



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED
04-05-13
04:59 PM

Joint Application of Southern California Edison)
Company (U 338-E) and San Diego Gas &) Application No. 12-12-013
Electric Company (U 902-E) for the 2012)
Nuclear Decommissioning Cost Triennial)
Proceeding to Set Contribution Levels for the)
Companies' Nuclear Decommissioning Trust)
Funds and Address Other Related)
Decommissioning Issues.)

**AMENDMENT TO THE JOINT APPLICATION OF SOUTHERN CALIFORNIA EDISON
COMPANY (U 338-E) AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR THE
2012 NUCLEAR DECOMMISSIONING COST TRIENNIAL PROCEEDING**

DOUGLAS K. PORTER
MATTHEW W. DWYER
GLORIA M. ING

Attorneys for
SOUTHERN CALIFORNIA EDISON CO.

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1999
Facsimile: (626) 302-3990
E-mail: Gloria.Ing@sce.com

Dated: **April 05, 2013**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Joint Application of Southern California Edison)	
Company (U 338-E) and San Diego Gas &)	Application No. 12-12-013
Electric Company (U 902-E) for the 2012)	
Nuclear Decommissioning Cost Triennial)	
Proceeding to Set Contribution Levels for the)	
Companies' Nuclear Decommissioning Trust)	
Funds and Address Other Related)	
Decommissioning Issues.)	

**AMENDMENT TO THE JOINT APPLICATION OF SOUTHERN CALIFORNIA EDISON
COMPANY (U 338-E) AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR THE
2012 NUCLEAR DECOMMISSIONING COST TRIENNIAL PROCEEDING**

Pursuant to Rule 1.12 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Southern California Edison Company ("SCE") submits the following amendment to the December 21, 2012 Joint Application of SCE and San Diego Gas & Electric Company (SDG&E) for the 2012 Nuclear Decommissioning Cost Triennial Proceeding ("NDCTP").¹

In January 2013, SCE submitted Exhibit Utilities-3-Revised, which corrected Exhibit Utilities-3 to indicate that (1) SCE's requested contribution to the Nuclear Decommissioning Trust Funds for SONGS Units 2 & 3 should be lowered from \$40.98 million to \$39.221 million, and (2) SCE's request for the associated revenue requirement should decrease from \$41.44 million to \$39.662 million. Since SCE's requested contribution and revenue requirement are also identified in the December 21, 2012 application, the two decreases should be reflected in the application as well.

¹ The protest period for this application should not be reopened since the changes are minimal. The changes, which relate to a decrease in SCE's requested contribution and revenue requirement, simply conform the application to Exhibit Utilities-3-Revised, which was submitted to parties in January 2013 and was discussed at the March 27, 2013 prehearing conference in this proceeding.

At the March 27, 2013 prehearing conference (PHC) in the above-referenced matter, SCE alerted the Administrative Law Judge of the associated corrections SCE wished to make to the December 21, 2012 application.² Pursuant to the direction of the ALJ at the PHC,³ SCE is submitting the attached Attachment A which contains the amended pages to the December 21, 2012 application.

Rule 1.12 of the Commission's rules permits the filing of amendments to applications prior to the issuance of the Scoping Memo. At this time, a Scoping Memo has not been issued. Therefore, SCE's amendment is timely.

Respectfully submitted,

/s/ Gloria M. Ing

By: Gloria M. Ing

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1999
Facsimile: (626) 302-3990
E-mail: gloria.ing@sce.com

April 05, 2013

² Tr./PHC, pp. 37-41 (March 27, 2013).

³ Tr./PHC, p. 41 (March 27, 2013).

Attachment A

I.

THIS JOINT APPLICATION IS IN COMPLIANCE WITH COMMISSION DECISIONS

A. Summary of Request

In this Joint Application, the Utilities request the Commission:

(1) Find the \$14.9 million (100% share, 2011\$) cost of San Onofre Nuclear Generating Station (SONGS) Unit 1 Decommissioning Work completed between January 1, 2009 and December 31, 2012 is reasonable;

(2) Find that the updated \$182.3 million (100% share, 2011\$) SONGS 1 decommissioning cost estimate for the Remaining Work is reasonable; and

(3) Find the updated \$4,119.0 million (100% share, 2011\$) SONGS 2 & 3 decommissioning cost estimate reasonable.

In addition, SCE requests the Commission:

(1) Find the updated \$513.5 million (SCE share, 2010\$) Palo Verde decommissioning cost estimate reasonable; and

(2) Authorize rate recovery of its increased contribution of ~~\$40.98~~ million to its Nuclear Decommissioning Trust Funds for SONGS Units 2 & 3 through the Nuclear Decommissioning Cost Charge, effective January 1, 2014. The associated revenue requirement associated with this contribution is ~~\$41.44~~ million. ^{\$ 39.221} _{\$ 39.602}

In addition to the foregoing requests by SCE, SDG&E further requests that the Commission:

(1) Enter a finding that the updated estimate of SDG&E's ratable share of the decommissioning costs for SONGS Units 1, 2 and 3 of \$36.46 million, \$400.625 million, and \$423.093 million, respectively, is reasonable;

(2) Authorize a revenue requirement for SDG&E's annual contribution to its Nuclear Decommissioning Trust Fund for SONGS Units 1, 2 and 3 in the amount of \$16.43 million, effective January 1, 2014;

(3) Authorize SDG&E to amortize the 2013 forecasted NDAM undercollection in rates for a twelve-month period beginning January 1, 2014; and

However, the Utilities should be authorized to continue to use the tax benefits associated with the expenditures of the SONGS 1 Non-qualified Decommissioning Trust Funds to ensure that all SONGS 1 decommissioning costs can be paid out of existing monies.²⁴

B. The Commission Should Authorize SCE To Contribute \$39.221 Million And SDG&E To Contribute \$16.239 Million Each Year To Their Nuclear Decommissioning Trust Funds

The 2012 SONGS 2 & 3 Decommissioning Cost Estimate remained relatively flat at \$4.12 billion (100% share, 2011\$) over the 2009 SONGS 2 & 3 Decommissioning Cost Estimate of \$4.08 billion (100% share, 2011\$) adopted in the 2009 NDCTP.²⁵

To estimate the contributions needed to fund the decommissioning of SONGS 2 & 3 and Palo Verde fully, annual escalation rate projections were used to convert the decommissioning cost estimates in base-year dollars to decommissioning cost estimates in future-year dollars. Escalation rates were based on projections from IHS Global Insight, a highly respected economic forecasting firm that the Commission has relied upon for many years. Similarly, SCE derived estimated trust fund asset returns from projections by IHS Global Insight. SCE calculated its estimated annual contribution (~~\$40.98~~ ^{\$39.221} million) and revenue requirement based on these projections and other data, as explained in Exhibit Utilities-3. SCE's contribution and revenue requirement should be revised at the time of briefing, based on updated trust fund balances at that time.

With respect to SDG&E's ratable share of the estimated costs of decommissioning SONGS Units 1, 2 and 3, SDG&E determined the reasonable level of its annual contributions to its Nuclear Decommissioning Trust Funds and the associated annual revenue requirement based upon the decommissioning cost estimates by SCE and/or as prepared for SCE by ABZ, Incorporated, such estimates having been provided by SCE to the Commission for this application, and by taking a ratable

²⁴ In Section 4.2.3 of the Settlement Agreement adopted in D.99-06-007, the settling parties proposed that, "Upon completion of Phase I, [Applicants] will assess the remaining SONGS 1 Decommissioning Work and recommend to the Commission the appropriate timing for returning the Nonqualified Trust Fund Tax Benefits to ratepayers." As described in Exhibit No. SCE-1, SCE will need the non-qualified tax benefits to complete SONGS 1 Decommissioning based on the 2005 SONGS 1 Cost Estimate for the Remaining Decommissioning Work, fund growth, and escalation.

²⁵ The amount adopted in the 2009 NDCTP was \$3.7 billion (2008\$), which is \$4.08 billion in 2011\$.

Finally, SCE requests that the Commission authorize rate recovery of its increased contribution of ~~\$40.98~~ ^{\$39.221} million to its Nuclear Decommissioning Trust Funds for SONGS Units 2 & 3 through the Nuclear Decommissioning Cost Charge, effective January 1, 2014. The associated revenue requirement associated with this contribution is ~~\$41.44~~ ^{\$39.662} million.

SDG&E requests the Commission grant SDG&E the following relief and authorities:

(1) Find that the updated estimate of SDG&E's ratable share of the decommissioning costs for SONGS Units 1, 2 and 3 of \$36.46 million, \$400.625 million, and \$423.093 million is reasonable;

(2) Authorize a revenue requirement for SDG&E's annual contribution to its Nuclear Decommissioning Trust Fund for SONGS Units 1, 2 and 3 in the amount of \$16.43 million, effective January 1, 2014; and,

(3) Authorize SDG&E to file an advice letter within fifteen (15) days after the effective date of the Commission's order approving this application to adjust SDG&E's NDAM rates to reflect this revenue requirement and annual contribution. Based upon this application, SDG&E proposes a rate increase of \$8.3 million. This increase reflects an appropriate allowance for franchise fees of 1.0275 percent and uncollectibles of 0.1410 percent as approved by the Commission in Decision 08-07-046 dated July 31, 2008, and funds received from SCE representing SDG&E's ratable share of an award of

//
//
//
//
//
//
//
//
//
//
//
//
//
//
//