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10 *Attorneys for*
11 PACIFIC GAS AND ELECTRIC COMPANY

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA
14 WESTERN DIVISION

15
16 FRIENDS OF THE EARTH,
17
18 Plaintiff,

19 vs.

20 JENNIFER GRANHOLM, in her
official capacity as Secretary of the
21 Department of Energy, UNITED
STATES DEPARTMENT OF
22 ENERGY,

23 Defendants.

Case No. 2:24-cv-02678-GW-SK

**DECLARATION OF
BRIAN KETELSEN**

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2 1. I am a Director, Nuclear Business & Technical Services, with Pacific
3 Gas & Electric Company (“PG&E”). As such, I have responsibilities relating to
4 management, tracking, and utilization of funds received by PG&E from the
5 California Department of Water Resources (“DWR”), under a Loan Agreement
6 entered pursuant to S.B. 846 involving continued operations for the Diablo Canyon
7 Power Plant (“DCPP”).

8 2. DWR does not automatically disburse loan funds to PG&E. Rather,
9 PG&E must make requests, identifying the defined “Authorized Expenses” for
10 which the disbursements will be used. Authorized Expenses include project costs,
11 fuel purchases, spent fuel management, contract labor, project team, and other costs
12 associated with continued operations of DCPP. Pursuant to the Loan Agreement,
13 DWR approved and disbursed the loan amounts in successive “tranches,” as
14 follows: (a) \$350,000,000 as “Tranche A,” (b) \$232,500,000 as “Tranche B,” (c)
15 \$367,500,000 as Part 1 of “Tranche C,” and (d) \$380,000,000 as Part 2 of “Tranche
16 C.” The last disbursement was approved by DWR on or about August 23, 2024.
17 The total disbursed loan amount is \$1,330,000,000, which is the \$1.4 billion
18 authorized by S.B. 846, minus certain administrative costs that DWR was
19 authorized to retain.

20 3. Nearly all of those loan funds - \$1.32 billion - have now been
21 committed or incurred in connection with the continued operations of DCPP
22 contemplated by S.B. 846 and the Loan Agreement. Incurred funds have already
23 been paid to vendors, third parties, employees, or contractors, and committed funds
24 include progress payments, purchases, and other dedicated expenditures that will be
25 made by PG&E to support license renewal and operations.

26 4. Attached as Exhibit 1-A is a summary, roll-up spreadsheet, derived
27 from financial records maintained in the ordinary course of business by PG&E, and
28 entitled “License Renewal and Expenditure Summary.” That spreadsheet shows

1 total committed and incurred expenses for 2022 through 2026, attributable to high-
2 level Work Breakdown Structure (“WBS”) categories. Those WBS categories
3 include license renewal efforts, dry cask storage, upgrade projects, programs
4 associated with continued operations, operational enhancements, purchases of
5 nuclear fuel, and performance-based disbursements under the Loan Agreement.
6 “Dry cask storage” and “fuel” expenditure amounts are confidential and sensitive
7 for legal and competitive reasons, respectively, and PG&E therefore routinely
8 redacts such figures in public submissions to DWR and other government entities.
9 Consistent with that practice, those specific line items have been redacted from
10 Exhibit 1-A, although the “total” amounts include the aggregated expenditures for
11 those items.

12 5. The spreadsheet shows that \$1.32 billion in disbursed loan funds from
13 DWR are incurred or committed as of the end of 2024. The set off box entitled
14 “Outstanding Commitments,” with an amount of \$248,852 thousand, reflects
15 contractual commitments where funds have not yet been actually expended, but are
16 appropriately included in the total of incurred and committed funds. When that
17 \$248,852 thousand is added to the \$1,068,462 thousand total incurred funds as-of
18 the end of 2024, the aggregate incurred or committed amount is \$1,317,314
19 thousand. Currently, PG&E forecasts that costs through 2026 will exceed the DWR
20 loan amount, however, PG&E is taking steps to evaluate and reduce costs not yet
21 incurred or committed.

22 I declare under penalty of perjury that the foregoing is true and correct, to
23 the best of my knowledge, information, and belief.
24

25
26 1-2-2025

27 Date

25
26 
27 _____

Brian Ketelsen

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