

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Joint Application of Southern California Edison Company (U338E) and San Diego Gas & Electric Company (U902E) For the 2015 Nuclear Decommissioning Cost Triennial Proceedings.

A.16-03-004
(Filed March 1, 2016)

**PROTEST
OF THE OFFICE OF RATEPAYER ADVOCATES**

I. INTRODUCTION

In accordance with Rule 2.6, subdivision (a), the Office of Ratepayer Advocates (ORA) protests the Joint Application (A.) 16-03-004 of the Southern California Edison Company (SCE) and the San Diego Gas & Electric Company (SDG&E) (hereafter collectively referred to as the “Utilities”). ORA objects to the granting in whole or in part of the request sought by A.16-03-004.

Stated below are the preliminary facts, law, and reasons ORA’s Protest. ORA requests an evidentiary hearing to develop a full and complete record of the support and justification for A.16-03-004. ORA reserves the right to change or supplement the bases of its Protest, contingent on its discovery and testimonies of the other Parties.

This Protest is timely filed. Although submitted on March 1, 2016, A.16-03-004 first appeared in the Commission Daily Calendar on March 4, 2016. According to Rule 2.6(a), protests are due within thirty days thereafter, which would be April 4, 2016, the date when ORA filed and served this Protest.

II. BACKGROUND

A. SCE and SDG&E jointly request the Commission as follows:

- i. Approve \$13.9 million for SONGS 1 decommissioning expenses, 2009-2012,
 - ii. Approve \$6.2 million for SONGS 1 decommissioning expenses, 2013-2015,
 - iii. Approve the updated SONGS 1 Decommissioning Cost Estimate (DCE) of \$239.4 million for remaining work (100% share),
 - iv. Approve as reasonable 2014 SONGS 2&3 decommissioning expenses, detailed in supplemental testimony to be submitted on April 15, 2016, pending consolidation of A.15-01-014, the 2014 SONGS reasonableness review,
 - v. Approve as reasonable 2015 SONGS decommissioning expenses, to be detailed in April 15, 2016 supplemental testimony, and
 - vi. Approve initiating a second Phase to the proceeding, in which the 2016 SONGS 2&3 DCE will be submitted for review (scheduled for December 23016).
- B. SCE also requests:
- i. Approve the updated Palo Verde (PV) DCE of \$521.9 million,
 - ii. Approve SCE's request to keep contributions to the PV Trusts at \$0, and
 - iii. Approve SCE's request to keep contributions to the SONGS 1 Trusts at \$0.
- C. SDG&E also requests:
- i. Approve \$2.8 million for SONGS 1 decom expenses, 2009-2012,
 - ii. Approve \$1.3 million for SONGS 1 decom expenses, 2013-2015,
 - iii. Approve the updated SONGS 1 DCE of \$47.9 million for remaining work (SDG&E share),
 - iv. Approve \$42.6 million in future SDG&E-only costs for SONGS 1, 2&3,
 - v. Approve SDG&E's share of 2014 SONGS 2&3 expenses and SDG&E-only costs for SONGS 1, 2&3, to be detailed in April 15, 2016 supplemental testimony, and
 - vi. Approve SDG&E's request to keep contributions to SONGS 1 Trusts at \$0.

III. ORA'S BASIS FOR PROTEST

ORA asserts that there may be material issues of fact in dispute regarding the Utilities' requests listed above. ORA will review the application, testimony, and supporting workpapers, as well as conduct discovery on these issues and any other related

issues as its review continues. ORA asserts that evidentiary hearings are necessary and will prepare and serve testimony and other related documents as necessary in support of the Commission's hearing process.

ORA notes that the Commission previously reviewed the \$13.9 million in SONGS 1 decommissioning costs (2009-2012), and that the Commission found that the Utilities failed to meet their burden of proof.¹

Since the April 15, 2016 supplemental testimony has yet to be served by the Utilities, ORA has not had an opportunity to review that testimony.

ORA does not oppose the Utilities request for a second Phase to the proceeding to review the 2016 SONGS 2&3 DCE. ORA notes that the Utilities have added 4 years to their assumption of when the U.S. Department of Energy (DOE) will finally begin to take possession of spent nuclear fuel, moving from 2024 to 2028, that they discuss SCE's damages recovery based on DOE's failure to accept spent nuclear fuel and that they propose modifying the criteria to determine if a decommissioning project is complete. The updated SONGS 1 DCE has increased by \$69.5 million over the 2012 DCE to \$239.4 million; \$35.7 million of the increase is related to the full removal of intake/discharge conduits that may not be necessary. ORA will also review the contingency amounts included in the Utilities' estimates.

IV. ISSUES FOR THE PROCEEDING

ORA presents a list of issues for the proceeding:

- i. The annual revenue requirements for the SONGS 1, 2&3 and Palo Verde Trusts, including the assumptions included therein,
- ii. The reasonableness of SONGS 1 decommissioning expenses,
- iii. The SONGS 1 DCE for remaining work, including the assumptions included therein,

¹ D.14-12-082, p. 49.

- iv. The reasonableness of 2014 SONGS 2&3 decommissioning expenses,
- v. The reasonableness of 2015 SONGS 2&3 decommissioning expenses, to be detailed in the Utilities' April 15, 2016 supplemental testimony,
- vi. Approval of a second Phase to the proceeding, in which the 2016 SONGS 2&3 DCE will be submitted for review,
- vii. Approval of the PV DCE, including the assumptions included therein,
- viii. Approval of SDG&E-only cost estimates, and
- ix. Any additional issues that may arise during discovery.

V. ORA REQUESTS A PREHEARING CONFERENCE

In accordance with Rule 7.2, subdivision (a), ORA requests that the Commission schedule and notice a prehearing conference (PHC) as soon as practicable. At the PHC, ORA will address the schedule for this proceeding and any other matters that the Commission may require.

VI. CATEGORIZATION, NEED FOR HEARING, AND ORA'S PROPOSED SCHEDULE

ORA agrees with the Utilities that this proceeding should be categorized as "ratesetting," and evidentiary hearings will be needed.

The Utilities' proposed schedule gives ORA insufficient time to conduct discovery and evaluate the Application's complex joint and individual requests. ORA proposes a different schedule for SCE/SDG&E's Application than the one proposed for PG&E's Application, since SCE/SDG&E have included additional 2009-2015 decommissioning cost reasonableness review issues, including the consolidation of the SONGS 2014 costs proceeding.

Instead, ORA proposes the following schedule:

Phase 1	Proposed SCE/SDG&E, A.16- 03-004	Proposed ORA
SCE/SDG&E 2014 Costs Supplemental Testimony	4/15/16	NA
PHC	5/2/16	5/2/16
Intervenor Testimony	6/10/16	September 30, 2016
Rebuttal	7/8/16	October 28, 2016
Evidentiary Hearings	7/25-29/16	October 31, 2016
Phase 1 Opening Briefs, etc.	9/16/16	December 30, 2016
Phase 2		
SCE/SDG&E DCE Testimony	12/1/16	Addressed after filing
Intervenor Testimony, etc.	3/3/17	Addressed after filing
Rebuttal Testimony	4/7/17	Addressed after filing
Evidentiary Hearings	Late April 2017	Addressed after filing

VII. CONCLUSION

ORA will begin discovery as soon as practical, and may visit the pertinent sites.

Respectfully submitted,

/s/ Nicholas Sher

Nicholas Sher

Attorney for the Office of Ratepayer
Advocates

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-4232
Fax: (415) 703-2200
E-mail: nms@cpuc.ca.gov

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