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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 2 and 3 Decommissioning Cost Estimate Reasonable and Address Other Related Decommissioning Issues.

Application 14-12-007
(Filed December 10, 2014)

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

Summary

Pursuant to Rule 7.3 of the California Public Utilities Commission's Rules of Practice and Procedure (Rules),¹ this Scoping Memo and Ruling sets forth the procedural schedule, identifies the presiding officer, and addresses the scope of this proceeding and other procedural matters following the Prehearing Conference (PHC) held on April 2, 2015.

1. Background

On December 10, 2014, Southern California Edison Company (Edison) and San Diego Gas & Electric Company (SDG&E) filed this joint application seeking the following Commission actions with regard to the 2014 Decommissioning Cost Estimate for the San Onofre Nuclear Generating Station Unit Nos. 2 & 3:

¹ All references to rules are to the Commission's Rules of Practice and Procedure.

- Find that the updated Decommissioning Cost Estimate of \$4.411 billion is reasonable;
- Authorize Edison, effective immediately, to reduce to \$0.0 its annual contribution to the Nuclear Decommissioning Trust;
- Authorize SDG&E, effective January 1, 2016, to reduce to \$0.0 its annual contribution to the Nuclear Decommissioning Trust;
- Create and approve an advice letter process for authorizing disbursements from the Nuclear Decommissioning Trusts, reporting incurred costs and forecasting future costs, and submitting Nuclear Decommissioning Trust balance statements; and
- Authorize Edison and SDG&E to file annual applications seeking reasonableness review for decommissioning activities completed during the previous year, for the years in which the Commission does not conduct a Nuclear Decommissioning Cost Triennial Proceeding.

In the application, Edison individually requested Commission authorization for a Balancing Account for recording unanticipated decommissioning costs for San Onofre Nuclear Generating Station Unit Nos. 2 & 3.

SDG&E sought approval for its share, \$16.662 million, of the decommissioning costs, as well as to include \$1.07 million in revenue requirement for Nuclear Decommissioning, and to reduce its contribution to the Nuclear Decommissioning Trust to \$0.0 effective January 1, 2016.

On January 15, 2015, Protests were filed and served by Office of Ratepayer Advocates, The Utility Reform Network, Citizens Oversight, Inc., and the Alliance for Nuclear Responsibility. Donna Gilmore filed and served a Response to the application on January 9, 2015. Ruth Henricks filed and served a motion for party status on January 7, 2015, as did Pacific Gas and Electric Company on

January 14, 2015.² On March 20, 2015, The Utility Consumers' Action Network filed and served its Motion for Party Status, which was granted at the PHC.

The assigned Commissioner and Administrative Law Judge (ALJ) convened a PHC on April 2, 2015. A procedural schedule was adopted, the parties presented the result of their meet and confer regarding scoping issues, and potential consolidation with other proceedings was discussed.

2. Proceeding Category, Need for Hearing and *Ex Parte* Rules

The California Public Utilities Commission (Commission) preliminarily categorized this Application as ratesetting as defined in Rule 1.3(a)(e) and anticipated that this proceeding would require evidentiary hearings in ALJ 176-3346 on December 18, 2014. This ruling affirms the preliminary categorization of this proceeding as ratesetting and the need for hearings. In a ratesetting proceeding, *ex parte* communications must comply with Rule 8.3(c).

3. Scope of Proceeding

The scope of the matter properly before the Commission is whether or not the applicants have met their burden of demonstrating that the relief requested is justified as set forth in Pub. Util. Code § 455, and that the resulting rates will be just and reasonable as required by Pub. Util. Code § 451.

Specifically, the Commission must determine if the applicants have justified the Nuclear Decommissioning Cost Estimate, the proposed adjustments to contributions to the Nuclear Decommissioning Trust, and processes for annual review of decommissioning cost expenditures. Edison must also justify its

² The Henricks and Pacific Gas and Electric Company motions for party status are granted.

proposed balancing account for unanticipated decommissioning costs, and SDG&E its share of the decommissioning costs and proposed revenue requirement.

The reasonableness of the Nuclear Decommissioning Cost Estimates does not include operational decisions, such as vendor selection or equipment specifications, but does include the soundness of cost assumptions and contingency planning.

This proceeding will not be consolidated with any other proceeding.

4. Proceeding Schedule

After discussion during the PHC, the following schedule was established:

Event	Date
Applicants serve supplemental testimony	May 11, 2015
Intervenor Testimony served	July 15, 2015
Rebuttal Testimony served	August 3, 2015
Evidentiary Hearings	August 25, 26, and 27, 2015 10:00 a.m. Commission Courtroom State Office Building 505 Van Ness Avenue San Francisco, CA 94102

The Commission intends to complete this proceeding within 18 months of this scoping memo. The briefing schedule will be set at the conclusion of evidentiary hearings. Requests for final oral argument must be presented as provided in Rule 13.13(b). The preceding schedule may be modified by the

Presiding Officer as required to promote the efficient and fair resolution of this matter.

5. Presiding Officer

Pursuant to Rule 13.2(b), I designate ALJ Maribeth A. Bushey as the Presiding Officer.

IT IS RULED that:

1. The scope and schedule are as set forth in the body of this ruling unless amended by a subsequent ruling or order of the Presiding Officer.
2. Pursuant to Rule 13.2 of the California Public Utilities Commission's Rules of Practice and Procedure, Administrative Law Judge Maribeth A. Bushey is the Presiding Officer.
3. The preliminary categorization of this proceeding as ratesetting and the need for evidentiary hearings are affirmed.

Dated April 22, 2015, at San Francisco, California.

/s/ MICHEL PETER FLORIO
Michel Peter Florio
Assigned Commissioner