



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

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Joint Application of Southern California Edison)
Company (U 338-E) and San Diego Gas &) A1603004 Application No. 16-03-XXX
Electric Company (U 902-E) For the 2015)
Nuclear Decommissioning Cost Triennial)
Proceedings)
_____)

**JOINT APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR THE 2015 NUCLEAR
DECOMMISSIONING COST TRIENNIAL PROCEEDING**

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Dated: **March 1, 2016**

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AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR THE 2015 NUCLEAR
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Pursuant to the California Public Utilities Commission (CPUC or Commission) Rules of Practice & Procedure, Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) (hereinafter collectively referred to as the “Utilities”), hereby respectfully submit the following Joint Application for the 2015 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP).

I.

SUMMARY OF REQUEST

In this Joint Application, the Utilities propose that the Commission adopt a two-phase procedural schedule that will sequence the Commission’s review and approvals in this proceeding:

Phase 1

The Utilities jointly request that the Commission:

1) Approve as reasonable the \$13.9 million (100% share, 2011\$) for San Onofre Nuclear Generating Station Unit 1 (SONGS 1)¹ decommissioning expenses incurred between January 1, 2009 and December 31, 2012;²

2) Approve as reasonable the \$6.2 million (100% share, 2011\$) for SONGS 1 decommissioning expenses incurred between January 1, 2013 and December 31, 2015;

3) Approve as reasonable the updated \$239.4 million (100% share, 2014\$) 2016 SONGS 1 decommissioning cost estimate (DCE) for remaining SONGS 1 decommissioning work;

4) Approve as reasonable SONGS 2&3³ decommissioning expenses for activities completed between January 1, 2014 and December 31, 2014 (the Utilities will identify these expenses in supplemental testimony proposed to be submitted on April 15, 2016);⁴and

5) Approve as reasonable SONGS 2&3 decommissioning expenses for activities completed between January 1, 2015 and December 31, 2015 (the Utilities will identify these expenses in supplemental testimony proposed to be submitted on April 15, 2016).

In addition, SCE separately requests the Commission:

¹ SCE holds an 80% interest and SDG&E holds a 20% interest in SONGS 1 decommissioning liability.

² D.14-12-082 disallowed \$13.9 million (100% share) in 2009-2012 SONGS 1 decommissioning expenses and directed SCE to return the funds to the SONGS 1 Non-Qualified nuclear decommissioning trust (NDT). As explained in SCE Advice Letter 3192-E (dated March 17, 2015), SCE has complied with this order and returned \$6.8 million, which represents the amount SCE had withdrawn from the SONGS 1 NDTs for SCE's share of the disallowed expenses and after accounting for various tax issues. Exhibit SCE-02 provides testimony seeking the Commission's reasonableness review of 2009-2012 SONGS 1 decommissioning expenses. SDG&E addresses this issue in Exhibit SDGE-01, Chapter 1.

³ SCE holds an approximately 75.74% interest, SDG&E holds a 20% interest, the City of Anaheim holds an approximately 2.47% interest, and the City of Riverside holds a 1.79% interest in SONGS 2&3 decommissioning liability, respectively.

⁴ SCE and SDG&E will file a motion to consolidate A.15-01-014 (2014 SONGS 2&3 Costs Reasonableness Review Proceeding) with this proceeding. SCE and SDG&E propose submitting supporting testimony on April 15, 2016 for the Commission's 2014 and 2015 SONGS 2&3 reasonableness review. The testimony will identify the 2014 and 2015 decommissioning expenses for which the Utilities seek the Commission's reasonableness review.

- 1) Approve as reasonable the updated \$521.9 million (SCE share, 2013\$) 2016 Palo Verde Nuclear Generating Station Unit Nos. 1, 2, & 3 (PVNGS)⁵ DCE;
- 2) Approve SCE's request to maintain its annual contributions to its PVNGS nuclear decommissioning trusts (NDTs) at \$0.0 (zero), based upon the current estimate of decommissioning costs for PVNGS, current level of funding of the PVNGS NDTs, projected escalation rates, and financial market conditions known at this time; and
- 3) Approve SCE's request to maintain its annual contributions to its SONGS 1 NDTs at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 1, current level of funding of the SONGS 1 NDTs, projected escalation rates, and financial market conditions known at this time;

In addition, SDG&E separately requests that the Commission:

- 1) Approve as reasonable the \$2.8 million (SDG&E share, 2011\$) for SONGS 1 decommissioning expenses incurred between January 1, 2009 and December 31, 2012;
- 2) Approve as reasonable the \$1.3 million (SDG&E share, nominal \$) for SONGS 1 decommissioning expenses invoiced to SDG&E between January 1, 2013 and December 31, 2015;
- 3) Approve as reasonable the \$47.9 million (SDG&E share, 2014\$) of the 2016 SONGS 1 DCE for remaining SONGS 1 decommissioning work;
- 4) Approve as reasonable the \$42.6 million (2014\$) in future SDG&E-only costs for SONGS 1, 2, & 3;
- 5) Approve as reasonable SDG&E's share of the SONGS 2&3 decommissioning expenses invoiced to SDG&E for activities completed between January 1, 2014 and December 31, 2015 and SDG&E-only costs for SONGS 1, 2, and 3 incurred during this time period (SDG&E to identify these expenses in supplemental testimony to be submitted on April 15, 2016); and

⁵ SCE holds a 15.8% interest in PVNGS decommissioning liability.

6) Approve SDG&E's request to maintain its annual contributions to its SONGS 1 NDTs at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 1, current level of funding of the SONGS 1 NDTs, projected escalation rates, and financial market conditions known at this time.

Phase 2

In Phase 2, the Utilities propose to submit in December 2016, the 2016 SONGS 2&3 DCE for the Commission's review and approval. The Commission's final decision on the reasonableness of the 2014 SONGS 2&3 DCE submitted in Application (A.) 14-12-007 remains pending. If the Commission adopts the Utilities' proposed two-phase procedural schedule, the Utilities would plan to submit the 2016 SONGS 2&3 DCE and supporting testimony (including updated financial assumptions, analyses, and customer contribution level calculations) by December 1, 2016. The Utilities' supporting testimony for the 2016 SONGS 2&3 DCE also would explain material variances and changes to the 2014 SONGS 2&3 DCE.

II.

DISCUSSION

A. This Joint Application Is Consistent With The Objectives Of The NDCTP

As set forth by the Commission in Decision (D.) 10-07-047, the objectives of the NDCTP are “[1] to set the annual revenue requirements for the decommissioning trusts for the nuclear power plants owned by Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company, [2] to verify the utilities are in compliance with prior decisions applicable to decommissioning, and [3] to determine whether actual expenditures by the utilities for decommissioning activities are reasonable and prudent.”⁶ This Joint Application meets these objectives.

⁶ Decision (D.) 10-07-047, p. 2.

With respect to the first objective, the California Nuclear Facility Decommissioning Act of 1985 (Act),⁷ requires the Commission to authorize the Utilities “to collect sufficient revenues and rates to make the maximum contributions” to the NDTs, to the maximum extent deductible for federal and state income tax purposes pursuant to Internal Revenue Code Section 468A and applicable regulations, “and to otherwise recover the revenue requirements associated with reasonable and prudent decommissioning costs of the nuclear facilities for purposes of making contributions into other funds established pursuant to [the Act].”⁸ The Utilities request that the Commission approve maintaining customer contribution levels at \$0.00 for each Utility’s separate SONGS 1 NDTs. SCE also separately requests that the Commission approve maintaining customer contribution levels at \$0.00 for SCE’s PVNGS NDTs. The Utilities’ requests are supported by updated decommissioning cost estimates for and ratepayer contribution analyses accompanying this Joint Application.

With respect to the second objective, the Utilities are submitting supporting testimony demonstrating compliance with prior decisions applicable to decommissioning. As demonstrated by this testimony, the Utilities have fully complied with the requirements set forth in the Commission most-recent NDCTP decision in D.14-12-082.

With respect to the third objective, the Utilities are submitting testimony demonstrating the reasonableness of SONGS decommissioning activities and associated expenditures. The testimony includes information regarding SONGS 1 decommissioning costs incurred between January 1, 2009 and December 31, 2012 that the Commission had previously considered in D.14-12-082. The Commission held in D.14-12-082 that it “requires more accurate recorded costs and more fully explained variance in order to give final approval to these expenses.” In accordance with this direction, the Utilities are submitting additional testimony regarding 2009-2012 SONGS 1 decommissioning expenses to comply with the requirements set forth in D.14-

⁷ Public Utilities Code Section 8321, et seq.

⁸ Cal. Pub. Util. Code § 8325(c).

12-082. The Utilities are also submitting supporting testimony demonstrating the reasonableness of 2013-2015 SONGS 1 decommissioning expenses, and propose submitting by April 15, 2016 additional testimony volumes supporting the reasonableness of 2014 and 2015 SONGS 2&3 decommissioning expenses.

B. This Joint Application Is Consistent With Other Federal And State Requirements

In addition, this Joint Application demonstrates compliance with other various federal and state requirements that the Utilities must fulfill to decommission SONGS, and SCE must fulfill to decommission PVNGS.

As holders of Nuclear Regulatory Commission (NRC) licenses for SONGS, the Utilities have an unavoidable obligation, under NRC regulations, to decommission SONGS.⁹ The Utilities' customers are required to provide funding to decommission SONGS.¹⁰ In addition, the Utilities do not own the site upon which SONGS is located. Instead, they are authorized to use the site under grants of easement and leases from the U.S. Department of the Navy and the California State Lands Commission. The SONGS site lease contracts and grants of easement also require the Utilities to decommission the SONGS facility.¹¹

As a holder of an NRC license for PVNGS, SCE also has an unavoidable obligation, under NRC regulations, to decommission PVNGS. SCE's customers are required to provide funding to decommission SCE's share of PVNGS.

⁹ 10 C.F.R. § 50.2 defines decommissioning as “to remove a facility or site safely from service and reduce residual radioactivity to a level that permits – (1) release of the property for unrestricted use and termination of the license” 10 C.F.R. § 50.82(a)(3) provides that “decommissioning will be completed within sixty years of permanent cessation of operations.”

¹⁰ Public Utilities Code §§ 8322, 8325, and 8328.

¹¹ Upon termination of the grants of easement, the utilities are required to remove all improvements they installed or constructed on the site, return the site to the condition satisfactory to the grantors, and return the site to the grantors.

III.

STATUTORY AND PROCEDURAL REQUIREMENTS

A. Statutory And Regulatory Authority

This Joint Application is made pursuant to Sections 451, 454, 701, and 8321, et seq. of the Public Utilities Code. In addition, this request complies with applicable Commission rules, prior decisions, orders, and resolutions.

The Utilities demonstrate compliance with the Commission rules applicable to the Joint Application as follows.

B. Compliance With Commission Rules For Applications

1. Rule 2.1 -- Contents

Rule 2.1 requires:

All applications shall state clearly and concisely the authorization or relief sought; shall cite by appropriate reference the statutory provision or other authority under which Commission authorization or relief is sought, shall be verified by at least one applicant . . . ; and . . . shall state the following: (a) [applicant information]; (b) [applicant service information]; (c) The proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule. . . ; (d) Such additional information as may be required by the Commission in a particular proceeding.

a) Applicant Information And Service Information

(1) SCE

SCE is a corporation organized and existing under the laws of the state of California, and is primarily engaged in the business of generating, purchasing, transmitting, distributing and

selling electric energy for light, heat and power in portions of central and southern California as a public utility subject to the jurisdiction of the Commission. SCE's properties, substantially all of which are located within the state of California, consist of generation facilities, transmission and distribution lines, and other property necessary in connection with its business.

SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, and its post office address and telephone number are:

Southern California Edison Company
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1212

Walker A. Matthews, III is the SCE attorney on this matter. Please address correspondence or communications in regard to this Application to Mr. Matthews at:

Walker A. Matthews
Senior Attorney
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770
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E-mail: walker.matthews@sce.com

To request a copy of this Joint Application, please contact:

Edith Leon, Legal Administrative Assistant
Southern California Edison Company
P.O. Box 800
Rosemead, CA 91770
Telephone: (626) 302-6814
Email: Edith.Leon@sce.com

(2) SDG&E

SDG&E is a public utility organized and existing under the laws of the state of California. The location of SDG&E's principal place of business is 8306 Century Park Court, San Diego, California 92123.

Correspondence or communications regarding this application or to request a copy of this Joint Application from SDG&E, should be addressed to:

Emma D. Salustro
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b) Proposed Categorization

California Public Utilities Code § 1701.1(c)(3) defines ratesetting as “cases in which rates are established for a specific company, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.” The Utilities propose this Joint Application be designated as a “ratesetting” proceeding. The Joint Application does not presently request a rate change, but the NDCTP generally involves rate issues. Therefore, the Utilities are not providing documents required under Rule 3.2 for applications requesting rate increases.

c) Proposed Schedule And Issues To Be Considered

The Utilities anticipate that hearings will be necessary in this proceeding, and propose a two-phase procedural schedule, as shown below in Table III-1.

Table III-1
Nuclear Decommissioning Joint Application Proposed Schedule

SCE and SDG&E Joint Application Filed / PG&E Application / Supporting Testimony Submitted	March 1, 2016
Application Noticed on CPUC Daily Calendar	March 7, 2016
Protests/Responses to Application(s)	April 6, 2016
Replies to Protests/Responses to Application(s)	April 16, 2016
Prehearing Conference	May 2, 2016
Phase 1 – SONGS 1 DCE; SONGS 1 Decommissioning Expenses Reasonableness Review; SONGS 2&3 Decommissioning Expenses Reasonableness Review; PVNGS DCE; DCPD DCE; HBPP; HBPP Decommissioning Reasonableness Review	
SCE and SDG&E Supplemental Testimony Regarding 2014 and 2015 SONGS 2&3 Decommissioning Expenses	April 15, 2016
Intervenor Testimony for Phase 1 Issues	June 10, 2016
Rebuttal Testimony for Phase 1 Issues	July 8, 2016
Evidentiary Hearings for Phase 1	July 25-29, 2016
Phase 1 Opening Briefs	September 16, 2016
Phase 1 Reply Briefs	October 7, 2016
Phase 1 Proposed Decision Issued	Q1 2017
Phase 2 – 2016 SONGS 2&3 DCE	
SCE and SDG&E Testimony Regarding SONGS 2&3 DCE / Financial Analyses and Contribution Levels Analysis	December 1, 2016
Intervenor Testimony for Phase 2 Issues	March 3, 2017
Rebuttal Testimony for Phase 2 Issues	April 7, 2017
Evidentiary Hearing for Phase 2 Issues	Late April, 2017
Phase 2 Opening Briefs	June 2, 2017
Phase 2 Reply Briefs	June 30, 2017
Phase 2 Proposed Decision	TBD

Phase 1

In the first phase, the principal issues to be considered include: (1) the reasonableness of 2009-2012 SONGS 1 decommissioning expenses previously considered in D.14-12-082; (2) the reasonableness of 2013-2015 SONGS 1 decommissioning expenses; (3) the updated 2016 SONGS 1 DCE; (4) each Utility's financial analyses and calculated customer contribution levels for their respective SONGS 1 NDTs; (5) the reasonableness of SCE's 2016 PVNGS DCE; and (6) SCE's financial analyses and calculated customer contribution levels for its PVNGS NDTs. As noted above, the Utilities also will move to consolidate A.15-01-014 and A.15-02-006 with this proceeding. If the Commission approves that motion and the proposed schedule, Phase 1 also would include: (1) the reasonableness of 2014 and 2015 SONGS 2&3 completed decommissioning activities and expenses; and (2) 2013-2014 SONGS nuclear fuel contract cancellation expenses.

Finally, the Commission would also address in Phase 1 decommissioning issues related to Pacific Gas & Electric's (PG&E) Diablo Canyon Power Plant (DCPP) and Humboldt Bay Power Plant (HBPP).

Phase 2

The Utilities propose that in Phase 2, the Commission review the 2016 SONGS 2&3 DCE. If the Commission adopts this procedural schedule, SCE and SDG&E would submit the 2016 SONGS 2&3 DCE and supporting testimony (including updated financial assumptions, analyses, and customer contribution level calculations) by December 1, 2016.

d) Safety

In D.16-01-017, the Commission amended Rule 2.1 to require all applications to include a detailed showing of relevant safety considerations. In response thereto, the Utilities provide the following information regarding safety considerations.

(1) The NDCTP Historically Considers Ratemaking And Cost-Recovery Issues

As noted above, the NDCTP historically considers (1) the sufficiency of the utilities' NDTs for estimated decommissioning costs, including the adequacy of customer contribution levels; (2) compliance with prior decisions applicable to decommissioning; and (3) the reasonableness of activities and recorded expenditures incurred by utilities in an active decommissioning. Accordingly, in this proceeding, the Commission is primarily considering the prudence and reasonableness of the Utilities' decommissioning cost estimates, activities, and costs for SONGS 1 and SONGS 2&3. The typical ratemaking, financial, and cost-recovery issues considered in the NDCTP generally do not involve safety issues.

(2) Radiological Health And Safety Issues

In addition, the NRC exercises exclusive jurisdiction for radiological health and safety issues. As decommissioning agent and lead licensee, SCE is responsible for complying with the NRC's rules and regulations to ensure radiological health and safety of the public. The NRC rules and regulations preempt any state regulation for these issues. The Atomic Energy Act (AEA) created a comprehensive and pervasive program of federal regulation and licensing that permitted the private use, control, ownership, operation, and decommissioning of commercial nuclear power plants.¹² The AEA gave the federal government "exclusive jurisdiction to license the transfer, delivery, receipt, acquisition, possession and use of nuclear materials," and regarding these subjects, "no role was left for the states."¹³ The AEA specifically authorizes the NRC to regulate the construction, operation, and decommissioning of nuclear reactor facilities in order to protect the public health and safety from radiological risks, and provides that the NRC

¹² *Duke Power Co. v. Carolina Env'tl. Study Grp. Inc.*, 438 U.S. 59, 63 (1978); Exhibit SCE-01, SCE Rebuttal Testimony, p. 3.

¹³ *Pac. Gas & Electric Co. v. State Energy Res. Conserv. & Dev. Comm'n*, 461 U.S. 190, 207 (1983) (citing 42 U.S.C. §§ 2014(e), (z), (aa), 2061-64, 2071-78, 2091-99, 2111-14).

may not cede this authority.¹⁴ In particular, the NRC’s “prime area of concern in the licensing context . . . is national security, [and] public safety.”¹⁵ Further, Congress’ decision to foreclose “states from conditioning the operation of nuclear plants with state-imposed safety standards” is based on “its belief that the [NRC] was more qualified to determine what type of safety standards should be enacted in this complex area.”¹⁶ This precludes the state from interfering with the NRC’s jurisdiction over aspects of SONGS decommissioning operations relating to radiological health and public safety issues, including spent fuel management practices.

Second, in keeping with its broad statutory mandate under the AEA, the NRC has established a correspondingly comprehensive and pervasive regulatory framework for addressing, among other matters, the decommissioning of nuclear power reactors. Licensees are required under NRC regulations to remove a nuclear power reactor safely from service and reduce the residual radioactivity to a level that permits unrestricted or restricted use following permanent shutdown (10 C.F.R. § 50.2). 10 C.F.R. § 50.82 (Termination of License) provides the required steps for permanently shutting down a reactor, decommissioning a reactor, and terminating the reactor’s operating license. For example, the NRC requires licensees to submit a Post Shutdown Decommissioning Activities Report (PSDAR),¹⁷ Irradiated Fuel Management Plan (IFMP),¹⁸ and DCE for the NRC’s review.¹⁹ The submittals provide plans for radiological decommissioning, the schedule for decommissioning, an assessment of the impact on the environment, the plans for the handling of the spent fuel, and the cost to decommission the nuclear power reactor. About two years before the end of the decommissioning process, the licensee is required to submit a license termination plan that describes the remaining

¹⁴ See 42 U.S.C. § 2021(c)(1).

¹⁵ *Pacific Gas*, 461 U.S. at 207.

¹⁶ *Silkwood v. Kerr-McGee Corp*, 464 U.S. 238, 250-51 (1984).

¹⁷ 10 C.F.R. § 50.82(a)(4)(i).

¹⁸ 10 C.F.R. § 50.54(bb).

¹⁹ 10 C.F.R. § 50.82(a)(8)(iii) & (iv)

decommissioning activities and provides a final site survey to terminate the plant's operating licenses pursuant to 10 C.F.R. § 50.82(a)(11).

During permanent shutdown and decommissioning, licensees are still regulated by the NRC under some of the same regulations when the nuclear plant was in operation. The regulations in 10 C.F.R. include, but are not limited to:

- § 20 – Standards for Protection Against Radiation
- § 50 – Domestic Licensing of Production and Utilization Facilities
- § 51 – Environmental Protection Regulations For Domestic Licensing and Related Regulatory Functions
- § 72 – Licensing Requirements for the Independent Storage of Spent Nuclear Fuel, High Level Radioactive Waste, and Reactor-Related Greater Than Class C Waste
- § 73 – Physical Protection of Plants and Materials

In support of regulatory requirements during permanent shutdown and decommissioning, the NRC provides licensees with guidance for satisfying the regulations in regulatory guides and NUREGs that further demonstrate the pervasiveness of the NRC's regulation of decommissioning. Some of the guidance documents include:

- Regulatory Guide 1.184 – Decommissioning of Nuclear Power Reactors
- Regulatory Guide 1.185 – Standard Format and Content for Post-Shutdown Decommissioning Activities Report
- Regulatory Guide 1.179 – Standard Format and Content for License Termination Plans for Nuclear Power Reactors
- Regulatory Guide 1.191 – Fire Protection Program for Nuclear Power Plants During Decommissioning and Permanent Shutdown
- NUREG-0586 – Final Generic Environmental Impact Statement on Decommissioning of Nuclear Facilities

In addition to the regulations and guidance for decommissioning, NRC staff will continue to inspect a decommissioning nuclear power plant. Once a licensee has certified to the NRC that all fuel has been removed from the reactor, the NRC implements an inspection program designed for decommissioning nuclear power plants until the license is terminated.²⁰ The objective of the inspections is to ensure the reactor is decommissioned safely, spent fuel is stored safely, and site operations and license termination activities comply with regulatory requirements, licensee commitments, and management controls. Some of the areas of inspection include:

- Safety reviews, design changes, and modifications
- Maintenance and surveillance
- Physical Security assessment
- Spent fuel pool safety
- Occupational radiation exposure
- Radwaste treatment, and effluent & environmental monitoring

Third, the NRC, consistent with its broad and plenary jurisdiction over the operations at nuclear plants, is implementing additional regulatory activities to address decommissioning, including relevant radiological health and safety issues. A Federal Register Notice was issued on November 19, 2015 seeking public comment on proposed changes to the regulations. “The NRC’s goal in amending the regulations would be to provide an efficient decommissioning process, reduce the need for exemptions from existing regulations, and support the principles of good regulation, including openness, clarity, and reliability.”²¹ A meeting was held on December 9, 2015 for the NRC to present the plans for a proposed rulemaking and to receive public comments. The comment period closes on March 18, 2016.²²

²⁰ NRC Inspection Manual, IMC 2561, Decommissioning Power Reactor Inspection Program.

²¹ Federal Register Notice 80 FR 72358, Advance Notice of Proposed Rulemaking; Request for Comment, Regulatory Improvements for Decommissioning Power Reactors, November 19, 2015

²² Federal Register Notice 80 FR 80709, Advance Notice of Proposed Rulemaking; extension of comment period, Regulatory Improvements for Decommissioning Power Reactors, December 28, 2015

SCE acknowledges that it is appropriate for the Commission to consider economic issues regarding decommissioning in the NDCTP, including the reasonableness of the utilities' decommissioning cost estimates, activities, and costs. However, it is vitally important that the Commission not interfere with the NRC's active and ongoing regulation of radiological health and safety issues concerning decommissioning, as doing so would violate the NRC's exclusive jurisdiction for these issues.

(3) Worker Safety

The Utilities are committed to ensure worker safety during decommissioning, and hold the welfare of employees and contractors at SONGS as a top priority. Safety is a core decommissioning principle and an integral requirement for all work completed at SONGS. SCE implements a comprehensive safety program to ensure all SONGS personnel complete decommissioning activities safely. For example, frequent safety planning, pre-job safety briefings, worksite inspections, and post-job debriefs of lessons learned are part of the everyday work environment at SONGS to ensure worker safety. The Division of Occupational Safety and Health (DOSH), better known as Cal/OSHA, also provides oversight regarding non-radiological worker health and safety issues. SCE complies with Cal/OSHA requirements in connection with non-radiological work. SCE also tracks its safety record, and has recently reached the 2,000,000 work-hour milestone for not having an OSHA recordable event.

The NRC also has strict rules governing cleanup of radioactive components to protect the radiological health and safety of workers throughout the decommissioning process.

Because worker safety issues are addressed by Cal/OSHA and NRC, the Commission does not need to address these issues in this proceeding, which is generally focused on ratemaking and cost-recovery issues.

2. Rule 2.2 – Organization and Qualification To Transact Business

Rule 2.2 provides:

All applicants [] shall submit with their applications a copy of the entity's organizing documents and evidence of the applicant's qualification to transact business in California. If current documentation has previously been filed with the Commission, the application need only make specific reference to such filing.

a) **Articles Of Incorporation**

(1) **SCE**

A copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with A.06-03-020, and is incorporated herein by this reference pursuant to Rule 2.2 of the Commission's Rules of Practice and Procedure.

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with A.11-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and a copy of SCE's Certificate of Increase of Authorized Shares of the Series E Preference Stock filed with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with A.12-03-004, and are incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 5, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with A. 12-06-017, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with A.13-01-016, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with A.14-03-013, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series J Preference Stock filed with the California Secretary of State on August 19, 2015, and presently in effect, certified by the California Secretary of State, was filed with the Commission on October 2, 2015, in connection with Application No. 15-10-001, and is incorporated herein by this reference.

Certain classes and series of SCE's capital stock are listed on a "national securities exchange" as defined in the Securities Exchange Act of 1934 and copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 14, 2014, pursuant to General Order Nos. 65-A and 104-A of the Commission.

(2) SDG&E

SDG&E is a corporation duly created under the laws of the state of California. A certified copy of the Restated Articles of Incorporation of San Diego Gas & Electric Company presently in effect and certified by the California Secretary of State was filed with the Commission on September 10, 2014, in connection with SDG&E's A.14-09-008 and is incorporated herein by reference.

3. Rule 2.4 -- CEQA Compliance

Rule 2.4(c) states that any application for authority to undertake a project that is statutorily or categorically exempt from CEQA requirements shall so state, with citation to the relevant authority. Public Resources Code section 21080(b)(8) states that CEQA does not apply to the “establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies.” Therefore, CEQA does not apply to this Joint Application.

C. Index Of Exhibits

SCE and SDG&E hereby incorporate by reference into this Joint Application the following exhibits:

***Table III-2
List of Exhibits***

<u>Exhibit No.</u>	<u>Title</u>
SCE-01	Nuclear Decommissioning Overview
SCE-02	Testimony On The Reasonableness of the SONGS 1 Nuclear Decommissioning Expenses Incurred During 2009-2012
SCE-03	Testimony On The Reasonableness of the SONGS 1 Nuclear Decommissioning Expenses Incurred During 2013-2015
SCE-04	Testimony On 2016 SONGS 1 Decommissioning Cost Estimate
SCE-05	Testimony On The 2016 Decommissioning Cost Estimate for PVNGS Units 1, 2, & 3
SCE-06	2016 SCE Trust Fund Contributions and Decommissioning Financial Assumptions
SCE-07	Plan For The 2016 SONGS 2&3 Decommissioning Cost Estimate
SDGE-01	Prepared Direct Testimony

IV.

CONCLUSION

The Utilities jointly request that the Commission:

Phase 1

The Utilities jointly request that the Commission:

- 1) Approve as reasonable the \$13.9 million (100% share, 2011\$) for SONGS 1 decommissioning expenses incurred between January 1, 2009 and December 31, 2012;
- 2) Approve as reasonable the \$6.2 million (100% share, 2011\$) for SONGS 1 decommissioning expenses incurred between January 1, 2013 and December 31, 2015;
- 3) Approve as reasonable the updated \$239.4 million (100% share, 2014\$) 2016 SONGS 1 DCE for remaining SONGS 1 decommissioning work;
- 4) Approve as reasonable SONGS 2&3 decommissioning expenses for activities completed between January 1, 2014 and December 31, 2014 (the Utilities will identify these expenses in supplemental testimony proposed to be submitted on April 15, 2016); and
- 5) Approve as reasonable SONGS 2&3 decommissioning expenses for activities completed between January 1, 2015 and December 31, 2015 (the Utilities will identify these expenses in supplemental testimony proposed to be submitted on April 15, 2016).

In addition, SCE separately requests the Commission:

- 1) Approve as reasonable the updated \$521.9 million (SCE share, 2013\$) 2016 PVNGS DCE;
- 2) Approve SCE's request to maintain its annual contributions to its PVNGS NDTs at \$0.0 (zero), based upon the current estimate of decommissioning costs for PVNGS, current level of funding of the PVNGS NDTs, projected escalation rates, and financial market conditions known at this time; and

3) Approve SCE's request to maintain its annual contributions to its SONGS 1 NDTs at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 1, current level of funding of the SONGS 1 NDTs, projected escalation rates, and financial market conditions known at this time;

In addition, SDG&E separately requests that the Commission:

1) Approve as reasonable the \$2.8 million (SDG&E share, 2011\$) for SONGS 1 decommissioning expenses incurred between January 1, 2009 and December 31, 2012;

2) Approve as reasonable the \$1.3 million (SDG&E share, nominal \$) for SONGS 1 decommissioning expenses invoiced to SDG&E between January 1, 2013 and December 31, 2015;

3) Approve as reasonable the \$47.9 million (SDG&E share, 2014\$) of the 2016 SONGS 1 DCE for remaining SONGS 1 decommissioning work;

4) Approve as reasonable the \$42.6 million (2014\$) in future SDG&E-only costs for SONGS 1, 2, and 3;

5) Approve as reasonable SDG&E's share of the SONGS 2&3 decommissioning expenses invoiced to SDG&E for activities completed between January 1, 2014 and December 31, 2015 and SDG&E-only costs for SONGS 1, 2 and 3 incurred during this time period (SDG&E to identify these expenses in supplemental testimony to be submitted on April 15, 2016);

6) Approve SDG&E's request to maintain its annual contributions to its SONGS 1 NDTs at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 1, current level of funding of the SONGS 1 NDTs, projected escalation rates, and financial market conditions known at this time.

Phase 2

In Phase 2, the Utilities propose to submit in December 2016, the 2016 SONGS 2&3 DCE for the Commission's review and approval. The Commission's final decision on the

reasonableness of the 2014 SONGS 2&3 DCE submitted in A.14-12-007 remains pending. If the Commission adopts the Utilities' proposed two-phase procedural schedule, the Utilities would plan to submit the 2016 SONGS 2&3 DCE and supporting testimony (including updated financial assumptions, analyses, and customer contribution level calculations) by December 1, 2016. The Utilities' supporting testimony for the 2016 SONGS 2&3 DCE also would explain material variances and changes to the 2014 SONGS 2&3 DCE.

Respectfully submitted,

<p>WALKER A. MATTHEWS III</p> <p><u>/s/ Walker A. Matthews III</u></p> <p>By: Walker A. Matthews III</p> <p>Attorneys for SOUTHERN CALIFORNIA EDISON COMPANY</p> <p>2244 Walnut Grove Avenue Post Office Box 800 Rosemead, California 91770 Telephone: (626) 302-6879 Facsimile: (626) 302-3990 E-mail:walker.matthews@sce.com</p>	<p>EMMA D. SALUSTRO STEVEN C. NELSON</p> <p>By: <u>/s/ Steven C. Nelson</u></p> <p>Emma D. Salustro Steven C. Nelson Attorneys for: SAN DIEGO GAS & ELECTRIC COMPANY 8330 Century Park Court, CP32D San Diego, CA 92123 Telephone: (858) 654-1861 E-mail: esalustro@semprautilities.com E-mail: snelson@sempra.com</p>
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Dated: March 1, 2016

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1st day of March, 2016, at Rosemead, California.

/s/ Thomas J. Palmisano _____

Thomas J. Palmisano

Vice President Decommissioning and Chief Nuclear Officer
SOUTHERN CALIFORNIA EDISON COMPANY

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1st day of March, 2016, at San Diego, California.

/s/ Diana L. Day

Diana L. Day

Vice President, Enterprise Risk Management & Compliance
SAN DIEGO GAS & ELECTRIC COMPANY