

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



To: All Interested Parties

Subject: Final Environmental Impact Report for the Proposed Diablo Canyon Power Plant Steam Generator Replacement Project

Date: August 15, 2005

The California Public Utilities Commission (CPUC) has released the Final Environmental Impact Report (EIR) under the California Environmental Quality Act (CEQA) for consideration of Pacific Gas & Electric Company's (PG&E) application (A.04-01-009) to replace the steam generators at Diablo Canyon Power Plant (DCPP) Units 1 and 2. The Final EIR incorporates changes resulting from comments submitted during the Draft EIR comment period (March 21 to May 5, 2005).

Description of the Proposed Project. This Proposed Project would enable DCPP to remain in service until the end of the current term of each of the Nuclear Regulatory Commission (NRC) licenses. The current licenses authorize DCPP Unit 1 to operate until 2021 and Unit 2 to operate until 2025. However, the existing steam generators have exhibited degradation and are currently predicted to reach the end of their operating life within the next several years. The original steam generators will eventually reach a state where, under applicable NRC regulations, either the steam generators must be replaced or the units must be shut down.

Contents of the Final EIR. The Final EIR consists of two volumes and includes about 1,200 pages. Volume I (EIR) is completely re-printed from the Draft EIR. Changes made to the Draft EIR are marked in Volume I: inserted text is underlined and deleted text is shown in strikeout. Both types of changes are indicated with a vertical line in the margin. Volume II consists of all comments on the Draft EIR and responses to comments. Over 500 pages of comments on the Draft EIR were submitted to the CPUC.

CPUC Actions After Final EIR Publication. There is no comment period following issuance of the Final EIR. The CPUC will determine the adequacy of this Final EIR, and, if adequate, will certify the document as compliant with CEQA. The CPUC will issue a Decision on the Proposed Project, which will be announced and published concurrent with a scheduled CPUC Meeting. Parties to the General Proceeding (A.04-01-009) may apply for rehearing of a Decision within 30 days of the CPUC Meeting. For further information on the CPUC's decision-making process, call the CPUC Public Advisor at (415) 703-2074.

If the CPUC approves the project or an alternative, the CPUC will implement a Mitigation Monitoring, Reporting, and Compliance Program as defined in Section H of the EIR. This program will ensure that the approved project is implemented as designed, and that all adopted mitigation measures are implemented in order that effects on the environment do not exceed those defined in this EIR.

Availability of Final EIR. Copies of the Final EIR have been mailed to parties to the General Proceeding and to Federal, State, and local government agencies that commented on the Draft EIR, as well as members of the public. The document is available on the CPUC's project website at:

<http://www.cpuc.ca.gov/environment/info/aspens/diablo/diablo.htm>

The Final EIR is also available at the following area libraries:

- San Luis Obispo City-County Library — 995 Palm Street, San Luis Obispo
- Robert E. Kennedy Library — California Polytechnic State University, San Luis Obispo
- South County Library — 800 West Branch Street, Arroyo Grande

Copies of the Final EIR on CD or a separately bound Executive Summary may be requested by phone or fax at (805) 888-2750 or by e-mail at diablocanyon@aspenerg.com. The CPUC also has a limited number of copies of the printed Final EIR document available to the public upon request.

California Public Utilities Commission

c/o Aspen Environmental Group
235 Montgomery Street, Suite 935
San Francisco CA 94104

