. So if
27 you decide to do that, would you need to wait
28 until the pool is empty?

1 A Okay. I understand the question.
2 So let me rephrase and make sure I got it
3 right.

4 Q Okay.

5 A You're asking for the 51 AREVA
6 canisters.

7 Q Right.

8 A 50 of which have fuel in today. If
9 we elect to put those in the Holtec UMAX
10 system.

11 Q Right.

12 A Do I need the spent fuel pool
13 available? Is that the question?

14 Q Yes. To transfer it into a --

15 A The answer is no. The way the UMAX
16 system is designed and being licensed, and
17 these are future license amendments, it takes
18 virtually any manufacture's canister, and you
19 would simply take the sealed canister out of
20 the horizontal system in a transfer over
21 pack, orient it vertically and lower it into
22 the UMAX enclosure. So there's no opening to
23 the canister, no fuel pool needed for that
24 activity. And that is the way Holtec is
25 licensing the UMAX system for the future.

26 Q So that will be a request that they
27 will submit in the future?

28 A Right. And it's not SONGS

1 specific. They're doing this for their
2 proposal nationwide.

3 Q Okay. And you reference on
4 Exhibit 1, page 3 and 4, you reference
5 following the irradiated fuel management
6 plan. Now, in that plan the current DOE
7 contract requires you to be able to take the
8 spent fuel assemblies out of the canisters
9 and put them in a DOE-approved cask whenever
10 the DOE makes up their mind to figure that
11 out. So how would you do that in order to
12 comply with your existing DOE standard
13 contract?

14 A The language in the DOE standard
15 contract is somewhat vague. It does talk
16 about a DOE-provided canister. To date DOE
17 has not developed a design. They've had a
18 couple aborted attempts. So industrywide
19 virtually all the manufacturers and utilities
20 have gone with these multipurpose canisters
21 that could be packaged in different overpacks
22 or disposal mechanisms. And quite frankly,
23 the work that's got to be done with the DOE
24 is to get them to accept sealed canisters out
25 of these systems.

26 Q Okay. So then if I understand
27 correctly, then one of your assumptions is
28 that the DOE will waive that requirement?

1 A The assumption is there will be a
2 mechanism for DOE to either take the current
3 canister or for what would be called the dry
4 transfer system if it had to be repackaged.
5 If you look at the NRC's recent continued
6 storage decisions, they talk about dry
7 transfer systems. So there's options down
8 the road, but it is an assumption that DOE
9 will accept them in some fashion in the way
10 they're packaged.

11 Q So the assumptions is it won't
12 happen at San Onofre?

13 A Our assumption is DOE would take
14 them in the current canisters in some
15 fashion.

16 MS. GILMORE: Okay. So that's that. I
17 think that was -- I think that's it. Thank
18 you.

19 THE WITNESS: Thank you.

20 ALJ BUSHEY: Ms. Gilmore.

21 MS. GILMORE: Was that a little better
22 this time? I'm trying to learn.

23 ALJ BUSHEY: Very well done, Ms.
24 Gilmore.

25 MS. GILMORE: Okay.

26 ALJ BUSHEY: Mr. Matthews, redirect.

27 MR. MATTHEWS: Yes, your Honor.

28

1 REDIRECT EXAMINATION

2 BY MR. MATTHEWS:

3 Q Mr. Palmisano, you were asked some
4 questions concerning operational experience
5 at Calvert Cliffs concerning the dry cask
6 storage system in use at this sister
7 facility. Do you have any additional
8 clarifying information based on further
9 research?

10 A Yes, I do. Over lunch I was able
11 to look up the recent NRDC, NRC decision on
12 relicensing the Calvert Cliffs new homes
13 ISFSI system. This was I believe a
14 site-specific license, but it's a similar
15 process. The NRC on October 25th, 2014,
16 renewed the Calvert Cliffs ISFSI license for
17 a 40-year period. So their license now
18 expires in 2052. So that, for example, shows
19 you the NRC is confident in relicensing it
20 for an additional 40 years for a total of 60
21 years. So related to relicensing the systems
22 and what the NRC's practice is, I wanted to
23 provide that actual experience. And for
24 those who are interested, I have the Adams
25 number of the NRC document.

26 Q Could you provide that Adams
27 number?

28 A Yes. The Adams number is the

1 letters Mike, ML, Mike Lima 142 74 A as in
2 alpha 022.

3 Q Thank you. Mr. Palmisano, you were
4 also asked some questions regarding monthly
5 cost and schedule reports that you receive
6 for SONGS decommissioning. What is the
7 purpose of those reports?

8 A Yes. Let me clarify that because I
9 treated that fairly lightly. Like any
10 project or any operating entity, I have
11 regular monthly reporting on performance of
12 schedule and for performance of cost against
13 budget. They're for internal purposes.
14 These are detailed discussions and review
15 meetings with the appropriate staff. So the
16 report itself needs to be explained,
17 interpreted and questioned. So it's really
18 for internal management purposes to allow me
19 to see early performance trends good or bad
20 to make any appropriate adjustments.

21 And in looking at some of the
22 testimony that's been filed, I understand
23 some people are interested in seeing more
24 frequent updates to the Public Utility
25 Commission than an annual reasonableness
26 review. In my experience and I think SCE's
27 position is something similar to Humboldt Bay
28 with annual reasonableness review is probably

1 the right frequency. And the reports that I
2 deal with are probably not the right type of
3 data. It's too detailed and needs too much
4 discussion, interpretation to be meaningful
5 in a report submitted at a Commission level.

6 MR. MATTHEWS: Thank you. No further
7 questions, your Honor.

8 ALJ BUSHEY: Thank you, Mr. Matthews.

9 Final questions for the witness.

10 Mr. Freedman.

11 MR. FREEDMAN: Thank you, your Honor.

12 RECROSS-EXAMINATION

13 BY MR. FREEDMAN:

14 Q Mr. Palmisano, you were just
15 referencing the reports that you received.

16 A Yes.

17 Q And suggesting that it might be
18 more appropriate for Edison to report
19 consistent with the form that PG&E uses for
20 the Humboldt Bay plant; is that right?

21 A That is correct.

22 Q What's the difference between the
23 information in your reports and the
24 information that PG&E provides to the
25 Commission for Humboldt Bay?

26 A I would have to pull up the recent
27 Humboldt Bay reports. My reports are
28 typically more detailed and require

1 discussion to fully understand the variance
2 explanations behind them. It's not a
3 standalone report that can be read and
4 understood without the interaction and
5 dialog.

6 Q Do you know if PG&E's reporting
7 includes updated estimates of schedule and
8 forecast for completion of activities?

9 A I've not looked at their reports
10 recently. So I really can't comment on that.

11 Q And do you know whether PG&E's
12 reports provide any information regarding
13 whether individual activities are on budget,
14 overbudget or underbudget?

15 A I know the report on the overall
16 cost estimate in the forecast. I don't know
17 what level detail for individual activities
18 they report.

19 Q And are you suggesting that the
20 information that you receive on a monthly
21 basis could not be adapted for more broader
22 release?

23 A What I'm suggesting is the
24 information I receive on a monthly basis is
25 used for management purposes to make early in
26 course adjustments to activities and costs.
27 To be useful at this level to compare to
28 performance of a decommissioning cost

1 estimate would need to be aggregated, rolled
2 up and better explained.

3 Q Is this information that Edison
4 would be willing to make available to other
5 parties in the nuclear decommissioning
6 proceedings?

7 A I'm not the right witness to
8 comment on that. We make it available to our
9 co-participants as our co-owners.

10 MR. FREEDMAN: Thank you.

11 ALJ BUSHEY: Final questions for the
12 witness?

13 Hearing none, then the witness is
14 excused.

15 Mr. Matthews, would you like to call
16 your next witness.

17 THE WITNESS: Thank you.

18 MR. MATTHEWS: Yes. Your Honor, I also
19 wanted to confirm that Mr. Palmisano is
20 excused and can go back to SONGS.

21 ALJ BUSHEY: Yes. If there's no
22 further questions.

23 MR. MATTHEWS: Okay.

24 ALJ BUSHEY: You can get back to work.

25 THE WITNESS: The airline is waiting to
26 know.

27 ALJ BUSHEY: As your next witness is
28 making his way up, Mr. Matthews, the identity

1 of your next witness?

2 MR. MATTHEWS: Your Honor, SCE calls
3 Dr. Paul Hunt as its next witness.

4 ALJ BUSHEY: Please come forward, Dr.
5 Hunt.

6 While you're doing that, I will
7 identify for the record the documents we
8 identified prior. Exhibit 10 will be
9 testimony on summary and comparison of trust
10 fund performance with five witnesses
11 including Dr. Hunt.

12 (Exhibit No. 10 was marked for
13 identification.)

14 ALJ BUSHEY: Exhibit 11 is the errata
15 to this testimony.

16 (Exhibit No. 11 was marked for
17 identification.)

18 ALJ BUSHEY: Exhibit No. 12 is the
19 second errata to the testimony.

20 (Exhibit No. 12 was marked for
21 identification.)

22 ALJ BUSHEY: And Exhibit No. 13 is the
23 supplemental testimony.

24 (Exhibit No. 13 was marked for
25 identification.)

26 ALJ BUSHEY: We'll be off the record.

27 (Off the record.)

28 ALJ BUSHEY: Back on the record.

1 So we've identified Exhibits 10, 11,
2 12, and 13.

3 Mr. Matthews, you called your
4 witness.

5 PAUL T. HUNT, JUNIOR, called as a
6 witness by Southern California Edison
7 Company, having been sworn, testified
8 as follows:

9 ALJ BUSHEY: Please be seated. State
10 your full name for the record and spell your
11 last name.

12 THE WITNESS: My name is Paul T. Hunt,
13 Junior, H-u-n-t.

14 ALJ BUSHEY: Thank you. Mr. Walker.
15 Mr. Matthews.

16 MR. MATTHEWS: I've been called worse,
17 your Honor.

18 ALJ BUSHEY: Okay.

19 DIRECT EXAMINATION

20 BY MR. MATTHEWS:

21 Q Dr. Hunt, the purpose of your
22 testimony in this proceeding is to sponsor
23 portions of Exhibits 4, 7, 9, 10, and 11 for
24 SCE's direct and rebuttal testimony, witness
25 qualifications, and errata as identified in
26 the table of contents thereto?

27 A Yes.

28 Q Was this material prepared by you
or under your supervision?

1 A Yes.

2 Q In so far as this material is
3 factual in nature, do you believe it to be
4 correct?

5 A Yes.

6 Q And in so far as this material is
7 in the nature of opinion or judgment, does it
8 represent your best judgment?

9 A Yes, it does.

10 Q Do you adopt this material as your
11 sworn testimony in this proceeding?

12 A Yes. With one correction I would
13 like to make.

14 Q Please make that correction.

15 A That correction would be to
16 Exhibit 7, also known as SCE-5. Please turn
17 to page 30. At the top of page 30 the
18 witness is misidentified as being a TURN
19 witness. She is a UCAN witness.

20 Q So on line 1, Dr. Hunt, on page 30
21 of Exhibit 7, instead of reading "rebuttal to
22 TURN witness," it should read "rebuttal to
23 UCAN witness"; is that correct?

24 A Yes, that is correct. And the same
25 change should be made on table of contents
26 for that exhibit.

27 MR. MATTHEWS: Okay. Thank you.

28 Your Honor, the witness is available

1 for cross-examination.

2 ALJ BUSHEY: Thank you.

3 Mr. Freedman, right?

4 MR. FREEDMAN: Thank you, your Honor.

5 CROSS-EXAMINATION

6 BY MR. FREEDMAN:

7 Q Good afternoon, Mr. Hunt.

8 A Good afternoon, Mr. Freedman.

9 Q I'd like to ask you just a few
10 questions about your rebuttal testimony,
11 Exhibit 7, page 13. Are you there?

12 A Yes, I am.

13 Q Starting on line 7 you express
14 concern about the proposal submitted by TURN
15 relating to a process for the timely return
16 of excess balances in the decommissioning
17 trust funds; is that right?

18 A Yes, that's correct.

19 Q What is Edison's proposal for the
20 ultimate return, the timing and the process
21 for the ultimate return of any excess funds?

22 A Edison's proposal for the timing of
23 any excess returns from the trust is as set
24 forth in the master trust agreements, which
25 were established many years ago, and they
26 essentially call for the return of funds to
27 be contemplated when 90 percent of
28 decommissioning expenditures are complete.

1 Q And based on that 90 percent
2 threshold, do you have any sense of
3 anticipated timing of the return of any
4 excess funds using that approach?

5 A I cannot give you a precise answer
6 to that because my expectation would be that
7 the cost estimates and the cost expenditures
8 could change substantially during the
9 decommissioning process. So I could not give
10 you a date at this time.

11 Q And the 90 percent, does that refer
12 to the total trust balance or something else?

13 A I believe that refers to the total
14 trust balance I would say most likely at the
15 beginning.

16 Q So the 90 percent is not based on
17 the remaining costs of decommissioning but
18 merely based on the amount of balance in the
19 trust fund?

20 A I think that's probably a fair
21 reading of the master trust agreement.

22 Q So even if there was 10 percent of
23 the balance left in the trust fund but a
24 substantial amount of costs remaining to be
25 incurred, it would be the balances in the
26 trust fund that are the only criteria used by
27 Edison?

28 A I think that's -- I think that

1 would be correct. The master trust agreement
2 is somewhat vague as to the wording of that
3 particular section. I would also point out
4 to you that that is not -- I think the
5 determination would be up to the
6 decommissioning trust committee, which Edison
7 does not control.

8 Q And what would be the mechanics of
9 any return when the 90 percent threshold has
10 been hit?

11 A The trust agreement contemplates an
12 order by the CPUC to return funds to
13 ratepayers.

14 Q And does that mean that the trust
15 itself would be dissolved?

16 A It would be part of the process of
17 terminating the trust.

18 Q And do you believe that that
19 process is consistent with the Internal
20 Revenue Service requirements regarding
21 qualified nuclear decommissioning trusts?

22 A I believe yes.

23 Q And so just to recap, the current
24 plan in the master trusts is to consider a
25 return of any excess funds after 90 percent
26 of the balances have been spent; is that
27 right?

28 A Yes. I believe that is correct.

1 Q Turning to page 15, starting on
2 line 5 you reference limitations under the
3 IRS code sections relating to the use of
4 funds in qualified nuclear decommissioning
5 trusts. You identify three specific
6 purposes. Do you see that?

7 A Yes.

8 Q And none of these purposes refer to
9 refunding unspent balances to customers, do
10 they?

11 A That is correct. Returning excess
12 balances are not called out in the IRS code.

13 Q But the IRS does allow for the
14 termination of a nuclear decommissioning
15 trust fund upon substantial completion of
16 decommissioning, does it not?

17 A Yes, it does.

18 Q And what happens to unspent
19 balances that are returned to customers under
20 IRS rules?

21 A I'm not sure I know how to parse
22 that question. My expectation would be that
23 the end -- if decommissioning were
24 substantially completed, then the trust would
25 be liquidated at that time and the balances
26 would be returned to customers. And I don't
27 believe that that would trigger any tax
28 obligation, but the statute is not specific

1 about that.

2 Q When you say "tax obligation," what
3 do you mean?

4 A Well, if you disqualify a trust in
5 some way, then the remaining amounts in the
6 trust become immediately taxable to the trust
7 and there is an income tax obligation results
8 from that. And that is the primary issue
9 with the risk of disqualifying a qualified
10 trust.

11 Q Edison receives a disbursement from
12 the trusts in the normal course of
13 operations. Is that disbursement taxed?

14 A The trust is not taxed. The
15 disbursement is offset by a corresponding
16 expenditure. So there is no income tax
17 liability to the company.

18 Q So it's treated effectively as a
19 pass-through with no tax obligation?

20 A What you actually have is you have
21 taxable income to the company, but it is
22 offset by the expenditure as an expense.

23 Q And then when the money is returned
24 to customers when -- if there's excess funds
25 at the termination of the trust, would there
26 be an offsetting expenditure?

27 A From a tax perspective I'm not sure
28 I know the answer to that question. I don't

1 know tax laws well enough.

2 Q So you're not sure whether any
3 final disbursement associated with the
4 termination of the trust, trusts would be
5 treated as taxable income?

6 A My expectation is that it would not
7 be, but I can't walk you through the
8 mechanics of that.

9 Q And your basis for that statement
10 has to do with some type of offsetting
11 expense that would effectively neutralize the
12 tax impact?

13 A Yes.

14 Q But you're not sure what that
15 expense might be?

16 A But I'm not sure how that would
17 actually happen.

18 Q Because presumably at that point
19 there would be no additional expenses to
20 offset that income, correct?

21 A There would not be a
22 decommissioning expense to offset that
23 income.

24 ALJ BUSHEY: Can I just follow up.
25 Wouldn't an order of this Commission to
26 return the money to ratepayers be an
27 offsetting event for the income?

28 THE WITNESS: Well, it could be -- and

1 this is just my speculation because I'm not a
2 tax expert -- it could be that the
3 distribution would be deemed not to be income
4 to the corporation.

5 ALJ BUSHEY: Right. Because it was
6 pursuant to order of --

7 THE WITNESS: Yes.

8 ALJ BUSHEY: -- this agency being
9 distributed to ratepayers?

10 THE WITNESS: Yes.

11 ALJ BUSHEY: Okay. Mr. Freedman.

12 MR. FREEDMAN: Thank you, your Honor.

13 Q Further down on page 15 in response
14 to Question 27 you cite a hypothetical on
15 line 16 stating that if Edison's SONGS 2
16 qualified nuclear decommissioning trust was
17 disqualified, Edison would have immediate
18 taxable income equal to approximately
19 \$1.6 billion. That's because the balance of
20 the trust in your hypothetical is
21 1.6 billion; is that right?

22 A Yes, that's correct.

23 Q And would the disqualification of
24 the SONGS 2 qualified nuclear decommissioning
25 trust have any effect on the qualification
26 status of the Unit 3 trust?

27 A I don't believe it would. I
28 believe that they would be treated

1 separately.

2 Q And the taxable income that you
3 refer to on line 17, that again relates to
4 the subject we were just discussing about the
5 need to have offsetting deductions; is that
6 right?

7 A Yes.

8 Q There's not a specific penalty that
9 the IRS would apply for?

10 A I mean that is the -- there is not
11 a penalty in addition to the levying of an
12 income tax on the amount disqualified. I
13 mean the penalty is the levying of the income
14 tax.

15 Q And you're not sure whether that
16 same penalty would apply at the termination
17 of the trusts?

18 A My working assumption is it would
19 not.

20 Q But you're not sure why?

21 A But I'm not sure why. Yes.

22 MR. FREEDMAN: Okay. Thank you, Dr.
23 Hunt. Those are all my questions.

24 ALJ BUSHEY: Okay. Didn't another
25 party have questions? Mr. Geesman.

26 CROSS-EXAMINATION

27 BY MR. GEESMAN:

28 Q Good afternoon, Dr. Hunt.

1 A Good afternoon, Mr. Geesman.

2 Q John Geesman on behalf of the
3 Alliance for Nuclear Responsibility. My
4 questions are on your rebuttal testimony,
5 which is marked as Exhibit 7. I would like
6 to focus on your response to Question 23,
7 which appears at page 14 of Exhibit 7.

8 A Yes. I have that. I'm at that
9 page.

10 Q I'd like you to elaborate on your
11 thoughts on intergenerational equity.
12 Specifically, how should the Commission
13 strike the appropriate balance between past,
14 present, and future customers?

15 A Well, in this instance I think the
16 Commission should strive to limit as much as
17 possible the responsibility of customers who
18 did not receive power from the SONGS units to
19 pay for decommissioning.]

20 So that would argue for -- to --
21 you would be -- you would be very concerned
22 about distributing money prematurely if it
23 resulted in an obligation on future
24 customers.

25 Q So would that concept of equity
26 then extend and perhaps even magnify over
27 time so that it in your view would be worse
28 to approach future ratepayers 20 years from

1 now than it would be five years from now?

2 A Well, I've not really -- I've not
3 evaluated that sort of a weighting. I think
4 that sort of a weighting could be motivated
5 by simply thinking about how long customers
6 stay on the system.

7 Q So that from an equitable
8 standpoint, as time passes, presumably fewer
9 and fewer of the customers that received
10 electricity from SONGS are still around?

11 A Well, yes, but I would also -- as I
12 think about that, I think I would also
13 realize that you really would have great
14 difficulty identifying those customers or
15 could have great difficulty identifying those
16 customers.

17 Q But is there any question in your
18 mind that 20 years from now there will be
19 fewer Edison customers who received
20 electricity from SONGS than will be the case
21 five years from now?

22 A That would be my expectation.

23 Q Looking at the sentence that begins
24 at line 7 on page 14, it says:

25 SCE believes that Commission
26 policy should seek to minimize
27 the risk that contribution from
28 future customers will be required

1 to complete decommissioning,
2 including spent fuel storage
3 until accepted by the DOE.

4 How would you specifically address
5 that uncertainty?

6 A Okay. I'm not -- I'm not following
7 the uncertainty you're referring to.

8 Q You don't know exactly when the DOE
9 will accept your spent fuel?

10 A No.

11 Q So you don't know how long you need
12 to provide for onsite storage. How does that
13 uncertainty overlap with your concerns about
14 intergenerational equity?

15 A I don't know. I've not
16 contemplated that particular question.

17 MR. GEESMAN: Thank you very much.
18 That completes my questioning, your Honor.

19 ALJ BUSHEY: Thank you.

20 Redirect, Mr. Matthews?

21 MR. FREEDMAN: Your Honor, with your
22 indulgence, I have one more question. And I
23 didn't use all my, time so if it would be
24 acceptable?

25 ALJ BUSHEY: Okay.

26 MR. FREEDMAN: Thank you, your Honor.

27

28

1 CROSS-EXAMINATION (Resumed.)

2 BY MR. FREEDMAN:

3 Q Dr. Hunt, I wanted to follow-up on
4 one of your responses relating to the
5 90 percent threshold that you identified. If
6 less than 90 percent of the trust fund
7 balances are expended when decommissioning is
8 substantially complete -- so there's more
9 than 10 percent remaining, Edison wouldn't
10 propose to have the trust hold those fund in
11 perpetuity, would they?

12 A No.

13 Q So that would require an amendment
14 to the master trust?

15 A Yes, it could require an amendment
16 to the master trust agreement.

17 Q And how do the master trust
18 agreements get amended?

19 A I do not know the precise process,
20 however, I believe what happens is that an
21 amendment to the master trust is proposed by
22 an advice letter, and the advice letter is
23 approved by the CPUC. The example I am
24 thinking of is that the master trust has been
25 modified from time to time for differing --
26 different investment fees, and I believe that
27 is the process that was utilized in that
28 instance.

1 Q So the master trust agreement is
2 jurisdictional to this Commission?

3 A Yes, it is.

4 MR. FREEDMAN: Thank you. Those are
5 all my questions.

6 ALJ BUSHEY: Okay.

7 Redirect, Mr. Matthews.

8 MR. MATTHEWS: Can I have a minute off
9 the record, your Honor?

10 ALJ BUSHEY: We'll be off the record.

11 (Off the record.)

12 ALJ BUSHEY: We'll be back on the
13 record.

14 Mr. Matthews?

15 MR. MATTHEWS: No redirect, your Honor.

16 ALJ BUSHEY: All right. Thank you.

17 Final questions for the witness?

18 (No response.)

19 ALJ BUSHEY: Hearing none, then the
20 witness is excused.

21 We'll be off the record.

22 (Off the record.)

23 ALJ BUSHEY: We'll be back on the
24 record.

25 Mr. Lutz?

26 MR. LUTZ: Okay. Ray Lutz, Citizens
27 Oversight. I would like to make a motion
28 that the COPS Document No. COPS-010 be

1 included in the record. This document
2 consists of responses from Southern
3 California Edison to our data requests.

4 ALJ BUSHEY: Mr. Matthews?

5 MR. MATTHEWS: SCE objects, your Honor,
6 for the reasons that have previously been
7 stated. I would note as well that of the 33
8 or so data request responses that are
9 included in that exhibit, Citizens Oversight
10 only asked Mr. Palmisano questions about half
11 of them. There were also a number of
12 objections during that questioning, and on
13 that basis, SCE objects to the inclusion of
14 the exhibits into the record.

15 MR. LUTZ: May I state my case?

16 ALJ BUSHEY: Yes, Mr. Lutz.

17 MR. LUTZ: During my questioning, I
18 used that document as the basis for my
19 questions. Southern California Edison was
20 able to respond to them. It's going to be
21 very difficult for members of the public or
22 anyone looking at the record to understand my
23 questioning, and so I think it's only
24 appropriate to allow that document, which is
25 only the responses of SCE and nothing that I
26 added to be placed in the record. And to not
27 do so -- I would be flabbergasted that this
28 hearing would not allow an Edison document to

1 be placed in the record. I would not believe
2 it.

3 ALJ BUSHEY: Thank you, Mr. Lutz.

4 Mr. Matthews, will Edison be moving
5 to strike any of the responses that your
6 witness provided to the questions based on
7 these documents?

8 MR. MATTHEWS: No, I thought -- I
9 thought the witness's testimony is -- you
10 know, to the extent that objections were
11 overruled or the witness provided testimony
12 on the record, that's part of the record.

13 SCE's only objection is the
14 inclusion of these data request responses to
15 which there were objections made -- we also
16 provided some responses, but we made
17 objections to those requests on various
18 grounds being outside the scope, vague and
19 ambiguous, and, you know, other --

20 ALJ BUSHEY: A variety of objections,
21 many of which were overruled, and
22 nevertheless, evidence was placed into the
23 record.

24 MR. MATTHEWS: In terms of the
25 testimony provided by the witness. But the
26 actual physical hard copy of this exhibit,
27 SCE would object to the inclusion in the
28 record.

1 ALJ BUSHEY: Right. I understand that.

2 Mr. Lutz, here's what I'm going to
3 do. I believe that your cross-examination
4 read enough of the relevant documents into
5 the record so that it is understandable what
6 your questions related to. This compendium
7 that you have prepared has a lot of documents
8 in it that you did not ask questions on.

9 So for that reason, I am going to
10 deny your request because I believe the
11 relevant evidence that you want is already in
12 the record and Edison has already agreed that
13 they're not going to move to strike it. So
14 it's there.

15 MR. LUTZ: So does that mean that their
16 data responses are not going to be something
17 that I can refer to in my briefs?

18 ALJ BUSHEY: Correct.

19 MR. LUTZ: They made responses to my
20 questions, and I want to be able to refer to
21 those in my briefs and my arguments. And
22 you're saying now that I can't refer to all
23 of their responses which the witness
24 responded to? Is that what you're saying?
25 I can't refer to those documents?

26 ALJ BUSHEY: Not at all. I'm saying to
27 the extent the witness discussed them and
28 that you asked questions about them, that

1 will be on the record and that is part of the
2 evidentiary record. I believe every topic
3 that you wanted to discuss, you discussed
4 with the witness. That is on the record. It
5 will be in the transcript.

6 MR. LUTZ: I disagree with that. You
7 may believe it, but I would like to reassert
8 my request that these data request responses
9 from Southern California Edison -- they have
10 all of their -- their justification for why
11 the questions are out of line for every
12 single question. They got their chance to do
13 it in writing. There's nothing surprising
14 them in this. This should all go into the
15 record.

16 ALJ BUSHEY: Thank you, Mr. Lutz. I
17 understand your position, but I have denied
18 your request.

19 MR. LUTZ: Okay. I'd like to make
20 another motion, please.

21 ALJ BUSHEY: Yes, Mr. Lutz.

22 MR. LUTZ: I'd like to make a motion
23 that all of ORA's data requests be placed
24 into the record. This is the institution
25 that is assigned by the CPUC to become an
26 advocate for the ratepayer and their
27 questions and the responses of the utility
28 should all be placed in the record.

1 ALJ BUSHEY: Does anyone want to
2 respond to that?

3 MR. MATTHEWS: SCE also objects to that
4 request. If there's a particular question
5 that -- we object to the request. It's
6 overbroad.

7 MR. LUTZ: Why -- why -- please justify
8 it? Why are you objecting?

9 ALJ BUSHEY: Mr. Lutz, I'm going to
10 deny your request for the same reason I
11 denied your request for your compendium.

12 MR. LUTZ: No. These are the ORA
13 questions, and they're the legitimate
14 questioners of the utilities.

15 ALJ BUSHEY: All the parties are
16 legitimate questioners.

17 MR. LUTZ: So are you saying ORA's
18 questions are out of line?

19 ALJ BUSHEY: No.

20 MR. LUTZ: Then why can you say they're
21 not going to put them in the record?

22 ALJ BUSHEY: Everyone's discovery is
23 not in the record unless they've been made
24 relevant through evidentiary testimony such
25 as you just did today.

26 Do you have any further motions, Mr.
27 Lutz?

28 MR. LUTZ: I would just like to say

1 that from the standpoint of the -- of the
2 public, not getting an openness of this
3 institution to not allow ORA's data requests
4 that they've had a chance to respond to in
5 the record is obscene. I can't even believe
6 it.

7 ALJ BUSHEY: Thank you, Mr. Lutz. All
8 of the discovery is public information
9 available to everyone. To the extent any of
10 the parties believe, as you did earlier
11 today, that on certain topics that cross
12 examination is warranted -- which you did
13 today and you put evidence in the record on
14 those topics -- all the parties are free to
15 do that with all of their discovery
16 responses. That's how it works.

17 MR. LUTZ: I'm putting it in the
18 record. I want those things in the record so
19 I can use them in the briefs. And that's the
20 reason I'm here is to make sure I get those
21 things in the record.

22 ALJ BUSHEY: Okay. I've denied both of
23 your motions.

24 Are there further motions to come
25 before the Commission?

26 (No response.)

27 ALJ BUSHEY: Hearing none, this
28 evidentiary hearing is concluded and

1 continued until 10:00 a.m. tomorrow morning.

2 Thank you.

3 (Whereupon, at the hour of
4 3:57 p.m., this matter having been
5 continued to 10:00 a.m., August 26,
2015 at San Francisco, California, the
Commission then adjourned.)

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA

)	
)	
Joint Application of Southern)	
California Edison Company (U338E))	
and San Diego Gas & Electric Company)	
(U902E) to Find the 2014 SONGS Units)	Application
2 and 3 Decommissioning Cost)	14-12-007
Estimate Reasonable and Address)	
Other Related Decommissioning)	
Issues.)	
)	
)	

CERTIFICATION OF TRANSCRIPT OF PROCEEDING

I, Thomas C. Brenneman, Certified Shorthand Reporter No. 9554, in and for the State of California do hereby certify that the pages of this transcript prepared by me comprise a full, true and correct transcript of the testimony and proceedings held in the above-captioned matter on August 25, 2015.

I further certify that I have no interest in the events of the matter or the outcome of the proceeding.

EXECUTED this 25th day of August, 2015.

Thomas C. Brenneman
CSR No. 9554

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
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)	
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Joint Application of Southern)	
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Other Related Decommissioning)	
Issues.)	
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CERTIFICATION OF TRANSCRIPT OF PROCEEDING

I, Wendy M. Pun, Certified Shorthand Reporter No. 12891, in and for the State of California do hereby certify that the pages of this transcript prepared by me comprise a full, true and correct transcript of the testimony and proceedings held in the above-captioned matter on August 25, 2015.

I further certify that I have no interest in the events of the matter or the outcome of the proceeding.

EXECUTED this 25th day of August, 2015.

Wendy M. Pun
CSR No. 12891