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OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services and Facilities of Southern California Edison Company and San Diego Gas and Electric Company Associated with the San Onofre Nuclear Generating Station Units 2 and 3.	Investigation 12-10-013 (Filed October 25, 2012 Irvine, CA)
Southern California Edison Company's (U338E) Application for a Reasonableness Determination of 2012 Costs Recorded in the San Onofre Nuclear Generating Station Memorandum Account (SONGSMA).	Application 13-01-016 (Filed January 31, 2013)
Application of Southern California Edison Company (U338E) for Inclusion of the Steam Generator Replacement Program Cost Permanently in Rates.	Application 13-03-005 (Filed March 15, 2013)
Application of San Diego Gas & Electric Company (U902E) for Inclusion of the Steam Generator Replacement Project Cost Permanently in Rates.	Application 13-03-014 (Filed March 18, 2013)
San Diego Gas & Electric Company's (U902E) Application for a Reasonableness Determination of 2012 Costs Recorded in the San Onofre Nuclear Generating Station Memorandum Account (SONGSMA).	Application 13-03-013 (Filed March 19, 2013)

WOMEN'S ENERGY MATTERS' COMMENTS ON PROPOSED DECISION APPROVING AMENDED & RESTATED SETTLEMENT AGREEMENT

October 29, 2014

Jean Merrigan
Women's Energy Matters
P.O. Box 2615
Martinez, CA 94553
(925) 957-6070
jnmwem@gmail.com

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WOMEN'S ENERGY MATTERS' COMMENTS ON PROPOSED DECISION APPROVING AMENDED AND RESTATED SETTLEMENT AGREEMENT

I. INTRODUCTION

Pursuant to Rule 14.3 of the Commission's Rules of Practice & Procedure, Women's Energy Matters (WEM) files these comments on ALJ's Melanie Darling and Kevin Dudney's Proposed Decision Approving Amended & Restated Settlement Agreement.

II. BACKGROUND

This Investigation, I.1210013, is rooted in California Public Utility Code section 455.5(c), which orders the CPUC to institute an investigation when an electric, gas, heat, or water generation or production facility, remains out of service for nine or more months. Section 455.5 *requires* the CPUC to institute an investigation to determine whether to reduce rates (Sec 455.5(c)), and gives the CPUC authority to disallow *any* expenses related to that facility based upon the results of its investigation. (Sec. 455.5(a)) .

These consolidated proceedings are also rooted in the CPUC's December 20, 2004 Decision, D.0512040 in A.04-02-026, which approved a Steam Generator Replacement Project (SGRP) for the San Onofre Nuclear Generation Station ("SONGS"). That Decision authorized a reasonableness review of the SGRP costs once the project was completed. The SGRP involved the design, manufacture, and installation of four new steam generators (SGs) in Units 2 and 3 at SONGS -- 2 SGs in each Unit. It took a number of years for the new steam generators to be designed and manufactured, but Unit 2s SGs were fully installed by April 2010, and Unit 3's by February 2011.

On January 31, 2012, after less than a year of operation, there was a radiation leak in one of Unit 3's new Steam Generators. When the leak was detected, plant operators immediately shut down Unit 3. Unit 2 had already been taken offline for its first routinely scheduled Refueling Outage. Inspections of both Units after the January 31 radiation leak revealed serious problems with all four new SGs -- there was extreme and excessive tube wear in all the SGs. January 31, 2012 was the last day SONGS produced electricity, and the plant's production activities were officially retired on June 7, 2013. Edison and SDG&E still own the

facility, but it is now essentially a nuclear waste dump on the southern coast of California in a densely populated area.[1]

The Commission issued an Order Instituting Investigation regarding the SONGS outages on November 1, 2012. The OII stated that the issues of I.1210013 would include:

> 2. The reasonableness and prudency of each utility action and expenditure with respect to the steam generator replacement program and subsequent activities related thereto.
>
> 3. The reasonableness and prudency of each utility action and expenditure in securing energy, capacity and other related services to replace the output of SONGS during the outages.[2]

A Pre-Hearing Conference was held on January 8, 2013, and on January 28th a Scoping Ruling was issued which added another issue to the OII's scope:

> "A review of the reasonableness and effectiveness of SCE's actions and expenditures for community outreach and emergency preparedness related to the SONGS outages."[3]

A phasing order was announced for the Proceeding, in which the reasonableness and prudency of utility actions were not to be discussed until Phase 3. As hearings were held on Phases 1, 1A and 2, the fact that reasonableness and prudency issues were not to be examined until Phase 3 meant that non-utility parties were continually told that our questions were "out of scope". The record created in Phases 1, 1A and 2 was narrow and constricted, because any time non-utility parties asked a question even minimally relating to the reasonableness of utility actions and expenditures, utility attorneys objected, and the ALJs sustained their objections. In short, in Phases 1, 1A and 2, the ALJ's steadfastly disallowed questions that would develop a record on the reasonableness/prudency of utility actions and expenditures regarding the SGRP, and post-outage choices regarding replacement power.

In late March 2014 while parties were waiting for Commissioner Florio and the ALJ's to set a date for the Phase 3 Pre-Hearing Conference, a proposed Settlement Agreement (P-SAG)

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[1] The PD at page 8 tells us that after the January 31st radiation leak the NRC sent an inspection team to San Onofre: "The team found SCE's plant operators responded to the January 31 tube leak 'in accordance with procedures and in a manner that protected public health and safety. Plant safety systems also worked as expected during the event.'" Here the PD adopts a nuclear industry mindset that characterizes nearly all utility actions as "safe". True the plant was immediately shut down, as opposed to continuing to operate, leading to a massive radiation leak, but to characterize the event as "safe" is misleading.

[2] Order Instituting Investigation Regarding San Onofre Nuclear Generating Station Units 2 and 3, p. 15

[3] Scoping Ruling, January 28, 2013, p. 4

was announced. A Phase 3 Pre-hearing Conference was never set and in the 2 years since this Investigation commenced, the Commission has never held Evidentiary Hearings where questions were allowed regarding the reasonableness/prudency of the utilities' handling of the SGRP and replacement power. While hearings did address SCE's 2012-2013 community outreach & emergency preparedness activities, the March 2014 proposed Settlement Agreement completely ignored the issue.

On May 31, 2014, several days after the utilities executed the Proposed Settlement Agreement with TURN and ORA, Southern California Edison requested the NRC to grant it exemptions from multiple safety protocols at SONGS.

WEM has opposed the Settlement Agreement. We argued that the P-SAG was not in the public interest, and we pointed out provisions in the P-SAG that would limit Commission oversight should the Commission adopt it.

On September 5, 2014, Commissioner Florio and the ALJ's issued a Request for Modification of the Proposed Settlement Agreement. We were pleased to note that they too did not believe the Settlement Agreement was in the public interest but upon reading the requested modifications, we found that the purported public interest improvements were minor.

On September 19, 2014, Settling Parties accepted all suggested modifications and on September 24th they issued an Amended & Restated Settlement Agreement (AM-SAG). We noted that the AM-SAG's modified provisions for improving Commission oversight of litigation costs were meek, as the modifications only gave the Commission permission to *review* litigation costs, but not the authority to place limits on excessive fees.

On October 9, 2014, ALJ's Darling and Dudney issued a Proposed Decision (PD), which recommends the Commission adopt the AM-SAG.

If the ALJ's PD is accepted as currently drafted, there will never be a reasonableness review of the massively failed Steam Generator Project. Ratepayers will be ordered to pay billions of dollars for a shuttered plant. The so-called "refunds" will be used to pay for replacement power costs that were never subject to a reasonableness review, as originally intended by the Commission's November 1, 2012 Order Instituting Investigation.

III. ARGUMENT

A. STANDARD OF REVIEW

CPUC Rules of Practice & Procedure Rule 12.1(d) sets out the standard of review for Commission approval of settlement agreements:

> (d) The Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

Women's Energy Matters opposes the PD's approval of the AM-SAG because the AM-SAG does not meet the requirements of Rule 12.1(d).

1. "In light of the whole record"

A Decision that ends this proceeding, whether through settlement or otherwise, must be reasonable in light of the whole record. It should be based on facts, not "facts".

Settling parties and the authors of the PD take the position that factual accuracy is not a requirement for settling these consolidated proceedings. Non-settling party World Business Academy (WBA), filed Comments on the Proposed Settlement/P-SAG on May 7, 2014, requesting that the General Recitals portion of the P-SAG be revised so that the Recitals would actually comport with the record developed in the early phases of the proceeding, i.e, that the General Recitals should be factually accurate.[4] Settling Parties responded on May 22, 2014, that WBA's suggestion should be rejected as "unnecessary and inappropriate", as the General Recital section "simply provides a high-level overview of relevant background facts for context."[5]

In their September 5th Request for Modifications, Commissioner Florio and the ALJ's made effort to distance themselves from inaccurate facts contained in the P-SAG's General Recitals, by requested a modification from Settling Parties.[6] Settling Parties accommodated them by adding Sec. 3.53 to the Amended & Restated Settlement Agreement:

[4] WBA Comments on Proposed Settlement Agreement, May 7, 2014, pp. 2-3
[5] Settling Parties Joint Reply Comments, May 22, 2014, pp. 27-28
[6] See Assigned Comm. and ALJ's Sept. 5, 2014 Ruling Requesting Settling Parties to Adopt Modifications to Proposed Settlement Agreement, p. 13

Sec. 3.53 of the Amended Restated Settlement Agreement:

> 3.53. "The General Recitals described in Sections 3.1 through 3.52 provide factual background for this Agreement, ***and the Commission is not asked to confirm the General Recitals as true***. (Emphasis added).

To further distance themselves from inaccuracies in the now Amended and Restated Settlement Agreement/AM-SAG, ALJ's Dudney and Darling state in their October 9th PD, "The Commission does not need to and will not make any Finding of Fact on the sole basis of the "fact" being included in the General Recitals portion of the Agreement or in the Joint Motion."[7]

In other words, this PD urges us to adopt a Settlement Agreement where facts are not facts, but "facts".

It is not good policy to abandon true facts in resolving CPUC proceedings. In fact, it is contrary to Rule 12.1(d) to abandon the real facts in resolving CPUC proceedings. The Amended & Restated Proposed Settlement Agreement is clearly not reasonable in light of the whole record.

* * *

"Whether the problem is caused
by Mitsubishi or caused by Edison,
frankly ratepayers don't care.

TURN Witness William Marcus[8]
at May 14, 2014 EH on Settlement Agt.

Having accepted a Proposed Agreement that is not based on real facts, the authors of the Proposed Decision chide Opposing Parties for our continuing interest in whether or not SCE acted imprudently in pursuing and executing the SGRP. For example, PD at p. 100:

> "We ... understand TURN's view that disallowance of SGRP from rate base is functionally a simulated result of finding some SCE contribution to the failures. In contrast, WEM is stuck on its speculative premise that SCE intentionally or knowingly approved a flawed design destined to break down on ratepayers. This prevents WEM from considering the symmetry of this provision and the relevance of cost-of-service principles."[9]

Having accepted an agreement -- the AM-SAG -- that is based on "facts" not facts, the authors of the Proposed Decision grow more and more comfortable in statements such as

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[7] PD at p. 107

8 TURN Witness William Marcus at May 14, 2014 hearing on Proposed Settlement Agt.

9 PD at pp. 100-101

"there is no record basis for an assumption of broad imprudence by Edison,"(p. 97), apparently forgetting that there is no such record because the ALJ's ruled every inquiry into Edison's imprudence "out of scope". The logic of the PD appears to be to give the utilities the benefit of the doubt and move on: prudent, imprudent, does it really matter anyway?

In Section 7.2 of the PD, titled "Agreement Is Reasonable in Light of the Whole Record," the authors of the PD seem to hedge their bets about whether or not the record is complete, and whether or not there should have been inquiry allowed into Phase 3 matters. They state that SCE "has publicly web-posted hundreds of data requests and responses connected to these proceedings, links to NRC documents and filings, and various meeting notes from the Mitsubishi-SCE RSG Design Review Team and Anti-Vibration Bar Team."[10]

> "***These posted documents are not in the record, may be incomplete, and have not been subject to cross-examination. However, some of these documents relate to Phase 3 issues*** and were available to parties prior to the proposed settlement for review and inquiry. Furthermore, despite a claim to the contrary, the ALJ's did not prohibit discovery related to Phase 3."[11]

Then, in a footnote to the above assertion, the ALJ's explain away and excuse the fact that SCE refused to answer Phase 3 discovery requests:

> "...SCE apparently assumed that the ALJs restraint on moving forward proposed decisions for Phases 1, 1A, and 2 pending review of this settlement, was a basis to not further respond to Phase 3-related discovery requests."[12] p. 86

By this reasoning, the PD's argument that the AM-SAG is "reasonable in light of the whole record," is now actually based on blaming ***Non-Settling Parties*** for not developing a Phase 3 record, even though Phase 3 never began, and SCE refused to answer discovery requests related to Phase 3 issues.

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[10] PD at 85
[11] Id.
[12] PD at 86

2. By its own language, the Proposed Decision admits that the record on replacement resources is incomplete; replacement power provisions must be clarified and amended

In our Comments on the September 5th Request for Modifications, WEM criticized Paragraph 4.10 of the P-SAG's replacement power provisions as being "giveaway, jackpot, provisions". Paragraph 4.10 is vague as to how the dollar amount will be quantified. -- we only know that it will be a very large number. Phase 1A involved days of discussion trying to develop a record for how to quantify replacement power costs. The ALJ's October 9th PD acknowledges this vagueness problem and tries to flesh it out -- what is the time frame for calculating these costs? What sub-categories of costs should be considered? And how would these costs be calculated? Will ratepayers be credited back hundreds of millions of dollars lost in "foregone sales", or not? The PD states, "In adopting Para. 4.10 of the Amended Agreement we note that we approve neither a specific method of calculating replacement power costs nor any specific costs to be recovered from ratepayers,"[13] and then, illogically continues, "the provisions related to replacement power expenses are reasonable and within the range of possible outcomes based on the record."[14] WEM asks, what provisions are "reasonable and within the range of possible outcomes..." if we don't really even know what they are? WEM recommends that the Commissioner and the ALJ's request further modifications to the AM-SAG related to replacement power costs, that the provisions be very clear, and that they favor ratepayers over shareholders. The PD hints that the replacement costs may be closer to TURN and ORA's original litigation position but does nothing to assure that.

3. "In the public interest..."

A settlement that truly resolves this proceeding must be in the public interest

The PD accepts Settling Parties logic that the Settlement Agreement is in the public interest because it will “avoid the cost, time commitment, and burden ... required to develop a complete record ..."; it will free "up Commission resources for other proceedings ... and free "up the time and resources of other parties as well." Who in this day and age wouldn't

[13] PD at 104
[14] Id.

like some more free time! This string of logic includes that "... the technical phenomena that led to the tube leak are very complex."[15]

Opposing parties (as opposed to Non-Settling Parties), have been unified in the belief that it is vital to the public interest for the CPUC to follow through with the Phase 3 reasonableness and prudency reviews. This is not an investigation into a rear end auto accident at an intersection, where parties can amicably walk away and let their insurance companies handle it. It is an investigation into a multi-billion dollar failure at a nuclear power plant; an investigation into how a project that was supposedly going to improve the "reliability" and "affordability" of electricity production in Southern California, instead leaves ratepayers with a highly radioactive nuclear waste dump in their backyard, that will remain on the California coast for decades, more likely centuries, into the future. It is an investigation that has ***public safety*** written all over it.[16]

The PD rejects Opposing Parties' public interest arguments. It's not necessary to get to the truth of what happened at SONGS, the PD reasons at p. 110, because, "...SCE is not likely to find itself to be an operator of another nuclear plant in the near future."[17]

Surely the authors of the PD know that SCE is still a co-owner of the Palo Verde Nuclear Power Plant in Wintersburg, Arizona. Palo Verde ("California's other nuclear power plant"), is the largest nuclear plant in the US by net generation, and currently supplies power to the Los Angeles and San Diego metropolitan areas. Although it is operated by Arizona Public Service Company, SCE is a 15.8% owner, which certainly qualifies SCE as still being in the business of running a nuclear power plant. SCE is also still the operator of SONGS. There are major decisions being made at SONGS right now, including how to best store high burn-up radioactive waste in a densely populated area. Inquiry into imprudent management decisions that resulted in the billion dollar bungle known as the SGRP could not be more relevant to the public interest.

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[15] All quotes are from Settling Parties Joint Motion for Adoption of Settlement Agreement, April 3, 2013, at p. 39, 41

[16] An NRC inspection team that visited SONGS in March 2012 to assess the damaged steam generators reported, "[a]lthough in this case, the degraded condition of the tubes was manifested as a small ... leak, it is possible that a full blown rupture could have been the first indication [of problems at SONGS]." See NRC Augmented Inspection Team Report, July 18, 2012, ML 12188A748 at p. 90

[17] PD at p. 110.

The PD's arguments that the AM-SAG is in the public interest is illogical, and once again, appear to rely on "facts", not facts.

B. A Decision that ends this proceeding should resolve the Community Outreach/Emergency Preparedness issue. The PD's narrative on this issue should be expanded to include WEM and CDSO's contributions and it should reflect the fact that a complete record was developed on this issue in Phase 1

The Amended and Restated Proposed Settlement Agreement ignores 2012-2013 SONGS Community Outreach/Emergency Preparedness issues completely. The PD at least mentions it, but minimizes its importance:

> "The Agreement does not directly address the topic of community outreach and education, even though this topic ***was discussed*** in Phase 1." (Emphasis added).

Actually the issue was not just ***discussed*** in Phase 1, it was Item 3 in the Phase 1 Scoping Ruling.[18] The PD goes on:

> "At that time [during Phase 1] SCE argued that its outreach and education were 'extensive, transparent, and responsive to the community's concerns and inquiries' and therefore reasonable."[19]

The record reflects that SCE's outreach and education were anything but "transparent" and "reasonable". WEM's Phase 1 testimony included a content analysis of SONGS' 2012-2013 community outreach/emergency preparedness materials which revealed the utility was still using outdated language from the 1950s about the dangers of radiation, including useless information such as "The plastic wrap used to package foods depends on radiation for its strength and clinging ability."[20] WEM documented on the record that throughout 2012 and well into 2013, SCE used ratepayer funds to pay for the SONGScommunity.com website, its flagship community outreach, education and emergency preparedness asset. Throughout 2012 and into 2013 the songscommunity.com website presented the plant on its opening page as continuing to be safe, reliable, clean and affordable, despite the radiation leak, the shutdown, and the billions of ratepayer dollars still being collected even though absolutely no electricity would ever be again produced at the plant. This opening page remained up well into 2013,

[18] Scoping Ruling, January 28, 2013 at p. 4
[19] PD at p. 106
[20] WEM Opening Testimony Phase 1-San Onofre Investigation - Errata, April 4, 2013, p. 14.

possibly even into 2014. Exhibit WEM-03, a reproduction of this SONGScommunity.com opening page, is in the record of this proceeding. A copy of Exh. WEM-03 is filed herewith as Attachment 1 to these Comments.[21]

The PD rightfully credits Joint Parties for their work on Community Outreach, but does not mention WEM or CDSO's work on the issue. While Joint Parties led the argument for expanding outreach in terms of geographics (i.e., enlarging the education zone), WEM led the argument for qualitative improvements to community outreach/emergency preparedness materials. WEM urged that the misleading SONG web page be taken down and that ratepayers be compensated for the misspent funds. Having brought to light the utility's blatant misuse of ratepayer funds for corporate self-image, WEM requested the utility to provide information as to how much money the SONGS community.com web page cost. The Utility refused the request as being out of scope. WEM then prepared a cost analysis, quantifying the annual cost as approximately $24,340,800. WEM's cost analysis is also in the record of this proceeding.[22]

In their Reply Comments in Support of Motion to Adopt Settlement Agreement filed May 22, 2014, Settling parties addressed why they left community outreach issue out of the Proposed Settlement Agreement:

> "Although community outreach was included in this OII as part of the Scoping Memo issued on January 28, 2013, circumstances have changed significantly since that time. ... SCE announced the permanent shut-down of SONGS in June 2013, and the plant will never again generate nuclear power. The focus of operations at SONGS is now decommissioning. As a result, the SONGS co-owners, including SCE and SDG&E, have created a Community Engagement Panel to address issues related to decommissioning."[23]

This statement tries to push not just the issue, but also the context of community outreach into the future, while evading responsibility for errors of the past. The Scoping Ruling of January 28, 2013 asked us to evaluate the quality of the utility's community outreach and emergency preparedness efforts in 2012 and 2013. WEM did so and presented both a content

[21] Exhibit WEM-03, listed on the Appendix to the PD.
[22] See "Cost Analysis" for SONGS 2012", Attachment 2 to WEM's Opening Brief in Phase 1 , June 28, 2013
[23] . Settling Party Reply Comments, May 22, 2014, pp.34-35:

analysis and a cost analysis of the utilities' community outreach/emergency preparedness materials that are in the record of this proceeding.[24]

At the Phase 1 Evidentiary Hearings, when cross-examined by WEM, SCE witness Russell Worden acknowledged that Songscommunity.com is paid for with ratepayer funds.[25] A copy of the page in the May 17, 2013 transcript where Mr. Worden verifies that Songscommunity.com is ratepayer funded is filed herewith as Attachment 2.

CPUC Code section 451 states:

> "All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable. Every unjust and unreasonable charge demanded or received for such product or commodity or service is unlawful."[26]

SCE's use of ratepayer community outreach funds to portray the plant as being safe, clean, affordable and reliable in 2012-2013 were unjust and unreasonable, and unlawful. They must be refunded. Any final decision that ends this proceeding, whether by settlement or otherwise, must refund these unjust charges.

In response to Settling Parties comments "circumstances have changed considerably," that is not relevant for considering the effectiveness of 2012-2013 community outreach activities. The damage was done. Ratepayer money was misspent to create a false sense of "safe, clean, affordable & reliable". It is sad to think of how many ratepayers were lulled by that lullaby into not even noticing they were still paying for the plant as if it was actually producing electricity. It is sad to think of how many ratepayers still may be lulled by that lullaby into not worrying about the reality that thousands of fuel rods will be stored at SONGS for years to come. Sad to think of lost opportunities in 2012 and 2013 for better informed choices about replacement power.

We do note that at some point after the All Party Settlement meeting in January 2014, the "safe, clean, reliable, affordable" claims were removed from songcommunity.com's opening page. We are aware of the CEP and are following its meetings. We hope that SCE has sincerity

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[24] Content Analysis is in WEM Opening Testimony Phase 1-San Onofre Investigation - Errata, April 4, 2013, and was incorporated into the record; the Cost Analysis is in the record as Attachment 2 to WEM's Opening Brief in Phase 1, June 28, 2013.

[25] Transcript of Phase 1 Evidentiary Hearing, May 17, 2013, Volume 6 at p. 1201.

[26] California Public Utility Code section 451.

in creating the CEP and it is not just more corporate image. We wish all participants of the CEP the best as they apply themselves to the enormous reality of how to responsibly decommission a nuclear power plant. In terms of evaluating SCE's current sincerity with regard to community outreach & emergency preparedness, actions speak loudly as words: on March 31, 2014, only a few days after SCE & SDG&E signed the Proposed Settlement Agreement with TURN and ORA, SCE applied to the NRC for exemptions from legally required safety protocols at SONGS. On July 9, 2014, WEM filed a Request to take Official Notice of SCE's Emergency Planning Exemption Request. In a ruling dated September 11, 2014, the ALJ's denied our Request, and stated: "WEM and others have made the argument to add an expansion of the community education zone to the Settlement Agreement, and the Commission will consider it within the context of review of the settlement."[27] To clarify, it is Joint Parties whose main argument has been that the community education zone should be expanded. WEM has focused more on quality concerns, urging better quality information not just an expanded area. When our Phase 1 research led us to discover misuse of ratepayer funds, we quantified the damages, and we seek ratepayer relief of the unjust, unreasonable, and unlawful charges, pursuant to Utility Code section 451. The record on the issue of how well the utilities carried out community outreach/emergency preparedness activities in 2012-2013 is fully developed. Section 455.5(a) authorizes the CPUC to disallow funds the utilities wrongfully collected. WEM's recommended relief is contained in our attached suggested Findings of Fact and Conclusions of Law.

IV. CONCLUSION

It is worth noting that the AM-SAG seeks to resolve Phase 3 issues in this proceeding when a record was never actually developed on those issues, while at the same time it ignores the fully developed issue of SCE's 2012-2013 Community Outreach / Emergency Preparedness activities. Although the PD at least mentions the Community Outreach issue, it mischaracterizes it as an issue needing more work, which it does not. The PD would kick the Community Outreach issue down the road for possible future consideration in the 2015 GRC. Treated with such procedural disrespect and procrastination, the issue could well end up in the

[27] ALJ Ruling Taking Official Notice of Documents and Addressing Various Motions, Sept. 11, 2014, p. 17

dust bin alongside its companion issues in I.1210013 -- the reasonableness/prudency reviews of the SGRP and replacement power choices.

Thank you for the opportunity to provide these Comments. WEM's recommended Findings of Fact and Conclusions of Law are attached.

Dated: October 29, 2015

Respectfully Submitted,

/s/ *Jean Merrigan*

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Jean Merrigan
Women's Energy Matters
P.O. Box 2615
Martinez, CA 94553
(925) 957-6070
jnmwem@gmail.com

APPENDIX

Findings of Fact:

11. ~~This decision resolves the issues of community education and outreach and review of 2014 SONGS-related expenses by directing these issues to other proceedings.~~ :

11. The Phase 1 review of 2012-2013 community education/emergency preparedness related expenses reveals that SCE misspent funds allocated for community outreach/emergency preparedness by posting outdated, meaningless information about the "safety" of radiation on its website, and used the website to portray SONGS as "safe, clean, reliable, and affordable", even though there had been a radiation leak in Unit 3, leading to plant shutdown and eventual closure, costing ratepayers billions of dollars and depriving them of safe, clean, reliable and affordable electricity service throughout 2012 and 2013. *[WEM also respectfully suggests that the narrative of the community outreach issue be amended to include the information provided above in Section III.B of our Comments].*

13. ~~All issues in this proceeding are encompassed by, and resolved in, the Amended Agreement and decision.~~

13. The replacement power provisions in the Amended Proposed Decision must be clarified and amended; they remain vague and favor shareholders over ratepayers.

14. ~~No t~~**Term<u>s</u>** of the Amended Agreement **contravene~~s~~** statutory provisions or prior Commission decisions.

15. ~~The Amended Agreement conveys to the Commission sufficient information to permit it to discharge its future regulatory obligations with respect to the parties and their interests.~~

15. Terms related to Replacement Power remain vague, and terms related to Commission oversight of Litigation Costs only allow the Commission to review, but not limit litigation costs related to third party recoveries.

18. The Amended Agreement **<u>does not</u>** resolve~~s~~ the issues related to costs of the shutdown at SONGS in a way that protects public safety. The Amended Agreement is based on General Recitals that even this Proposed Decision can only term "facts".

Resolution of this proceeding must be based on a fully developed record and General Recitals based on real facts documented in that record.

20. The Amended Agreement **does not** ensure~~s~~ reasonable Commission oversight and review of documentary support for ~~utility changes to revenue requirement, including for~~ ratepayer share of third party recoveries. It only allows the Commission to review litigation costs, not to limit them.

22. Ruth Henricks and CDSO have raised issues regarding possible collusion by the Commission and utilities that deserve further investigation. The request for stay filed by CDSO should be granted. ~~made a showing of "collusion" by the Commission ...to avoid hearings on allocation of SGRP related costs and the reasonableness of SCE's conduct leading to the expenses at issue.~~

23, 24, 25 can be replaced by the simple statement that "Many outcomes are possible but the mandate of the California Public Utilities Commission is to assure the public safety and to assure just and reasonable utility rates, and the Commission by its mandate, must always seek to achieve the best outcome possible in the interest of public safety, and to assure just and reasonable rates."

Conclusions of Law:

7. ~~The Agreement, as modified, meets the requirements of Rule 12.1(d); it is reasonable in light of the whole record, consistent with law, and in the public interest and should be approved.~~

7. The Agreement needs more work. The public interest and oversight modifications must be expanded to provide significantly more ratepayer relief.

21. It is reasonable to order SCE to refund ratepayers $24,340,800 for utility mis-use of ratepayer community outreach funds. It is also reasonable to order program solutions to address problems identified in Phase 1's inquiry into the utility's 2012-2013 community outreach/emergency preparedness activities. Further study of the utility's pattern and practice of using deceptive marketing techniques to fool the public at ratepayer expense must be investigated