



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

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Order Instituting Rulemaking to Consider Staff  
Proposal Concerning Revision or Repeal of  
General Orders and Utility Reporting  
Requirements.

Rulemaking 15-12-006  
(Filed December 3, 2015)

**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902-E)  
COMMENTS ON ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING  
REQUESTING ADDITIONAL COMMENTS ON STAFF PROPOSAL**

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September 29, 2016

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REQUESTING ADDITIONAL COMMENTS ON STAFF PROPOSAL**

**I. INTRODUCTION**

Pursuant to the Assigned Commissioner's Scoping Memo and Ruling Requesting Additional Comments on Staff Proposal, dated September 8, 2016 (Scoping Memo), San Diego Gas & Electric Company (SDG&E) submits these comments.<sup>1</sup> SDG&E sincerely appreciates and thanks the California Public Utilities Commission (CPUC or Commission) for initiating the Solicitation for Input (SFI) and for its efforts to update rules and requirements that may be redundant or unnecessary due to the passage of time or changes in circumstances. Commissioner Picker's Scoping Memo asks for comments on several issues. These comments address the following issues relevant to SDG&E:

- Item 5, regarding the proposed changes to Advanced Metering Infrastructure (AMI) reports.
- Item 9, regarding Installed Customer Generation.
- Item 23, San Onofre Nuclear Generating Station (SONGS) Unit 1 Decommissioning Report Consolidation.

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<sup>1</sup> The Schedule on page 5 calls for comments to be filed 21 days after mailing of the Scoping Memo, or September 29, 2016.

## II. COMMENTS

### A. Item 5 of Staff Proposal: Advanced Metering Infrastructure Reports

Item 5 of the Staff Proposal proposes repealing quarterly and annual AMI reports for SDG&E, Southern California Edison Company (SCE), and Pacific Gas and Electric (PG&E). As it pertains to SDG&E, the Scoping Memo asks for comments on the following questions.

- 1. Would adoption of Item 5 modify SDG&E’s reporting requirements set forth in D.07-04-043? If so, specify which reporting requirement(s) would be affected.**

SDG&E’s response is “Yes,” the Commission’s adoption of Item 5 would confirm eliminating the requirement for SDG&E to submit the Smart Meter Annual Report.

- 2. Would adoption of Item 5 affect utility reporting requirements other than those imposed by D.06-07-027, D.07-04-043, or D.08-09-039? If so, specify the relevant reporting requirement and the source of the requirement (e.g., the Commission decision or order that imposed the requirement).**

SDG&E believes Commission adoption of Item 5 would not affect any other reporting requirements for SDG&E.

- 3. Does PG&E, SDG&E, or SCE provide the Commission with information regarding AMI installations in reports that would remain unaffected by the adoption of Item 5? If so, describe these reports, including the Commission decision or order that imposed the reporting requirement.**

No, SDG&E does not submit reports regarding AMI installations.

### B. Item 23 of Staff Proposal: Quarterly Reports on Installed Customer Generation

Item 9 of the Staff Proposal would repeal quarterly reports on installed customer generation required of SDG&E, SCE, and PG&E under Decision (D.) 03-04-030 and Resolution E-3831. The Scoping Memo asks whether the Energy Division’s approval of SDG&E Advice Letter 2778-E/E-A/E-B renders Item 9 moot. SDG&E’s answer is “Yes.”

**C. Item 23 of Staff Proposal: San Onofre Nuclear Generating Station Unit 1 Decommissioning Report**

Item 23 of the Staff Proposal proposes consolidation of SDG&E's quarterly SONGS Unit 1 Decommissioning Report into the SONGS Units 2 and 3 Decommissioning Report. In its March 27, 2015 Comments, SDG&E explained that it "currently submits a quarterly decommissioning report for SONGS Unit 1" (SONGS Unit 1 Quarterly Report) and proposed that the SONGS Unit 1 Quarterly Report be consolidated "into the SONGS Unit 2 and Unit 3 Decommission Report(s)" and thus eliminated as a stand-alone report.<sup>2</sup> The Scoping Memo asks SDG&E to explain "Which Commission decisions or orders imposed the reporting requirements that are the subject of Item 23[]." <sup>3</sup>

SDG&E provides the requested information below. In addition, as explained below, in the 18 months since SDG&E filed its comments, Commission decisions have been issued that now make SDG&E's consolidation recommendation impracticable to implement.<sup>4</sup> Therefore, SDG&E respectfully withdraws its recommendation for Item 23.

**1. Basis of the SONGS Unit 1 Quarterly Report**

SDG&E is required to submit its SONGS Unit 1 Quarterly Report by D.99-06-007, which approved a Settlement between SDG&E, SCE, the Office of Ratepayer Advocates (ORA), and The Utility Reform Network (TURN) in the 1998 Nuclear Decommissioning Cost Triennial Proceeding (Application (A.) 98-12-025). The Commission's approval authorized the decommissioning of SONGS Unit 1 starting in 2000 as well as amendments to the SDG&E and SCE Master Trust Agreements

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<sup>2</sup> Comments Of San Diego Gas & Electric Company (U 902 M) On The California Public Utilities Commission's Solicitation For Input On Certain Rules And Requirements (SDG&E's March 27, 2015 Comments), Mar. 27, 2015, at 11.

<sup>3</sup> Scoping Memo, at 10.

<sup>4</sup> SDG&E's March 27, 2015 Comments, at 11.

designed “to facilitate timely availability of the funds to pay the costs of decommissioning”<sup>5</sup> by enabling “advance withdrawals from the Trusts.”<sup>6</sup>

The Settlement required that SDG&E and SCE amend their Master Trust Agreements to include the following language: “Documentation of Payment of Decommissioning Costs. Actual expenditures for Decommissioning Costs and a reconciliation of advance withdrawals with actual expenditures will be submitted to the CPUC quarterly.”<sup>7</sup> The Commission approved SDG&E’s Master Trust Agreements for its Qualified and Non-Qualified Trusts Amendments through the advice letter process to add the required language.<sup>8</sup>

SDG&E has provided its most recent SDG&E SONGS Unit 1 Quarterly Report as Attachment A to these comments for reference.

## **2. Basis of the SONGS Units 2 and 3 Decommissioning Reports**

At the time SDG&E filed its March 27, 2015 Comments, decommissioning activities were just starting for Units 2 and 3, and the processes surrounding decommissioning were just beginning to be established. The first post-shutdown SONGS decommissioning application (A.14-12-007) was being litigated and SDG&E had not yet received authorization from the Commission to withdraw funds from its Nuclear Decommissioning Trusts to pay for decommissioning costs.<sup>9</sup> There was no standardized “SONGS Unit 2 and Unit 3 Decommission Report(s)” or even a requirement to submit such a report.

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<sup>5</sup> D.99-06-007, 1999 Cal. PUC LEXIS 427; 86 CPUC2d 604, at \*1. Key elements of the Settlement included that SDG&E and SCE “should be authorized to access their SONGS 1 Trusts for the purpose of commencing SONGS 1 decommissioning work” as soon as the Commission approved the Settlement. *Id.* at \*19.

<sup>6</sup> *Id.* at \*20-21.

<sup>7</sup> *Id.* at \*48-49.

<sup>8</sup> Advice Letter (AL) 2638-E (adding required language to the Master Trust Agreement by amendment).

<sup>9</sup> SDG&E received authorization from the Commission to withdraw funds from its Trusts to pay for decommissioning costs incurred in 2013 in July 2015 (Resolution E-4678), for 2014 decommissioning costs in November 2015 (AL 2806-E), and 2015 decommissioning costs in July 2016 (AL 2904-E).

In the 18 months since SDG&E filed its comments, the Commission has developed a standardized decommissioning reporting process for SONGS Units 2 and 3. Decision 16-04-019, issued April 2016, states that SDG&E and SCE will each submit two annual SONGS Decommissioning Reports for Units 2 and 3 as Tier 2 advice letters. The first annual report, the Recorded Decommissioning Disbursements Tier 2 Advice Letter, will be submitted every spring and must show decommissioning expenditures made in the prior calendar year and related progress toward specific major milestones in the decommissioning process.<sup>10</sup> It must tie the expenditures to the most recently approved Decommissioning Cost Estimate for SONGS Units 2 and 3.<sup>11</sup> A copy of SDG&E's Recorded Decommissioning Disbursements Tier 2 Advice Letter for 2015 is provided as Attachment B.

The second annual report, the Forecasted Decommissioning Disbursements Tier 2 Advice Letter, will be submitted every fall and must provide information supporting the utility's requested disbursement tied to the most recently approved Decommissioning Cost Estimate for SONGS Units 2 and 3.<sup>12</sup> A copy of SDG&E's Forecasted Decommissioning Disbursements Tier 2 Advice Letter for 2016 is provided as Attachment C.

### **3. Different Requirements and Purposes of Reports Make Consolidation Impracticable**

Now that the Commission has established the reporting requirements for SONGS Unit 1 as well as SONGS Units 2 and 3, it is evident that it would be impracticable (if not infeasible) to consolidate the decommissioning reports together for several reasons.

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<sup>10</sup> D.16-04-019, at Ordering Paragraph (OP) 4.

<sup>11</sup> D.16-04-019 most recently approved a SONGS Unit 2 & 3 decommissioning cost estimate.

<sup>12</sup> D.16-04-019, at OP 4.

First, the required timing for each report is different. SDG&E is required by both decisions and its Commission-approved Master Trust Agreement to submit information for Unit 1 quarterly. On the other hand, it is required by decision to submit information for Units 2 and 3 annually.

Second, the Reports for Unit 1 and Units 2 and 3 relate back to different decommissioning cost estimates (*i.e.*, the Unit 1 Decommissioning Cost Estimate and the Decommissioning Cost Estimate for Units 2 and 3). It would be very confusing to combine cost information for Unit 1 into Units 2 and 3 when using two different decommissioning cost estimates.

Third, the purposes of the reports are different. The Unit 1 Report was designed to facilitate the utilities' access to the trust funds to pay for decommissioning as activities progressed, so long as a quarterly report was submitted to the Commission. The Commission does not review or approve the Unit 1 Report.<sup>13</sup> Decommissioning costs for Unit 1 are currently de minimis and trust withdrawals are negligible.

In comparison, decommissioning activities for Units 2 and 3, as well as related costs, are starting to ramp up. In D.16-04-019, the Commission determined that it wanted to receive two different reports, one for recorded decommissioning costs and one for forecasted decommissioning costs, annually as trust fund access prerequisites. The Commission reviews both Reports for approval. Both reports contain substantial information, as demonstrated by Attachments B and C.

In sum, the required decommissioning reports for SONGS Unit 1 and Units 2 and 3 do not lend themselves to consolidation. They are required by different Commission decisions to be filed on different schedules, with different types of information, and for different purposes. As such, SDG&E respectfully withdraws its previous suggestion to consolidate these reports.

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<sup>13</sup> Decommissioning costs incurred for Unit 1 are still subject to the triennial reasonableness review in the Nuclear Decommissioning Cost Triennial Proceedings (NDCTP).



# **ATTACHMENT A**



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 Director  
 Pension and Trust Investments  
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June 24, 2016

REG 10-12  
 A.98-12-025

Mr. Ed Randolph  
 Director of the Energy Division  
 California Public Utilities Commission  
 505 Van Ness Avenue  
 San Francisco, CA 94102-3298

Dear Mr. Randolph:

In accordance with Decision 99-06-007, we are providing to you a report of actual expenditures for decommissioning costs and withdrawals from the SDG&E Decommissioning Trust for SONGS Unit 1.<sup>1</sup> This report covers the 1<sup>st</sup> Quarter of 2016.

The expenditures listed below summarize SDG&E's 20% share of SCE's costs, plus SDG&E's direct decommissioning costs.<sup>2</sup> SDG&E is invoiced by Southern California Edison for its 20% share of decommissioning costs.

	<u>1st Quarter 2016</u>	<u>Year -To-Date</u>
Actual Expenditures	67,771.52	\$67,771.52

The withdrawals listed below summarize the withdrawals from SDG&E's Unit 1 trust to reimburse the Company for expenses previously paid. The timing of withdrawals generally lag behind the timing of expenses and therefore are not comparable to expenses incurred in the same period.

	<u>1st Quarter 2016</u>	<u>Year -To-Date</u>
Net Withdrawal from SDG&E Unit 1 Trust	-	-

If you have any questions regarding SDG&E's funding process, please contact me at 619-696-4390.

Sincerely,

*Carina Coleman*  
 Carina Coleman

Authorized Representative  
 SDG&E Nuclear Facilities Decommissioning Trust Committee

BLC/

cc: SDG&E Central Files, CP31-E  
 Philip Stadler, Wendy Johnson, Emma Salustro, Tracy Dalu, Jesse Aragon, Steve Yevchak

<sup>1</sup> SDG&E has changed the format of this Report to improve the Report's clarity and readability.

<sup>2</sup> This report does not reflect any Trust funds withdrawn or incurred for administrative costs. Administrative costs are reflected in the Annual Report to the California Utilities Commission.

2016	Net Withdrawals			
	SDG&E Only Withdrawal	20% Share Withdrawal	Tax Benefits (.40746 * Actual Expenditures)	Total Net Withdrawal
January	-	-	-	-
February	-	-	-	-
March	-	-	-	-
1st Quarter	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
2nd Quarter	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
3rd Quarter	-	-	-	-
October	-	-	-	-
November	-	-	-	-
December	-	-	-	-
4th Quarter	-	-	-	-
Annual Total	-	-	-	-

2016	Actual Expenditures		
	SDG&E Only Costs	SDG&E's 20% Share	Total Expenses
January	-	52,802.96	52,802.96
February	-	(7,532.72)	(7,532.72)
March	-	22,501.28	22,501.28
1st Quarter	-	67,771.52	67,771.52
April	-	-	-
May	-	-	-
June	-	-	-
2nd Quarter	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
3rd Quarter	-	-	-
October	-	-	-
November	-	-	-
December	-	-	-
4th Quarter	-	-	-
Annual Total	-	67,771.52	67,771.52

\* This Report does not reflect any Trust funds withdrawn or incurred for administrative costs. Administrative costs are reflected in the Annual Report to the California Utilities Commission.

**SONGS UNIT 1 DECOMMISSIONING COST**  
**For the Month of January 2016**

**100% Amount**

WD1-1.1.1.01.21.05	Target - XFER Swithyard 2014 U1	\$	266,881.40
WD1-1.1.7.01.01.10.03	Target - Site Management - DCE Estimate 2014 U1	\$	91.59
WD1-1.2.1.01.01.10	Security Charges - U1 Decom	\$	(2,284.05)
WD1-1.2.1.01.01.11	Site Management and Administration - U1	\$	(406.77)
WD1-1.2.2.01.01.25	Ground Water Sampling	\$	(60.15)
WD1-3.1.3.01.01.07	Target - Conduit Permit Closure	\$	38.54
WD1-3.2.1.01.01.11	Site Management and Administration - U1	\$	(244.70)
	<b>Cost Billable to Participants</b>		<b>264,015.86</b>
	<b>SDG&amp;E @ 20%</b>		<b>52,802.96</b>

**SONGS UNIT 1 DECOMMISSIONING COST**  
**For the Month of February 2016**

**100% Amount**

WD1-1.1.7.01.01.10.03	Target - Site Management - DCE Estimate	\$	11,734.57
WD1-1.2.1.01.01.10	Security Charges - U1 Decom	\$	64,481.98
WD1-2.2.2.01.01.05	NRC Fees General Sub 830	\$	(148,728.21)
WD1-3.1.3.01.01.07	Target - Conduit Permit Closure	\$	34,778.34
Sub-Total (80% SCE and 20% SDG&E)		\$	<b>(37,733.32)</b>
WD1-3.2.2.01.01.37.02	Unit 1 Bank Fees/Interest - SCE (100%)	\$	120.89
WD1-3.2.2.01.01.37.03	Unit 1 Bank Fees/Interest - SDG&E (100%)	\$	14.04
	<b>Cost Billable to Participants</b>		<b>(37,598.39)</b>
	<b>SDG&amp;E @ 20%</b>		<b>(7,532.72)</b>

**SONGS UNIT 1 DECOMMISSIONING COST**  
**For the Month of March 2016**

**100% Amount**

WD1-1.1.7.01.01.10.03	Target - Site Management - DCE Estimate	\$	5,936.86
WD1-1.2.1.01.01.10	Security Charges - U1 Decom	\$	104,506.57
WD1-2.2.2.01.01.05	NRC Fees General Sub 830	\$	53.99
WD1-1.2.2.01.01.25	Target - Conduit Permit Closure	\$	1,979.60
Sub-Total (80% SCE and 20% SDG&E)		\$	112,477.02
WD1-3.2.2.01.01.37.02	Unit 1 Bank Fees/Interest - SCE (100%)	\$	18.00
WD1-3.2.2.01.01.37.03	Unit 1 Bank Fees/Interest - SDG&E (100%)	\$	6.00
			<hr/>
<b>Cost Billable to Participants</b>			<b>112,501.02</b>
<b>SDG&amp;E @ 20%</b>			<b>22,501.28</b>
			<hr/> <hr/>

# **ATTACHMENT B**



Clay Faber -Director  
CA & Federal Regulatory  
8330 Century Park Court  
San Diego, CA 92123

cfaber@semprautilities.com

June 16, 2016

**ADVICE LETTER 2904-E**  
(U-902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: REQUEST FOR AUTHORIZATION OF DISBURSEMENTS OF SONGS 2&3  
DECOMMISSIONING COSTS RECORDED BY SDG&E JANUARY 1, 2015  
THROUGH DECEMBER 31, 2015 FROM THE SDG&E SONGS NUCLEAR  
DECOMMISSIONING TRUST**

**I. PURPOSE AND INTRODUCTION**

San Diego Gas & Electric Company ("SDG&E") is billed by Southern California Edison Company ("SCE" or "Edison") for costs associated with decommissioning activities at San Onofre Nuclear Generating Station Unit Nos. 2&3 ("SONGS" or "SONGS 2&3"), and also incurs certain SDG&E-only (100%) costs related to the decommissioning of SONGS 2&3. SDG&E now requests that the California Public Utilities Commission ("Commission") authorize disbursement of those decommissioning costs recorded January 1, 2015 through December 31, 2015, from the SDG&E SONGS Nuclear Decommissioning Trust ("Trust"). SDG&E's request is made consistent with the Commission's directions in D.11-07-003, D.14-12-082, and D.16-04-019.

The Commission permits Trust disbursements for recorded decommissioning costs upon demonstration that the costs are eligible to be paid from decommissioning trust funds. Pursuant to General Order 96-B, SDG&E respectfully submits this Tier 2 Advice Letter ("AL") requesting authorization from the Commission to disburse up to \$61.7 million, in nominal dollars, from its SONGS Trust for SONGS 2&3 decommissioning expenses recorded in 2015.

The Commission will conduct an after-the-fact reasonableness review of SDG&E's 2015 SONGS costs in A.16-03-004, the 2015 Nuclear Decommissioning Costs Triennial Proceeding ("NDCTP"). That proceeding is not expected to conclude until 2017 or later. SDG&E requests authorization to access its Trust now for 2015 recorded decommissioning costs, with the understanding that the same costs are subject to any adjustments ordered by the Commission based on the final determination of reasonableness.

## II. BACKGROUND

This AL concerns SDG&E's Nuclear Decommissioning Trust for SONGS 2&3.<sup>1</sup> SDG&E's SONGS 2&3 Trust is governed by the SDG&E Nuclear Facilities Qualified and Non-Qualified CPUC Decommissioning Master Trust Agreements ("MTAs") for San Onofre Nuclear Generating Stations. In accordance with the Nuclear Facilities Decommissioning Act of 1985,<sup>2</sup> the Commission approved the SDG&E Trust and the MTAs in D.87-05-062 and Resolution E-3060.<sup>3</sup> With the Commission's approval, SDG&E has been collecting funds from ratepayers to fund the trusts for almost 30 years.<sup>4</sup>

SONGS' vendor *EnergySolutions* drafted a new Decommissioning Cost Estimate ("DCE") for SONGS Units 2&3, which was subsequently submitted to the Nuclear Regulatory Commission ("NRC") on September 23, 2014 and the Commission on December 10, 2014.<sup>5</sup> On August 20, 2015, the NRC issued a finding, stating that NRC staff found the Post Shutdown Decommissioning Activities Report ("PSDAR") and the DCE within it to be "reasonable."<sup>6</sup> In D.16-04-019, the Commission determined that the 2014 DCE was reasonable.

Ordering Paragraph 5 of D.16-04-019 requires that:

San Diego Gas & Electric Company (SDG&E) must file annually Forecast and Recorded Decommissioning Disbursement Tier 2 Advice letters consistent with its share of San Onofre Nuclear Generating Station 2 and 3 decommissioning costs as presented by Edison and billed to SDG&E by Edison, plus include any additional administrative costs unique to SDG&E. Such advice letters must show information supporting the requested disbursements.

This Tier 2 AL includes SDG&E's 2015 SONGS decommissioning recorded costs for SDG&E's 20% share of the 2015 SONGS decommissioning costs as presented by SCE and billed to SDG&E by SCE and includes any additional costs unique to SDG&E. SDG&E will file another

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<sup>1</sup> This AL does not concern SDG&E's Trusts for Unit 1. SDG&E was given Unit 1 Trust fund withdrawal access by the Commission in D.99-06-007. As required by D.99-06-007, SDG&E provides a quarterly report to Energy Division of actual expenditures and withdrawals for Unit 1 decommissioning costs from SDG&E's Unit 1 Trust. SDG&E also seeks a reasonableness review of Unit 1 expenditures in the cyclical NDCTPs. SCE and SDG&E have requested that the Commission find reasonable the 2015 Unit 1 recorded costs in the current NDCTP, A.16-03-004.

<sup>2</sup> California Pub. Util. Code Sec. 8321 *et seq.*

<sup>3</sup> D.87-05-062 (ordering the IOUs to draft MTAs for the Commission's consideration) and Resolution E-3060 (approving SDG&E's MTAs for SONGS Units 1, 2 and 3).

<sup>4</sup> In D.16-04-019, SDG&E's request to set annual Trust collections to \$0.00 as of January 1, 2016 was approved.

<sup>5</sup> A.14-12-007, *Joint Application of [SCE and SDG&E] for 2014 SONGS Units 2&3 Decommissioning Cost Estimate and Related Decommissioning Issues* (filed December 10, 2014) at 4-5.

<sup>6</sup> NRC Docket Nos. 50-361 and 50-362.

Tier 2 AL in the near future that includes SDG&E's forecasted 2016 SONGS decommissioning costs.

### **III. PREVIOUS APPROVALS AND TRUST WITHDRAWALS**

On March 18, 2015, SCE filed SCE AL 3193-E, requesting Commission approval to withdraw up to \$340 million from SCE's Trust for decommissioning costs recorded June 7, 2013 through December 31, 2013, as well as SCE's 2014 costs. SCE expended \$237.9 million (100%) for decommissioning costs in 2013, of which \$180.3 million was SCE's share, and \$210.8 million (100%) in 2014, of which \$159.7 million was SCE's share.

On April 1, 2015, SDG&E submitted Tier 3 AL 2724-E, requesting Commission approval to withdraw up to \$55.0 million from SDG&E's Trust for decommissioning costs incurred or recorded June 7, 2013 through December 31, 2013. SDG&E's 2014 recorded costs were not included in AL 2724-E.

Commission Resolution E-4678 approved both SCE's and SDG&E's requests. On August 25, 2015, SDG&E withdrew \$36.7 million from its Trust for costs related to 2013. SDG&E did not withdraw the entire authorized \$55.0 million from its Trust because of the ongoing so-called industry-wide "Dominion" issue with the Internal Revenue Service ("IRS"), concerning costs associated with spent fuel management.<sup>7</sup> In 2016, SCE, acting on behalf of the SONGS co-participants, entered into a settlement with the U.S. Department of Energy ("DOE" and "DOE Settlement"), which concerned, in part SDG&E's 2013 recorded spent fuel management costs.<sup>8</sup> As of the time of this filing, SDG&E is evaluating the impact of the DOE settlement on SDG&E's outstanding 2013 trust disbursement amount. Any additional withdraws for 2013 spent fuel management costs will be reflected in future SDG&E trust disbursement advice letters.

On October 23, 2015, SDG&E submitted Tier 2 AL 2806-E, requesting Commission approval to withdraw up to \$35.73 million from SDG&E's Trust for decommissioning costs incurred or recorded in 2014. SDG&E received authorization from the Commission effective November 22, 2015, to be paid for its SONGS decommissioning costs from SDG&E's Trust, incurred through December 31, 2014.

On December 21, 2015, SDG&E withdrew \$22.64 million from its Trust. SDG&E did not withdraw the entire authorized \$35.73 million from its Unit 2&3 Trust because of the ongoing so-

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<sup>7</sup> In December 2014, the IRS issued a Private Letter Ruling ("PLR") for a Dominion nuclear facility. The PLR states that the three NRC bucket categories (i.e., License Termination, Spent Fuel Storage and Site Restoration) are nuclear decommissioning costs and may be paid out of the Trust. However, the PLR also states that certain spent fuel storage costs may not be reimbursed from the Trust now if they will be recovered from litigation or settlement with the Department of Energy ("DOE"). While the favorable ruling that SCE received from the IRS on December 8, 2015, provides some guidance on the issue, it is not directly applicable to SDG&E's situation and has no precedential value for any utility except for SCE. SDG&E intends to work with the IRS to gain clarity on its situation in 2016.

<sup>8</sup> Attachment G is a copy of the executed Southern California Edison and Department of Energy Settlement. The DOE Settlement concerns spent fuel management costs for SONGS 1, 2 and 3 recorded January 1, 2006 through December 31, 2013. The co-participants did not receive the entire (100%) original litigation claim through the Settlement. While the Settlement creates a process for the submission of future DOE settlement claims, it is uncertain if future settlement claims will be successful.

called industry-wide "Dominion" issue. Pending a favorable resolution of the Dominion issue, SDG&E will withdraw the remaining amount of its authorized 2014 recorded cost request, to the extent allowable under Treasury regulations and guidance. At the time of this filing, it is unclear when the Dominion issue will be resolved.<sup>9</sup>

Included in this AL in Attachment E is a breakdown of total amounts requested to date including previous AL approvals.

#### **IV. SDG&E REQUESTS TRUST FUND DISBURSEMENT AUTHORITY FOR RECORDED SONGS 2&3 2015 DECOMMISSIONING COSTS**

SDG&E seeks authority for disbursements of up to \$61.7 million in nominal dollars to reimburse SDG&E for decommissioning costs associated with SONGS 2&3 recorded January 1, 2015 through December 31, 2015.<sup>10</sup> The majority of the costs have been recorded in SONGS 2&3 Permanent Closure Non-Investment Related Expense Memorandum Account (SPCEMA).<sup>11</sup>

##### Categories of SDG&E's 2015 SONGS 2&3 Decommissioning Costs

###### (1) Decommissioning expenditures invoiced by SCE

SCE invoices SDG&E (20% share) for SONGS 2&3 decommissioning costs. For the period of January through December 2015, SDG&E recorded \$54.9 million (2014\$) for 2015 SONGS 2&3 decommissioning costs invoiced by SCE. This amount compares to a DCE amount of \$75.3 million (2014\$). In SCE's AL 3285-E, SCE provided at the 100% level explanations of the variances between 2015 forecasted expenditures and the DCE estimate. Also in SCE's AL 3393-E, SCE provided a comparison of the recorded costs for 2015 to the amounts forecasted in AL 3285-E and to 2014 SONGS 2&3 DCE. The Commission approved AL 3393-E effective May 15, 2016.

SDG&E had an authorized 2015 revenue requirement of \$2.0 million from its TY 2012 GRC related to property insurance and liability insurance. For those costs with an authorized revenue requirement, SDG&E will credit Trust funds up to the amounts previously collected from ratepayers through its Non Fuel Generation Balancing Account ("NGBA"), as appropriate.

Included in this AL is Attachment A, a graph tracking SDG&E's DCE estimate and actual decommissioning cost expenditures. Attachment B is a comparison for SDG&E's share of DCE estimated and actual decommissioning expenditures by NRC cost category and by major cost

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<sup>9</sup> Under the terms of the DOE Settlement, SCE, acting on behalf of the SONGS co-owners, must submit its claims for 2014 and 2015 spent fuel management costs no later than September 30, 2016. While the Settlement creates a process for the submission of future DOE settlement claims, the payment of those claims in their entirety remains uncertain. Therefore, SDG&E does not believe it has a "fixed" right to recover its 2015 spent fuel management costs in the pending litigation against the DOE.

<sup>10</sup> Out of an abundance of caution, if and when SDG&E receives authority from the Commission to reimburse 2015 decommissioning costs with Trust funds, SDG&E will not withdraw funds from the qualified Trusts for certain spent fuel storage costs until the Dominion issue has been sufficiently clarified and/or it has received a settlement or litigation award from the DOE.

<sup>11</sup> [http://regarchive.sdge.com/tm2/ssi/inc\\_elec\\_prelim.html](http://regarchive.sdge.com/tm2/ssi/inc_elec_prelim.html).

category. Attachment C is a comparison for SDG&E's share of DCE estimated and actual decommissioning expenditures by cost category and DCE line number. Attachment D is a comparison of the DCE estimate for SDG&E and SDG&E's recorded cash flow by year.

(2) Internal costs specific to SDG&E (100%)

*i. SDG&E Only Costs (100%)*

In 2015, SDG&E recorded "SDG&E only" expenses necessary to carry out its fiscal oversight role at SONGS as well as SDG&E's decommissioning expenses. SDG&E incurred all of these costs itself (100%). It did not receive bills from SCE for any of these costs.

Internal SDG&E costs fall into two main categories. First, SDG&E records labor costs for personnel directly involved in carrying out its role in overseeing and reviewing activities at the plant and SDG&E continues to retain a site representative at the SONGS worksite to review day-to-day decommissioning activities and progress, and provide contact and interaction with SONGS decommissioning management and personnel. In addition, SDG&E retains personnel to review invoices and track expenditures against SCE-generated internal budgets.

The second type of SDG&E-only cost in 2015 is non-labor cost. This includes costs associated with the use of outside decommissioning consultants, outside legal counsel, internal non-labor costs (i.e., travel expenses), site land leases and property taxes.

SDG&E recorded \$2.6 million (2014\$) of SDG&E-only costs in 2015. This compares to a DCE amount of \$2.0 million (2014\$) for 2015.

Actual costs were higher than the DCE by \$0.6 million. Actual property taxes were \$1.3 million higher than the DCE primarily because the tax assessment for the site is based on that of an operating plant. The DCE assumed that the tax assessment would have decreased after the plant entered decommissioning and the property tax liability would have been lower as a result. In addition, actual labor and non-labor was \$0.7 million lower than the DCE primarily due to actual labor, outside legal and consultant expenses being lower than what was estimated in the DCE.

SDG&E had an authorized 2015 revenue requirement of \$1.4 million from its TY2012 GRC related to SDG&E's 'oversight' of SONGS as an operating generation plant, site land leases and property taxes. For those costs with an authorized revenue requirement, SDG&E will credit Trust funds up to the amounts previously collected from ratepayers through its NGBA, as appropriate.

*ii. Costs For Which SDG&E Can Already Access Trust Funds*

The last SONGS Decommissioning cost category is those types of costs for which SDG&E does not need Commission authorization to access trust funds. Specifically, decommissioning planning costs and trust administrative costs do not require prior NRC or Commission approval to withdraw from the Trust. SDG&E is not seeking Commission authority in this AL for trust fund disbursements for these costs, but provides this information for the reader's knowledge.

## 1. Decommissioning Planning Costs

NRC regulations allow the use of trust funds for decommissioning planning costs.<sup>12</sup> These costs may be incurred at any time, even before decommissioning begins. These costs include the development of “paper” plans or studies.<sup>13</sup> As a result of Commission-approved MTA language, SDG&E does not require Commission approval to access trust funds to pay for these costs.<sup>14</sup> At the time of this filing, SDG&E has not identified any specific 2015 decommissioning planning costs that fall within the NRC’s definition of “decommissioning planning” and therefore, has not withdrawn trust funds for decommissioning planning costs in 2015.

## 2. Trust Administration Costs

Trust administrative costs and incidental trust expenses, such as legal, investment management fees, accounting, taxes, actuarial and trustee expenses incurred in connection with the operation of the Trusts may be paid with trust funds without Commission approval.<sup>15</sup> SDG&E and the Trust incurred administrative trust fund expenses and taxes in calendar year 2015 and withdrew a reimbursement for \$15.07 million of these costs from the Trusts.<sup>16</sup>

## V. ATTACHMENTS

- Attachment A - Graph Tracking SDG&E’s DCE Estimate and Actual Decommissioning Expenditures

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<sup>12</sup> The NRC allows parties to pay up to 3% of a generic formula, per unit, cumulative, for decommissioning planning costs 10 CFR § 50.82(a)(8)(ii). The generic formula is stated at 10 CFR § 50.75. As reported by SCE in the March 2013 decommissioning funding report to the NRC, the formula amount for SONGS decommissioning is \$521.5 million per unit (Units 2&3). SDG&E’s share is 20% of the 3% limit, or \$3.13 million per unit. SDG&E is still well-below the cap; it has withdrawn \$1.31 million to date for decommissioning planning costs each for Units 2 and 3.

<sup>13</sup> U.S. Nuclear Regulatory Commission, *Decommissioning Of Nuclear Power Reactors*, Regulatory Guide 1.184, Revision 1 at 13 (October 2013), <http://pbadupws.nrc.gov/docs/ML1314/ML13144A840.pdf> (“Appropriate activities for the use of the initial 3 percent of the decommissioning funds include engineering designs, work package preparation, and licensing activities. Activities that would not be appropriate uses for these planning funds include decontamination, draining of systems, removal of filters, and projects designed to demonstrate the feasibility of a particular decommissioning activity. Likewise, the decontamination of a building that is no longer in use and would ultimately have to be decontaminated before license termination is not an appropriate use of planning funds.”).

<sup>14</sup> MTA at section 2.01(5); SDG&E AL 1056-E, approved February 23, 1998.

<sup>15</sup> See, e.g., 10 CFR § 50.75(h)(1)(iv); Resolution E-3060, issued Nov. 25, 1987 (approving SDG&E’s AL 718-E, which in turn sought approval of SDG&E’s MTAs, including provisions for paying administrative costs as incurred).

<sup>16</sup> SDG&E 2015 Annual Nuclear Decommissioning Report (Confidential), submitted April 13, 2016, to Energy Division, at 9. The reimbursement of Trust Administrative Costs pertains to costs for all SONGS Units (Units 1, 2 and 3). SDG&E incurred additional legal costs in 2015 for Trust Administration costs, but has not yet withdrawn Trust funds for such costs.

- Attachment B – Comparison of DCE Estimated (20%) and SDG&E's Actual Decommissioning Expenditures by Nuclear Regulatory Commission Cost Category
- Attachment C - Comparison of DCE Estimated (20%) and SDG&E's Actual Decommissioning Expenditures by Cost Category and DCE Line Number
- Attachment D - Comparison of DCE Estimated (20%) and SDG&E's Recorded Cash Flow
- Attachment E - History of SDG&E Trust Fund Disbursement Amounts Requested, Approved and Withdrawn
- Attachment F - Escalation Factors
- Attachment G – Copy of Southern California Edison and Department of Energy Settlement (“DOE Settlement”)

## **VI. REQUEST FOR RELIEF**

For the reasons explained above, SDG&E requests that the Commission authorize SDG&E to obtain disbursements of up to \$61.7 million from its SONGS 2&3 trusts for SONGS 2&3 decommissioning expenses recorded in 2015.

### **EFFECTIVE DATE**

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval). SDG&E respectfully requests that this filing become effective on July 18, 2016, 32 days after the date filed.

This filing will not result in an increase in any rates or charges, conflict with any schedules or rules, or cause withdrawal of service.

### **PROTEST**

Anyone may protest this AL to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received by July 6, 2016, which is 20 days from the date this AL was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via e-mail to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson  
Regulatory Tariff Manager  
E-mail: mcaulson@semprautilities.com

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in A.14-12-007 and I.12-10-013 by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by e-mail at SDG&ETariffs@semprautilities.com.

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CLAY FABER  
Director – CA & Federal Regulatory

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. SAN DIEGO GAS & ELECTRIC (U 902)

Utility type:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric    GAS = Gas  
PLC = Pipeline    HEAT = Heat    WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2904-E

Subject: Request for Authorization of Reimbursements of SONGS 2&3 Decommissioning Costs Recorded by SDG&E January 1, 2015 through December 31, 2015 from the SDG&E Nuclear Decommissioning Trust

Keywords (choose from CPUC listing): Trust, Decommissioning

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.11-07-003, D.14-12-082 and D.16-04-019

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: None

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Does AL request confidential treatment? If so, provide explanation: N/A

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 07/18/2016

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: None

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
EDTariffUnit@cpuc.ca.gov

San Diego Gas & Electric  
Attention: Megan Caulson  
8330 Century Park CT  
San Diego, CA 92123  
mcaulson@semprautilities.com

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission  
DRA  
S. Cauchois  
R. Pocta  
W. Scott  
Energy Division  
P. Clanon  
S. Gallagher  
M. Ghadessi  
Tariff Unit  
CA. Energy Commission  
F. DeLeon  
R. Tavares  
Alcantar & Kahl LLP  
K. Cameron  
American Energy Institute  
C. King  
APS Energy Services  
J. Schenk  
BP Energy Company  
J. Zaiontz  
Barkovich & Yap, Inc.  
B. Barkovich  
Bartle Wells Associates  
R. Schmidt  
Braun & Blaising, P.C.  
S. Blaising  
California Energy Markets  
S. O'Donnell  
C. Sweet  
California Farm Bureau Federation  
K. Mills  
California Wind Energy  
N. Rader  
Children's Hospital & Health Center  
T. Jacoby  
City of Poway  
R. Willcox  
City of San Diego  
L. Cosio Azar  
D. Weil  
F. Ortlieb  
B. Henry  
Commerce Energy Group  
V. Gan  
CP Kelco  
A. Friedl  
Davis Wright Tremaine, LLP  
E. O'Neill  
J. Pau  
Dept. of General Services  
H. Nanjo  
M. Clark

Douglass & Liddell  
D. Douglass  
D. Liddell  
G. Klatt  
Duke Energy North America  
M. Gillette  
Dynegy, Inc.  
J. Paul  
Ellison Schneider & Harris LLP  
E. Janssen  
Energy Policy Initiatives Center (USD)  
S. Anders  
Energy Price Solutions  
A. Scott  
Energy Strategies, Inc.  
K. Campbell  
M. Scanlan  
Goodin, MacBride, Squeri, Ritchie & Day  
B. Cragg  
J. Heather Patrick  
J. Squeri  
Goodrich Aerostructures Group  
M. Harrington  
Hanna and Morton LLP  
N. Pedersen  
Itsa-North America  
L. Belew  
J.B.S. Energy  
J. Nahigian  
Luca, Forward, Hamilton & Scripps LLP  
J. Leslie  
Manatt, Phelps & Phillips LLP  
D. Huard  
R. Keen  
Matthew V. Brady & Associates  
M. Brady  
Modesto Irrigation District  
C. Mayer  
Morrison & Foerster LLP  
P. Hanschen  
MRW & Associates  
D. Richardson  
Pacific Gas & Electric Co.  
J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha  
Pacific Utility Audit, Inc.  
E. Kelly  
San Diego Regional Energy Office  
S. Freedman  
J. Porter  
School Project for Utility Rate Reduction  
M. Rochman

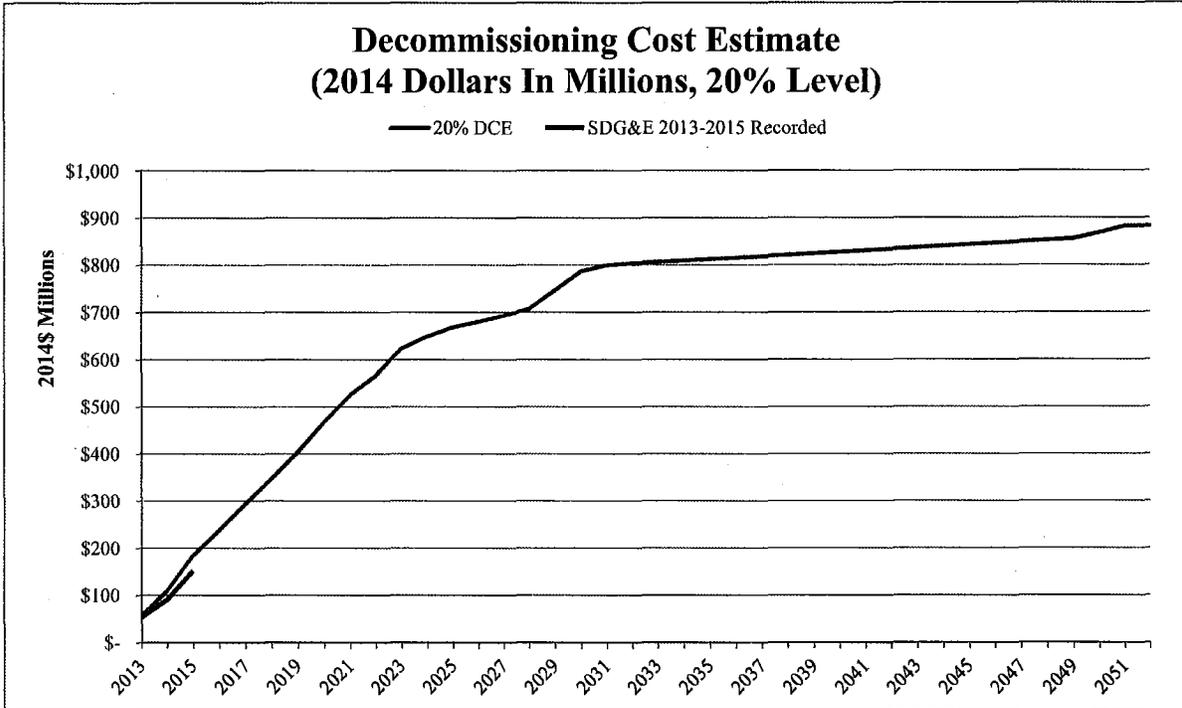
Shute, Mihaly & Weinberger LLP  
O. Armi  
Solar Turbines  
F. Chiang  
Sutherland Asbill & Brennan LLP  
K. McCrea  
Southern California Edison Co.  
M. Alexander  
K. Cini  
K. Gansecki  
H. Romero  
TransCanada  
R. Hunter  
D. White  
TURN  
M. Hawiger  
UCAN  
D. Kelly  
U.S. Dept. of the Navy  
K. Davoodi  
N. Furuta  
L. DeLacruz  
Utility Specialists, Southwest, Inc.  
D. Koser  
Western Manufactured Housing Communities Association  
S. Dey  
White & Case LLP  
L. Cottle  
Service List  
A.14-12-007  
I.12-10-013

Attachment A

Graph Tracking SDG&E's DCE Estimate and Actual Decommissioning  
Expenditures

Attachment A

Graph Tracking SDG&E's DCE<sup>1</sup> Estimate and Actual Decommissioning Expenditures



<sup>1</sup> The graph uses the 2014 DCE, which was approved in D.16-04-019.

Attachment B

Comparison of DCE Estimated (20%) and SDG&E's Actual  
Decommissioning Expenditures by Nuclear Regulatory Commission Cost  
Category

## Attachment B

Table 1

Comparison Of 2015 Expenses By Nuclear Regulatory Commission Cost Category (2014 Constant Dollars In Millions, 20% Level)				
	DCE	Actual	Variance	
1	<b>License Termination</b>			
2	Distributed	\$ 13.9	\$ 14.2	\$ (0.3)
3	Undistributed	14.3	11.6	\$ 2.7
4	<b>Subtotal</b>	<b>\$ 28.3</b>	<b>\$ 25.8</b>	<b>\$ 2.5</b>
5				
6	<b>Spent Fuel Management</b>			
7	Distributed	\$ 32.0	\$ 9.1	\$ 22.9
8	Undistributed	11.7	10.1	\$ 1.6
9	<b>Subtotal</b>	<b>\$ 43.7</b>	<b>\$ 19.2</b>	<b>\$ 24.5</b>
10				
11	<b>Site Restoration</b>			
12	Distributed	\$ 0.4	\$ 7.9	\$ (7.5)
13	Undistributed	3.0	2.0	\$ 1.0
14	<b>Subtotal</b>	<b>\$ 3.3</b>	<b>\$ 9.9</b>	<b>\$ (6.6)</b>
15				
16	<b>Total Billed Costs</b>	<b>\$ 75.3</b>	<b>\$ 54.9</b>	<b>\$ 20.4</b>
17				
18	<b>SDG&amp;E Only Costs (100%)</b>	<b>\$ 2.0</b>	<b>\$ 2.6</b>	<b>\$ (0.5)</b>
19				
20	<b>Station Power Adjustment</b>	<b>-</b>	<b>0.1</b>	<b>(0.1)</b>
21				
22	<b>2013/2014 True-up (1)</b>	<b>-</b>	<b>(1.7)</b>	<b>1.7</b>
23				
24	<b>2015 Accruals (2)</b>	<b>-</b>	<b>5.3</b>	<b>(5.3)</b>
25				
26	<b>Total</b>	<b>\$ 77.3</b>	<b>\$ 61.2</b>	<b>\$ 16.1</b>
	<b>General Note:</b>			
	Totals may not sum due to rounding.			
	<b>Notes:</b>			
	(1) The \$1.7M true-up adjustment represents 2013 and 2014 overhead cost adjustments invoiced by Edison in 2015 offset by costs not previously identified as decommissioning in prior filings.			
	(2) The 2015 accruals total of \$5.3 million represents an estimate of decommissioning costs for the December 2015 service month (\$4.7 million) and an estimate for 2015 Results Sharing (\$0.6 million).			

## Attachment B

Table 2

Comparison Of 2015 Expenses By Major Cost Category (2014 Constant Dollars In Millions, 20% Level)					
	Category	DCE	Actual	Variance	
<b>Billed Costs:</b>					
1	<b>License Termination</b>				
2	Distributed	Cold and Dark	\$ 8.2	\$ 10.4	\$ (2.2)
3	Distributed	Transition Modifications	0.0	0.2	\$ (0.2)
4	Distributed	Decommissioning General Contractor	5.1	0.8	\$ 4.3
5	Distributed	Historical Site Assessment/Characterization	-	1.1	\$ (1.1)
6	Distributed	Regulatory Compliance	0.5	0.3	\$ 0.2
7	Distributed	Legacy Radwaste Disposal	-	1.4	\$ (1.4)
8		<b>Subtotal Distributed</b>	<b>\$ 13.9</b>	<b>\$ 14.2</b>	<b>\$ (0.3)</b>
9					
10	Undistributed	Labor	9.6	7.3	2.3
11	Undistributed	Non-Labor	4.7	4.3	0.4
12		<b>Subtotal Undistributed</b>	<b>\$ 14.3</b>	<b>\$ 11.6</b>	<b>\$ 2.7</b>
13					
14	<b>Total License Termination</b>		<b>\$ 28.3</b>	<b>\$ 25.8</b>	<b>\$ 2.5</b>
15					
16	<b>Spent Fuel Management</b>				
17	Distributed	ISFSI	\$ 32.0	\$ 8.5	\$ 23.5
18	Distributed	Regulatory Compliance	-	-	\$ -
19	Distributed	Transition Modifications	-	0.6	\$ (0.6)
20		<b>Subtotal Distributed</b>	<b>\$ 32.0</b>	<b>\$ 9.1</b>	<b>\$ 22.9</b>
21					
22	Undistributed	Labor	9.4	8.1	1.3
23	Undistributed	Non-Labor	2.3	2.0	0.3
24		<b>Subtotal Undistributed</b>	<b>\$ 11.7</b>	<b>\$ 10.1</b>	<b>\$ 1.6</b>
25					
26	<b>Total Spent Fuel Management</b>		<b>\$ 43.7</b>	<b>\$ 19.2</b>	<b>\$ 24.5</b>
27					
28	<b>Site Restoration</b>				
29	Distributed	Historical Site Assessment/Characterization	\$ 0.2	\$ -	\$ 0.2
30	Distributed	Decommissioning General Contractor	0.2	-	\$ 0.2
31	Distributed	Mesa Site	-	0.3	\$ (0.3)
32	Distributed	Project Governance and Admin	-	7.6	\$ (7.6)
33		<b>Subtotal Distributed</b>	<b>\$ 0.4</b>	<b>\$ 7.9</b>	<b>\$ (7.5)</b>
34					
35	Undistributed	Labor	0.4	0.1	\$ 0.3
36	Undistributed	Non-Labor	2.5	1.9	\$ 0.6
37		<b>Subtotal Undistributed</b>	<b>\$ 3.0</b>	<b>\$ 2.0</b>	<b>\$ 1.0</b>
38					
39	<b>Total Site Restoration</b>		<b>\$ 3.3</b>	<b>\$ 9.9</b>	<b>\$ (6.6)</b>
40					
41					
42	<b>Total Billed Costs</b>		<b>75.3</b>	<b>54.9</b>	<b>20.4</b>
43					
44	<b>SDG&amp;E Only Costs (100%)</b>		<b>2.0</b>	<b>2.6</b>	<b>(0.5)</b>
45					
46	<b>Station Power Adjustment</b>		<b>-</b>	<b>0.1</b>	<b>(0.1)</b>
47					
48	<b>2013/2014 True-up</b>		<b>-</b>	<b>(1.7)</b>	<b>1.7</b>
49					
50	<b>2015 Accruals</b>		<b>-</b>	<b>5.3</b>	<b>(5.3)</b>
51					
52	<b>Grand Total</b>		<b>\$ 77.3</b>	<b>\$ 61.2</b>	<b>\$ 16.1</b>
	<b>General Note:</b>				
	Totals may not sum due to rounding.				

Attachment C

Comparison of DCE Estimated (20%) and SDG&E's Actual  
Decommissioning Expenditures by Cost Category and DCE Line Number

Attachment C

Comparison of DCE Estimated (20%) and SDG&E's Actual Decommissioning Expenditures by Cost Category and DCE Line Number

Detailed Comparison Of 2015 Actual Costs To The DCE (2014 Dollars in Millions, 20% Level)							
DCE No.	Category	Description	2015			[D] Inception to Date	[E] SDG&E's Share of Total DCE <sup>(1)</sup>
			[A] SDG&E's Share of DCE <sup>(2)</sup>	[B] Actual	[C=A-B] Variance		
1	LT-2-D-2.20	Cold and Dark - 12 KV	\$ 1.3	\$ 1.7	\$ 0.0	\$ 1.4	\$ 1.3
2	LT-2-D-2.21	Cold and Dark - DEC	-	0.1	(0.1)	1.1	0.6
3	LT-2-D-2.18	Cold and Dark - MODS	-	1.2	(1.2)	4.5	2.5
4	LT-2-D-2.19	Cold and Dark - MODS	3.9	6.7	(2.8)	6.7	8.5
5	LT-2-D-2.29	Cold and Dark - MODS	0.4	0.1	0.3	9.1	0.6
6	LT-2-D-2.30	Cold and Dark - MODS	0.2	-	0.2	-	0.3
7	LT-2-D-2.24	Cold and Dark - MODS	-	-	-	-	0.2
8	LT-2-D-2.25	Cold and Dark - MODS	-	-	-	-	0.1
9	LT-2-D-2.23	Cold and Dark - SFPI	-	-	-	-	0.2
10	LT-2-D-2.26	Cold and Dark - SFPI	0.8	0.5	0.3	0.5	1.5
11	LT-2-D-2.27	Cold and Dark - SFPI	1.5	0.5	1.0	0.5	1.5
12	LT-2-D-2.28	Cold and Dark - SFPI	0.1	-	0.1	-	0.1
13		Subtotal	\$ 8.2	\$ 10.4	\$ (2.2)	\$ 14.8	\$ 17.3
14							
15	LT-2-D-2.31	Transition Modifications	0.0	0.2	(0.2)	0.2	0.0
16	LT-2-D-1.0EED	Transition Modifications	-	-	-	-	-
17		Subtotal	\$ 0.0	\$ 0.2	\$ (0.2)	\$ 0.2	\$ 0.0
18							
19	LT-3-D-2.22	Decommissioning General Contractor	0.1	0.8	(0.7)	1.1	0.2
20	LT-3-D-3.01	Decommissioning General Contractor	0.2	-	0.2	-	0.2
21	LT-3-D-3.02	Decommissioning General Contractor	-	-	-	-	3.7
22	LT-3-D-3.05	Decommissioning General Contractor	0.1	-	0.1	-	0.1
23	LT-3-D-3.10	Decommissioning General Contractor	0.2	-	0.2	-	0.2
24	LT-3-D-3.03	Decommissioning General Contractor	0.1	-	0.1	-	0.1
25	LT-3-D-3.04	Decommissioning General Contractor	0.1	-	0.1	-	0.1
26	LT-3-D-3.16	Decommissioning General Contractor	0.1	-	0.1	-	0.1
27	LT-3-D-3.17	Decommissioning General Contractor	1.1	-	1.1	-	2.0
28		Subtotal	\$ 5.1	\$ 0.8	\$ 4.3	\$ 1.1	\$ 6.8
29							
30	LT-2-D-2.17	Historical Site Assessment/Characterization	-	1.1	(1.1)	1.3	1.8
31		Subtotal	\$ -	\$ 1.1	\$ (1.1)	\$ 1.3	\$ 1.8
32							
33	LT-2-D-2.01	Regulatory Compliance	0.0	-	0.0	-	0.0
34	LT-2-D-2.02	Regulatory Compliance	0.0	-	0.0	0.1	0.1
35	LT-2-D-2.03	Regulatory Compliance	0.0	-	0.0	-	0.1
36	LT-2-D-2.04	Regulatory Compliance	0.0	-	0.0	-	0.1
37	LT-2-D-2.05	Regulatory Compliance	0.0	-	0.0	-	0.1
38	LT-2-D-2.06	Regulatory Compliance	-	-	-	0.1	0.0
39	LT-2-D-2.07	Regulatory Compliance	0.1	0.4	(0.3)	0.3	0.3
40	LT-2-D-2.08	Regulatory Compliance	0.3	-	0.3	-	0.3
41	LT-2-D-2.09	Regulatory Compliance	0.0	0.1	(0.1)	0.3	0.2
42	LT-2-D-2.10	Regulatory Compliance	0.0	-	0.0	-	0.0
43	LT-2-D-2.11	Regulatory Compliance	-	-	-	-	0.1
44	LT-2-D-2.12	Regulatory Compliance	-	0.1	(0.1)	0.1	0.0
45	LT-2-D-2.13	Regulatory Compliance	0.0	-	0.0	-	0.0
46	LT-2-D-2.14	Regulatory Compliance	-	-	-	0.2	0.4
47	LT-2-D-2.15	Regulatory Compliance	-	-	-	-	0.0
48		Subtotal	\$ 0.5	\$ 0.3	\$ 0.2	\$ 1.1	\$ 1.9
49							
50	LT-1-D-1.05	Legacy Radioactive Disposal	-	-	-	2.3	2.0
51	LT-2-D-2.16	Legacy Radioactive Disposal	-	1.4	(1.4)	2.9	4.1
52		Subtotal	\$ -	\$ 1.4	\$ (1.4)	\$ 5.2	\$ 6.1
53							
54		Distributed Subtotal	\$ 13.0	\$ 14.2	\$ (0.3)	\$ 23.7	\$ 33.9
55							
56	LT-U-1.01	Undistributed - Labor	7.2	7.0	0.2	21.7	65.7
57	LT-U-1.03	Undistributed - Labor	0.4	0.3	0.1	0.6	3.7
58	LT-U-1.11	Undistributed - Labor	2.0	-	2.0	-	6.2
59		Subtotal	\$ 9.6	\$ 7.3	\$ 2.3	\$ 22.3	\$ 75.6
60							
61	LT-U-1.02	Undistributed - Non-Labor	0.2	-	0.2	0.1	2.0
62	LT-U-1.04	Undistributed - Non-Labor	0.0	-	0.0	-	0.5
63	LT-U-1.05	Undistributed - Non-Labor	0.6	0.3	0.3	2.1	5.6
64	LT-U-1.06	Undistributed - Non-Labor	0.1	-	0.1	0.2	0.8
65	LT-U-1.07	Undistributed - Non-Labor	0.4	0.3	0.1	0.7	7.9
66	LT-U-1.08	Undistributed - Non-Labor	0.4	2.3	(1.9)	11.2	3.6
67	LT-U-1.09	Undistributed - Non-Labor	0.0	-	0.0	-	0.7
68	LT-U-1.10	Undistributed - Non-Labor	0.9	0.2	0.7	0.2	7.6
69	LT-U-1.12	Undistributed - Non-Labor	0.1	-	0.1	-	2.7
70	LT-U-1.13	Undistributed - Non-Labor	0.1	-	0.1	-	2.9
71	LT-U-1.14	Undistributed - Non-Labor	0.0	0.1	(0.1)	-	0.5
72	LT-U-1.15	Undistributed - Non-Labor	0.6	0.1	0.5	0.2	6.8
73	LT-U-1.16	Undistributed - Non-Labor	-	-	-	-	4.1
74	LT-U-1.17	Undistributed - Non-Labor	0.4	-	0.4	0.1	2.2
75	LT-U-1.18	Undistributed - Non-Labor	0.1	-	0.1	0.2	1.0
76	LT-U-1.19	Undistributed - Non-Labor	0.0	-	0.0	-	0.2
77	LT-U-1.20	Undistributed - Non-Labor	0.0	0.2	(0.2)	-	0.3
78	LT-U-1.21	Undistributed - Non-Labor	0.0	-	0.0	0.5	0.1
79	LT-U-1.22	Undistributed - Non-Labor	0.0	-	0.0	-	0.0
80	LT-U-1.24	Undistributed - Non-Labor	0.5	0.1	0.4	0.4	5.4
81	LT-U-1.25	Undistributed - Non-Labor	0.3	-	0.3	0.3	2.3
82	LT-U-GW	Undistributed - Non-Labor	-	-	-	-	-
83	LT-U-RS	Undistributed - Non-Labor	-	0.4	(0.4)	0.9	-
84	LT-U-1.30	Undistributed - Non-Labor	-	0.1	(0.1)	0.3	-
85		Subtotal	\$ 4.7	\$ 4.3	\$ 0.4	\$ 19.8	\$ 57.4
86							
87		Undistributed Subtotal	\$ 14.3	\$ 11.6	\$ 2.7	\$ 43.3	\$ 188.0
88							
89		License Termination Total	\$ 28.3	\$ 25.8	\$ 2.5	\$ 65.0	\$ 222.0

Detailed Comparison Of 2015 Actual Costs To The DCE  
(2014 Dollars in Millions, 20% Level)

DCE No.	Category	Description	2015			[D] Inception to Date	[E] SDG&E's Share of Total DCE <sup>(1)</sup>
			[A] SDG&E's Share of DCE <sup>(1)</sup>	[B] Actual	[C=A-B] Variance		
90							
91	SNF-1-D-7.02	ISFSI		3.6	(3.6)	4.2	1.8
92	SNF-2-D-8.07	ISFSI		-	-	-	0.0
93	SNF-2-D-8.08	ISFSI		2.5	(2.5)	2.5	0.8
94	SNF-2-D-8.09	ISFSI	8.4	-	8.4	-	8.4
95	SNF-2-D-8.10	ISFSI	11.5	1.2	10.3	1.8	12.4
96	SNF-2-D-8.11	ISFSI	11.7	1.2	10.5	1.8	12.7
97	SNF-2-D-8.12	ISFSI	0.2	-	0.2	-	22.2
98	SNF-2-D-8.13	ISFSI	0.2	-	0.2	-	22.7
99		Subtotal	\$ 32.0	\$ 8.5	\$ 23.5	\$ 10.3	\$ 81.0
100							
101	SNF-1-D-7.03	Regulatory Compliance					0.0
102	SNF-2-D-FLEX	Regulatory Compliance					0.0
103	SNF-2-D-8.02	Regulatory Compliance				0.1	0.0
104	SNF-2-D-8.03	Regulatory Compliance					0.0
105	SNF-2-D-8.05	Regulatory Compliance					0.0
106		Subtotal	\$ -	\$ -	\$ -	\$ 0.1	\$ 0.1
107							
108	SNF-1-D-7.01	Transition Modifications				0.3	1.7
109	SNF-1-D-7.05	Transition Modifications		0.5	(0.5)	1.0	0.4
110	SNF-2-D-8.01	Transition Modifications		0.1	(0.1)	1.2	0.7
111		Subtotal	\$ -	\$ 0.6	\$ (0.6)	\$ 2.5	\$ 2.8
112							
113		Distributed Subtotal	\$ 32.0	\$ 9.1	\$ 22.9	\$ 12.9	\$ 83.9
114							
115	SNF-U-2.01	Undistributed - Labor	4.2	3.9	0.3	17.9	56.2
116	SNF-U-2.04	Undistributed - Labor	5.2	4.2	1.0	10.6	71.8
117		Subtotal	\$ 9.4	\$ 8.1	\$ 1.3	\$ 28.5	\$ 128.0
118							
119	SNF-U-2.02	Undistributed - Non-Labor	0.3	-	0.3	0.1	3.1
120	SNF-U-2.05	Undistributed - Non-Labor	0.1	-	0.1	0.2	2.7
121	SNF-U-2.06	Undistributed - Non-Labor	0.2	0.1	0.1	0.2	4.2
122	SNF-U-2.08	Undistributed - Non-Labor	0.1	-	0.1	-	2.8
123	SNF-U-2.09	Undistributed - Non-Labor	0.9	0.1	0.8	1.3	5.2
124	SNF-U-2.10	Undistributed - Non-Labor	0.1	-	0.1	-	1.5
125	SNF-U-2.11	Undistributed - Non-Labor	0.3	1.2	(0.9)	2.5	2.9
126	SNF-U-2.12	Undistributed - Non-Labor	0.0	-	0.0	-	0.1
127	SNF-U-2.13	Undistributed - Non-Labor	0.2	0.1	0.1	-	1.9
128	SNF-U-2.15	Undistributed - Non-Labor	0.1	-	0.1	-	0.6
129	SNF-U-2.18	Undistributed - Non-Labor	0.2	-	0.2	0.1	1.8
130	SNF-U-2.22	Undistributed - Non-Labor	0.0	-	0.0	-	0.0
131	SNF-U-RS	Undistributed - Non-Labor	-	0.5	(0.5)	1.4	-
132		Subtotal	\$ 2.3	\$ 2.0	\$ 0.3	\$ 5.8	\$ 26.7
133							
134		Undistributed Subtotal	\$ 11.7	\$ 10.1	\$ 1.6	\$ 34.3	\$ 154.7
135							
136		Spent Fuel Management Total	\$ 43.7	\$ 19.2	\$ 24.5	\$ 47.2	\$ 238.6

**Detailed Comparison Of 2015 Actual Costs To The DCE**  
(2014 Dollars in Millions, 20% Level)

DCE No.	Category	Description	2015			(D) Inception to Date	(E) SDG&E's Share of Total DCE <sup>(1)</sup>
			(A) SDG&E's Share of DCE (%)	(B) Actual	(C=A-B) Variance		
138							
139	SR-1-D-14.01	Historical Site Assessment/Characterization					0.0
140	SR-1-D-14.03	Historical Site Assessment/Characterization					0.3
141		Mean Site Phase I and II Site Assessment	0.2	-	0.2	-	
142		Mean Site Characterization Survey	-	-	-	-	
143		Subtotal	\$ 0.2	\$ -	\$ 0.2	\$ -	\$ 0.3
144	SR-2-D-15.01	Decommissioning General Contractor					0.2
145		Prep Site Remediation Plan & Schedule	0.2	-	0.2	-	
146		Subtotal	\$ 0.2	\$ -	\$ 0.2	\$ -	\$ 0.2
146	SR-1-D-14.02	Mesa				0.1	0.1
147	SR-3-D-15.02	Mesa					0.1
148	SR-2-D-15.09	Mesa		0.2	(0.2)	1.1	2.7
149	SR-3-D-16.05	Mesa		0.1	(0.1)	0.1	0.5
150		Subtotal	\$ -	\$ 0.3	\$ (0.3)	\$ 1.3	\$ 3.3
151							
152	SR-1-D-14.04	Project Governance and Admin		7.6	(7.6)	10.8	3.5
153		Subtotal	\$ -	\$ 7.6	\$ (7.6)	\$ 10.8	\$ 3.5
154							
155		Distributed Subtotal	\$ 0.4	\$ 7.9	\$ (7.5)	\$ 12.1	\$ 7.4
156							
157	SR-U-3.01	Undistributed - Labor	0.2	0.1	0.1	0.1	6.1
158	SR-U-3.02	Undistributed - Labor	-	-	-	-	1.1
159	SR-U-3.08	Undistributed - Labor	0.3	-	0.3	-	23.3
160		Subtotal	\$ 0.4	\$ 0.1	\$ 0.3	\$ 0.1	\$ 29.5
161							
162	SR-U-3.03	Undistributed - Non-Labor	0.1	-	0.1	-	0.6
163	SR-U-3.05	Undistributed - Non-Labor	0.3	0.1	0.2	0.6	1.8
164	SR-U-3.06	Undistributed - Non-Labor	-	0.1	(0.1)	0.1	0.4
165	SR-U-3.09	Undistributed - Non-Labor	0.0	-	0.0	-	1.0
166	SR-U-3.11	Undistributed - Non-Labor	2.2	1.5	0.7	13.9	34.2
167	SR-U-3.13	Undistributed - Non-Labor	-	-	-	-	0.1
168	SR-U-RS	Undistributed - Non-Labor	-	-	-	-	-
169	SR-U-3.30	Undistributed - Non-Labor	-	0.2	(0.2)	0.2	-
170		Subtotal	\$ 2.5	\$ 1.9	\$ 0.6	\$ 14.8	\$ 38.0
171							
172		Undistributed Subtotal	\$ 3.0	\$ 2.0	\$ 1.0	\$ 14.9	\$ 67.6
173							
174		Site Restoration Total	\$ 3.3	\$ 9.9	\$ (6.6)	\$ 27.0	\$ 74.9
175							
176		Total Billed Costs (License Termination Total Plus Spent Fuel Management Total Plus Site Restoration Total)	\$ 75.3	\$ 54.9	\$ 20.4	\$ 139.2	\$ 535.5
177							
178		SDG&E Only Costs	\$ 2.0	\$ 2.6	\$ (0.5)	\$ 9.5	\$ 16.5
179							
180		Station Power Adjustment	\$ -	\$ 0.1	\$ (0.1)	\$ 0.9	
181							
182		2013/2014 True-up	\$ -	\$ (1.7)	\$ 1.7	\$ (1.7)	
183							
184		2015 Accruals	\$ -	\$ 5.3	\$ (5.3)	\$ 5.3	
185							
186		2013-2014 Planning Costs	\$ -	\$ -	\$ -	\$ (2.6)	
187							
188		2013/2014 True-up Adjustment For Project To Date	\$ -	\$ -	\$ -	\$ 1.7	
189							
190		2015 Total	\$ 77.3	\$ 61.2	\$ 16.1	\$ 152.3	\$ 552.1
191							
192		Other DCE Line Items Not Included Above:					346.7
193							
194							\$ 898.8
		General Note:					
		Items may not sum due to rounding.					
		Notes:					
		(1) Property Tax DCE amount for 2015 moved to SDG&E Only Costs below (line 178).					
		(2) The "Total DCE" column contains the total DCE cost associated with each line item.					
		(3) Source: SCE's AL 3393-E Attachment 3, SDG&E share is 100%.					

Attachment D

Comparison of DCE Estimated (20%) and SDG&E's Recorded Cash Flow

## Attachment D

Comparison of DCE<sup>(1)</sup> Estimated (20%) and SDG&E's Recorded Cash Flow

Comparison of Annual Cash Flow (2014 Dollars In Thousands, 20% Level)		
Year	SDG&E's DCE	Recorded
2014 / 2013	111,163	91,115
2015	77,332	61,176
2016	55,121	
2017	57,268	
2018	52,370	
2019	58,747	
2020	64,497	
2021	57,536	
2022	41,666	
2023	57,621	
2024	26,428	
2025	20,906	
2026	11,721	
2027	13,167	
2028	14,030	
2029	40,342	
2030	41,211	
2031	12,965	
2032	4,082	
2033	2,918	
2034	2,918	
2035	2,923	
2036	3,098	
2037	3,098	
2038	3,098	
2039	3,098	
2040	3,098	
2041	3,098	
2042	3,098	
2043	3,098	
2044	3,098	
2045	3,098	
2046	3,098	
2047	3,098	
2048	3,098	
2049	3,469	
2050	13,051	
2051	14,530	
2052	551	
<b>Total</b>	<b>\$ 898,798</b>	<b>\$ 152,291</b>

Attachment E

History of SDG&E Trust Fund Disbursement Amounts Requested,  
Approved and Withdrawn

## Attachment E

## History of SDG&amp;E Trust Fund Disbursement Amounts Requested, Approved and Withdrawn In Nominal Dollars

<b>Year</b>	<b>Advice Letter Number</b>	<b>Requested Amount (in millions)</b>	<b>Not to Exceed Approved Amount (in millions)</b>	<b>Trust Withdrawn Amount</b>	<b>Estimated Future Trust Withdrawal Amount</b>
2013	AL-2724-E	\$55.0	\$55.0	\$36.7	\$17.9 <sup>(1)</sup>
2014	AL-2806-E	\$35.7	\$35.7	\$22.6	\$13.1
2015	AL-2904-E	\$61.7			\$61.7
<b>Total</b>		<b>\$152.4</b>	<b>\$90.7</b>	<b>\$59.3</b>	<b>\$92.7</b>

- (1) Note: \$0.4 million related to property tax, which was included in the 2013 total amount requested by SDG&E and approved by the Commission, has not and will not be withdrawn by SDG&E because an adjustment to the property tax amount has since been identified.

Attachment F

Escalation Factors

Attachment F

Escalation Factors

<b>2014 To 2015 Forecasted Escalation And De-escalation Factors</b>			
		[A]	[B=1/A]
	<b>Cost Type</b>	<b>Escalation Factor</b>	<b>De-escalation Factor</b>
	Labor	1.0211	0.9793
	Other	1.0061	0.9939
<b>2013 To 2014 Forecasted Escalation And De-escalation Factors</b>			
		[A]	[B=1/A]
	<b>Cost Type</b>	<b>Escalation Factor</b>	<b>De-escalation Factor</b>
	Labor	1.0230	0.9775
	Other	1.0158	0.9844

Attachment G

Copy of Southern California Edison and Department of Energy Settlement  
("DOE Settlement")

Attachment G

Copy of Southern California Edison and Department of Energy Settlement ("DOE Settlement")



SCE spent nuclear  
fuel executed settlement

SOUTHERN CALIFORNIA EDISON  
COMPANY,

Plaintiff,

v.

UNITED STATES,

Defendant.

No. 11-870C  
(Judge Williams)

### SETTLEMENT AGREEMENT

#### *I. Purpose And Recitals*

The purpose of this agreement is to settle upon the amount owed to Plaintiff on its claims pending before the trial or appellate court and establish an administrative process for the payment of future claims for costs paid through the term of the agreement. The agreement consists of this section and the following sections: II. Resolution Of Plaintiff's Claims; III. Allowable Costs To Be Claimed; IV. Future Final Allowable Cost Determinations; V. Procedures For Binding Arbitration; VI. Termination Of Settlement, Releases, And Reservation Of Rights; VII. Warranties And Representations; VIII. Payment Of Fees Pursuant To The Contract; IX. Acceptance By DOE Of Casks, Canisters, Or Other Equipment; and X. Additional Terms And Provisions. To obviate the need for any further litigation or judicial proceedings, including any further trial or adjudication of any issue of law or fact, and without constituting an admission of liability on the part of the United States, and for no purpose other than those stated, the parties stipulate and agree as follows:

A. Plaintiff for these purposes is Southern California Edison Company. (Unless the context requires otherwise, the singular shall include the plural, and vice versa.) With the

consent of the United States, this agreement shall inure to the benefit of, and be assignable to, successors or affiliates of Plaintiff, or other parties to whom the Standard Contracts (as identified below) are assigned.

B. Plaintiff is the Purchaser under a Standard Contract with the United States Department of Energy ("DOE") for the acceptance of spent nuclear fuel ("SNF") and high-level radioactive waste ("HLW") under the Nuclear Waste Policy Act, the material terms of which are reproduced at 10 C.F.R. § 961.11, and which is numbered DE-CR01-83NE44418 (for these purposes, the "Contract").

C. The Contract covers the San Onofre Nuclear Generating Station (for these purposes, the "Site").

D. The Contract required DOE to commence acceptance of SNF/HLW "not later than January 31, 1998." DOE has not commenced acceptance of SNF/HLW. Plaintiff has filed a lawsuit against the Government, alleging entitlement to recovery of damages because DOE has not commenced acceptance of SNF/HLW. That lawsuit is currently pending before the United States Court of Federal Claims, No. 11-870C (the "Lawsuit.")

## ***II. Resolution Of Plaintiff's Claims***

Plaintiff has offered to settle the Lawsuit and to waive any claims for costs paid and injuries sustained through December 31, 2016, in exchange for the payment of \$162,355,298.00 for costs paid through December 31, 2013, and the payment of subsequent claims pursuant to the process set forth in section IV, below. Plaintiff's offer has been accepted by the authorized representative of the Attorney General. Each party will bear its own legal costs, attorney fees, and expenses.

### ***III. Allowable Costs To Be Claimed***

This section defines the costs that will be deemed allowable for purposes of annual claims submitted under this agreement for costs paid through the termination date of this agreement. Costs are allowable, and therefore recoverable, pursuant to this agreement to the extent, and only to the extent, that they are (1) reasonable; (2) allocable to a project traceable to DOE's delay; (3) within the categories of costs identified in section III.C below as allowable and are not designated as unallowable; and (4) determined by the Contracting Officer to be allowable under the review provisions set forth in section IV of this agreement.

#### ***A. Determining Reasonableness***

Costs will be deemed "reasonable" if, in their nature and amount, they do not exceed those that would be paid by a prudent person or entity in the conduct of Plaintiff's competitive business. What is "reasonable" depends upon a variety of considerations and circumstances, including whether a cost (a) is the type generally recognized as ordinary and necessary for the conduct of Plaintiff's business or the Contract performance, considering normal and reasonable lead times for the design, procurement and fabrication of SNF/HLW storage equipment, and facilities and ancillary activities related thereto; (b) is consistent with generally accepted sound business practices, arms-length bargaining, and Federal and state laws and regulations; and (c) is incurred in accordance with Plaintiff's established business practices.

#### ***B. Determining Allocability***

A cost is allocable to a project traceable to DOE's delay if it (a) is paid specifically for a project that was made necessary by DOE's delay in commencing SNF acceptance and that, but for DOE's delay, would not have been necessary; or (b) benefits both a delay-related project and other work, and can be distributed to them in reasonable proportion to the benefits

received. If Plaintiff incurs costs that are attributable to both the storage of Plaintiff's Allocations, as defined below, and to other work at the Site and can be distributed to the projects in reasonable proportion to the benefits received, Plaintiff may claim the portion of the costs distributed to managing and storing SNF as an allowable cost. If Plaintiff's claim includes costs that have been distributed to projects for the storage of Plaintiff's Allocations, Plaintiff must clearly indicate the distributed costs and clearly establish and explain the basis for the distribution in Plaintiff's claim; if Plaintiff fails to do so, the DOE Contracting Officer or his designee may determine that the claim is incomplete, pursuant to section IV.B below.

*C. Categories Of Costs Expressly Identified As Allowable And Unallowable*

1. Definition And Use Of "Plaintiff's Allocations."

a. For purposes of this agreement, "Plaintiff's Allocations" means the allocations of SNF set forth in Attachment 1. To determine Plaintiff's Allocations, DOE applied the rates set forth in Table 2.1 at page 7 of the 1987 Annual Capacity Report for the years 1998-2007 and set forth on page 61 of the Mission Plan Amendment, issued by the Office of Civilian Radioactive Waste Management, dated June 1987, for the years 2008-15 to DOE's 2004 Acceptance Priority Ranking. After exhausting the spent nuclear fuel inventories contained in the 2004 Acceptance Priority Ranking, DOE applied these rates to the spent nuclear fuel discharges obtained from the nuclear utilities that hold Standard Contracts and the Nuclear Regulatory Commission.

b. Plaintiff's Allocations shall not be reduced or modified for any reasons, including, but not limited to, for accommodation of acceptance of Greater-Than-Class-C radioactive waste or HLW, or deferral or delay of acceptance of Failed or Non-Standard Fuel.

c. For purposes of determining whether costs are allowable because they were paid to store Plaintiff's Allocations, Plaintiff may use its Allocations for any of Plaintiff's Contracts or Sites. However, Plaintiff must use the Allocations in a manner consistent with minimizing the total SNF storage costs that Plaintiff would have incurred at all of its sites had DOE taken delivery of SNF from Plaintiff in accordance with Plaintiff's Allocations and consistent with Plaintiff's documented business practices.

2. Categories Of Costs Expressly Designated As Allowable. The following categories of costs are allowable, provided that (1) the costs are directly related to the storage of Plaintiff's Allocations, as that term is defined above; (2) at the time of its submission of its annual claim pursuant to section IV, Plaintiff has paid for the item or service for which it seeks reimbursement pursuant to this agreement by cash, check, wire transfer, or other form of actual payment; and (3) the costs satisfy the reasonableness and allocability requirements identified above.

a. Additional Pool Storage - Costs to purchase, license, and install new, additional or replacement storage racks or to make available additional storage spaces to the extent, and only to the extent, necessary to provide additional capacity in the spent fuel pool at the Site;

b. Dry Storage Costs - Costs to purchase storage casks and canisters, including those canisters that may be licensed for transport, and transfer casks for the storage of SNF at the Independent Spent Fuel Storage Installation ("ISFSI"); costs to load SNF into and to transport canisters and casks for storage at the ISFSI; costs of ancillary equipment for casks and cask loading, including, but not limited to, lifting yolks, crawlers, tugs, dollies, and vacuum drying equipment; costs to conduct initial loading demonstrations required by the

Nuclear Regulatory Commission ("NRC"); costs of training and development of procedures; costs for cask loading campaign mobilization and demobilization; costs to study and to evaluate SNF storage options; costs for quality assurance inspections of cask vendors; costs for security improvements required by NRC for the ISFSI; costs of maintaining and operating the ISFSI; costs for security improvements or upgrades required to comply with Plaintiff's security plan approved by the NRC; and costs to design, license and build the ISFSI pad, including costs of building the portion of the ISFSI pad that will be required for the storage of Plaintiff's SNF in addition to Plaintiff's Allocations, provided that Plaintiff can demonstrate that it was more cost effective to incur the costs to design, license and build the ISFSI pad during the claim period rather than after termination of the agreement. If Plaintiff previously constructed an ISFSI for reasons other than to store Plaintiff's Allocations or needs to place, or places, items other than casks or canisters containing Plaintiff's Allocations in dry storage, only the costs attributable to the portion of the ISFSI needed to store Plaintiff's Allocations will be allowable.

c. Modifications Of The Existing Plant - Costs paid to modify cranes to the extent, and only to the extent, necessary to increase the rated lifting capacity of the crane(s) used in the loading of SNF from the fuel storage pool, provided that Plaintiff can establish that these modifications would not have been necessary to meet the requirements of NUREG-0612 or load SNF in casks or canisters provided by DOE had DOE begun performance in 1998; building modifications that Plaintiff can establish would not have been necessary to load SNF in casks or canisters provided by DOE (e.g., seismic restraints for fuel pool or upgrades to floor of cask loading area); and costs to improve the haul path from the fuel building to the ISFSI, to the extent that the haul path is different from the path that Plaintiff

would have used to deliver fuel to DOE. If Plaintiff incurs costs for site modifications or equipment purchases to store Plaintiff's Allocations that otherwise benefit the operation of the plant, including crane modifications for purposes other than loading storage canisters or casks, the cost reimbursed will be proportional to the benefit to the operation of the plant.

d. Property Taxes - Costs paid as a result of any increase in assessed property tax resulting from and traceable to projects, as identified in the preceding three paragraphs, that were undertaken to provide additional storage for Plaintiff's Allocations.

e. Labor And Overhead - The cost of labor charged directly by Plaintiff's employees to any project that is otherwise allowable shall be considered allowable, provided that the hours expended on such project are charged in accordance with Plaintiff's standard time recordation system and are identified at the individual employee level. In addition, the following types of overhead charges will be deemed allowable provided that the charges are calculated in accordance with Plaintiff's established accounting practice and policy: (a) payroll overheads or "burdens" associated with labor hours charged to allowable projects; and (b) non-payroll overheads allocated to allowable projects claimed up to a maximum of five percent of the portion of Plaintiff's claim which is otherwise allowable and to which such non-payroll overheads are allocated.

3. Categories Of Costs Expressly Designated As Unallowable. Any category of cost not expressly identified in section III.C.2 above is unallowable. Unallowable costs include, but are not limited to, the following:

a. Any cost that, although listed in the categories of allowable costs, resulted from Plaintiff's actions, inactions, errors, or omissions rather than as a direct result of DOE's delay.

b. Costs in claims predicated upon adjustments to Plaintiff's Allocations based upon the plus-or-minus-20 percent quantity adjustment provision in Art. V.B.2 of the Contract, the exchanges provision in Art. V.E of the Contract, or the priority for shutdown reactors provision in Art. VI.B.1.b of the Contract.

c. Monies paid for the development of off-site storage initiatives including, but not limited to, Private Fuel Storage, LLC.

d. Interest-related claims, including, but not limited to, cost of capital claims, Allowance for Funds Used During Construction claims, time-value-of-money claims, and claims to recover interest on borrowings.

e. Costs paid as the result of requirements mandated by a legislature or governmental agency as a condition to approval of projects deemed to be allowable costs or otherwise enacted by a legislature or promulgated by an agency as a consequence of DOE's delay.

f. Overhead costs other than those expressly described as allowable in section III.C.2.e.

g. Costs paid for spent fuel characterization.

h. Claims for generic NRC fees paid pursuant to 10 C.F.R. Part 171.

i. Costs paid for the characterization, storage, disposal, or management of "Greater-Than-Class-C" radioactive waste generated at Plaintiff's Site.

j. Costs paid for the maintenance or repair of cranes or other plant equipment necessary for the operation of the plant or for the shipment of fuel off-site.

k. Consequential damages, penalties, fines, delay charges, or any other ancillary costs; and

l. Costs paid by Plaintiff for the presentation of claims to the Contracting Officer pursuant to this agreement.

***IV. Future Final Allowable Cost Determinations***

This section describes the administrative claims process for the annual determination of allowable costs owed to Plaintiff as the result of DOE's delay. If any of the deadlines set forth in this section fall on a Saturday, Sunday or Federal holiday, the deadline shall be the next business day. All deadlines set forth below may be extended by written agreement of the parties, as applicable. Notices and other submissions described in this section shall be provided by overnight courier unless otherwise indicated.

***A. Submission Of Claims For Allowable Costs***

1. Plaintiff shall submit claims annually for the payment of allowable costs to the DOE Contracting Officer. Plaintiff shall submit its first claim after execution of this agreement no later than September 30, 2016. Plaintiff's first claim after execution of this agreement will be for Plaintiff's costs paid between January 1, 2014 and December 31, 2015. Plaintiff must submit subsequent claims by that same date (September 30) each year. In each annual claim, Plaintiff either will request payment for allowable costs or will indicate that the request for payment is being deferred. Plaintiff may defer the submission of a claim for up to three years if the amount of allowable costs to be claimed is less than \$500,000. When a deferred claim is submitted, Plaintiff must submit it no later than September 30 of the year in which it is submitted. Absent deferral or a mutually agreed upon extension of time, if Plaintiff

fails to submit a timely claim, Plaintiff foregoes the opportunity to recover costs for that claim period.

2. Plaintiff shall submit claims in writing to the DOE Contracting Officer for the Contract. In the claim, Plaintiff shall include claimed allowable costs that it has paid since the last date of the costs claimed in the prior submission. The DOE Contracting Officer will not consider claims for costs paid during the time period covered by a prior submission. Plaintiff will include sufficient supporting documentation to allow the DOE Contracting Officer to verify that the costs have been paid and properly recorded in Plaintiff's accounting system. An authorized representative of Plaintiff must sign the claim and certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of Plaintiff's knowledge and belief, and that the amount requested accurately reflects the allowable and reasonable costs for which Plaintiff believes the Government is liable under this agreement.

***B. DOE Determination Of Allowable Costs***

1. Initial Sufficiency Review. Assuming that Plaintiff has submitted an annual or deferred claim by September 30 of any calendar year, the DOE Contracting Officer or his designee will have until October 14, and in no event less than 14 calendar days after the date that DOE receives Plaintiff's claim, to review the claim and to determine whether it is sufficiently complete to allow DOE to proceed with its review. The DOE Contracting Officer or his designee will notify Plaintiff by electronic mail and either (a) state that the claim appears to be complete or (b) state that the claim is incomplete and identify the areas of the claim that are deficient. If the DOE Contracting Officer determines that the claim is incomplete, DOE's notice of deficiencies will include a new date by which Plaintiff must re-submit its claim. The

new date will be for only the claim period at issue and will not change the annual date for the submission of Plaintiff's claim set forth in section IV.A.1. above.

2. 90-Day DOE Review. Within 90 calendar days of the date that the DOE Contracting Officer or his designee notifies Plaintiff that its claim appears to be complete, DOE shall issue and provide to Plaintiff a determination identifying those claimed costs deemed to be allowable ("DOE Determination"). For Plaintiff's first claim for costs, the DOE Contracting Officer shall have 120 calendar days to issue the DOE Determination. Should the DOE Contracting Officer or his designee find that any claimed costs are not allowable or reasonable, the DOE Contracting Officer or his designee shall identify those claimed costs and state the reason(s) for that finding in the DOE Determination.

3. Should the DOE Contracting Officer or his designee conclude, at any time during DOE's review of the claim, that Plaintiff has not supplied sufficient supporting documentation or information to allow reasonable verification of the paid costs, the DOE Contracting Officer or his designee shall request from Plaintiff the necessary additional documentation or information needed. Plaintiff shall supply the additional documentation or information within 10 calendar days of DOE's request. If Plaintiff fails to supply the requested documentation or information within 10 days, the DOE Contracting Officer or his designee may adjust the schedule for the issuance of the DOE Determination as the Contracting Officer determines is necessary to accommodate Plaintiff's delay in providing the information or may find in the DOE Determination that the costs for which the additional information or documentation are sought are not allowable.

4. If the DOE Contracting Officer fails to provide Plaintiff with the DOE Determination within the 90-day period, absent written agreement to extend the date,

Plaintiff's claim shall be deemed denied in its entirety on the date on which DOE should have provided the DOE Determination, DOE's Determination shall be deemed to be zero, and Plaintiff may pursue binding arbitration, as set forth in section V. No other judicial, administrative, or other remedies may be pursued, other than settlement.

***C. Plaintiff's Response To DOE Determination***

Within 30 days of the date Plaintiff receives the DOE Determination, Plaintiff shall provide to the DOE Contracting Officer and the Director, National Courts Section, Commercial Litigation Branch, Department of Justice ("DOJ"), written notice that Plaintiff either (i) accepts the DOE Determination; (ii) believes that the DOE Contracting Officer has committed an error that warrants further discussion; or (iii) intends to pursue binding arbitration with respect to its claim. In the event that Plaintiff elects to engage in further discussion with DOE, DOE shall provide to Plaintiff within 30 days of receipt of notice of such election a supplemental determination (even if its determination does not change as a result of discussions with Plaintiff), which shall become the DOE Determination for purposes of this agreement, and Plaintiff shall be afforded an additional 30 days to make the election described above.

1. Acceptance By Plaintiff of DOE's Determination

a. If Plaintiff accepts the DOE Determination, DOJ shall, within 30 days of the receipt of written notice of such acceptance, obtain from the Attorney General's authorized representative either the necessary approval to pay Plaintiff the amount set forth in the DOE Determination or a determination that the DOE Determination has not been accepted.

b. If the Attorney General's authorized representative approves payment to Plaintiff of the amount set forth in the accepted DOE Determination, DOJ shall

provide Plaintiff and DOE with written notice within the 30-day period regarding the determination of the Attorney General's authorized representative. In such a circumstance, the DOE Determination shall become the Final Allowable Cost Determination and shall not be subject to any further challenge, litigation, or dispute resolution process, including judicial review. The Final Allowable Cost Determination shall be deemed to be a "compromise settlement," made by the Attorney General's authorized representative, pursuant to 31 U.S.C. § 1304, of claims referred to the Attorney General for defense of imminent litigation or suits against the United States, or against its agencies or officials upon obligations or liabilities of the United States, for purposes of 28 U.S.C. § 2414. Plaintiff may immediately present to the Government a Final Allowable Cost Determination for payment. The authorized representative of the Attorney General shall execute promptly all necessary approvals to effectuate payment of the Final Allowable Cost Determination.

c. If the Attorney General's authorized representative does not approve the DOE Determination, DOJ will so notify Plaintiff within the 30-day period and Plaintiff may either (a) treat any alternate amount approved by Attorney General's authorized representative as the Final Allowable Cost Determination, as set forth in section IV.C.1.b, or (b) elect to pursue binding arbitration as set forth in section V. No other judicial, administrative, or other remedies may be pursued, other than settlement.

d. If, within the 30 days following receipt of Plaintiff's acceptance of the DOE's Determination, DOJ fails to advise Plaintiff that the Attorney General's authorized representative has accepted or rejected the DOE Determination, and the parties do not agree in writing to extend this deadline, DOE's Determination shall be deemed to be zero,

and Plaintiff may pursue binding arbitration, as set forth in section V. No other judicial, administrative, or other remedies may be pursued, other than settlement.

2. Rejection By Plaintiff of DOE's Determination

If Plaintiff rejects the DOE Determination, Plaintiff may pursue binding arbitration, as set forth in section V. No other judicial, administrative, or other remedies may be pursued, other than settlement.

***V. Procedures For Binding Arbitration***

***A. Commencement Of Arbitration***

To pursue arbitration under this agreement, Plaintiff shall, within 30 days of the action identified in the previous sections that entitles Plaintiff to pursue arbitration, send to DOJ and the DOE Contracting Officer a notice, signed by an authorized representative of Plaintiff, reflecting its intent to proceed with arbitration and certifying that the claim it intends to submit to arbitration is made in good faith, that the supporting data are accurate and complete to the best of Plaintiff's knowledge and belief, and that the amount requested accurately reflects the allowable and reasonable costs for which Plaintiff believes the Government is liable under this agreement. The notice must also identify the categories and amounts of the costs that Plaintiff seeks to recover through arbitration, regardless of whether these costs were determined to be allowable by the DOE Contracting Officer as part of the DOE Determination. The amount that Plaintiff seeks to recover through arbitration may not exceed the amount of its claim certified pursuant to section IV.A.2 of this agreement. If these conditions are satisfied, the Attorney General's authorized representative shall be deemed to have authorized the submission of the dispute to binding arbitration, subject to the following limitation. The parties agree that the arbitrator's authority in any arbitration commenced pursuant to this

agreement is limited to an award not to exceed the amount certified for arbitration by Plaintiff.

***B. Selection Of Neutral***

The parties shall jointly select an independent neutral. If the parties cannot agree on an independent neutral within 30 days of the notice provided for in section V.A above, the parties will submit a request to the Civilian Board of Contract Appeals for appointment of a member of that Board to act as an independent neutral.

***C. Rules Governing Arbitration***

The independent neutral shall review only the written submissions of the parties and shall not consider any evidence not previously submitted to DOE unless the independent neutral determines that more information is needed. Other rules governing the arbitration shall be decided upon by the parties in consultation with the independent neutral. The independent neutral shall render a written opinion within 30 days of receipt of the submissions of the parties, or within a time period agreed upon by the parties and the independent neutral. In the opinion, the neutral shall address the disagreement and render a finding of an amount, if any, that should be paid to Plaintiff (hereinafter, the "Neutral's Finding"). This amount may be any amount between zero and the amount of Plaintiff's certified claim.

***D. Final Allowable Cost Determination***

Subject to the limitation set forth in the last sentence of section V.A above, the Final Allowable Cost Determination shall be determined by reference to the Neutral's Finding; provided, however, that (1) if the amount set forth in the Neutral's Finding is within five percent of the DOE Determination, the Final Allowable Cost Determination shall be either the Neutral's Finding or the amount of the DOE Determination, whichever is lower; (2) if the

amount set forth in the Neutral's Finding is within five percent of the amount certified for arbitration by Plaintiff, the Final Allowable Cost Determination shall be the amount certified for arbitration by Plaintiff; and (3) the arbitrator shall not have authority to award more than the amount certified for arbitration by Plaintiff. If the amount certified for arbitration by Plaintiff does not exceed the DOE Determination by more than five percent, the amount set forth in the Neutral's Finding shall be the Final Allowable Cost Determination.

***E. Finality***

The Final Allowable Cost Determination reached through binding arbitration shall not be subject to any further dispute resolution process, including judicial review. The Final Allowable Cost Determination shall be deemed to be a compromise settlement, made by the Attorney General's authorized representative, of claims referred to the Attorney General for defense of imminent litigation or suits against the United States, or against its agencies or officials upon obligations or liabilities of the United States, for purposes of 28 U.S.C. § 2414. The parties intend that such a Final Allowable Cost Determination shall constitute a "compromise settlement" under 31 U.S.C. § 1304. Plaintiff may immediately present to the Government a Final Allowable Cost Determination for payment. The authorized representative of the Attorney General shall execute promptly all necessary approvals to effectuate such payment.

***VI. Termination Of Settlement, Releases, And Reservation Of Rights***

***A. Termination Date***

Plaintiff may submit claims for costs paid up to and including December 31, 2016. With the payment of costs paid as of December 31, 2016, the parties' obligations under this

agreement shall terminate and be discharged. The parties may extend the termination date for this agreement by mutual written agreement.

***B. Releases***

Upon satisfaction of the terms set forth in this agreement, including but not limited to payments of the amounts determined pursuant to sections II and IV, Plaintiff releases, waives, and abandons all claims against the United States, its political subdivisions, its officers, agents, and employees that arise out of or relate to DOE's delay in performance of its obligations under the Contract, with respect to costs paid and injuries sustained prior to the termination of this agreement, regardless of whether such claims were included in the Lawsuit or subsequent claims submitted pursuant to this agreement, including but not limited to any claims for legal costs, expenses, attorney fees, compensatory damages, and exemplary damages. This release is not limited to claims for breach of contract and includes all claims arising from DOE's delay, including claims for diminution-in-value and takings.

***C. Reservation Of Rights***

1. Plaintiff and the United States expressly reserve any and all rights related to claims, costs paid, obligations, rights and duties under the Contract after the termination date of this agreement and, after the expiration of this agreement, may raise or pursue any defenses, claims for additional partial breach, total breach, or rescission of the Contract, or any other right or remedies afforded at law. However, in the adjudication of claims or defenses after the termination date, including those for total breach or rescission, the parties shall not seek to adjust the amounts paid pursuant to this agreement or obtain a refund of the fees paid by Plaintiff pursuant to Art. VIII of the Contract prior to the termination date of this agreement.

2. To defend against any such future claims, the United States may rely upon any and all defenses, including affirmative defenses. Additionally, the United States further reserves the right to deduct from future claims any costs that Plaintiff would have paid after the termination date of this agreement, had DOE timely commenced acceptance of SNF in accordance with the Contract.

3. Plaintiff and the United States also reserve the right to take discovery regarding any matter that is relevant to any party's claim or defense that arises out of, or relates to, costs paid by Plaintiff after the termination date of this agreement and arises out of or relates to DOE's delay in performance of its obligations under the Contract. Such discovery also may include discovery into matters that arise out of, or relate to, Plaintiff's claims for costs paid prior to the termination date of this agreement, to the extent that those prior claims relate to claims brought after the termination date.

4. Plaintiff shall retain the right to seek reimbursement for the costs, if any, of storing Plaintiff's Allocations that are paid after the expiration of the term of this agreement.

***VII. Warranties And Representations***

Plaintiff warrants and represents that Plaintiff is the holder of the Contracts, and that no other actions or suits by Plaintiff are pending with respect to the claims advanced in the Lawsuit, nor will such actions or suits be filed by Plaintiff in any court, administrative agency, or legislative body, except as contemplated by this agreement. Plaintiff also warrants and represents that it owns all claims arising under the Contracts attributable to DOE's delays. Plaintiff agrees to indemnify and to reimburse the Government for any monies that the Government may be required to pay to other parties for claims arising under or related to the Contracts attributable to DOE's delays. Plaintiff further warrants and represents that it has

made no assignment or transfer of any of the claims advanced in the Lawsuit, although Plaintiff may be obligated by certain contractual arrangements or otherwise to distribute portions of recoveries received by Plaintiff to other parties. Any such distribution shall be the sole obligation of Plaintiff. Should there be now or in the future any violation by Plaintiff of these warranties and representations, any amount paid by the United States to Plaintiff pursuant to this agreement shall be refunded promptly by Plaintiff to the United States, together with interest thereon at the rates provided in 41 U.S.C. § 611, computed from the date the United States makes payment.

***VIII. Payment Of Fees Pursuant To The Contract***

A. Quarterly fees. During the period covered by this agreement, Plaintiff will continue to pay the quarterly fees as required by the Standard Contract, Art. VIII. If Plaintiff fails to pay the required fees during a period covered by a claim submitted pursuant to this agreement, the United States will have no obligation to evaluate or to pay Plaintiff's claim for costs paid during that same period.

***IX. Acceptance By DOE Of Casks, Canisters Or Other Equipment***

DOE shall, in its sole discretion, have the right to take possession of the storage and/or transportation casks or canisters and any ancillary, portable equipment utilized in cask loading or operation of storage facility for which the United States has compensated Plaintiff pursuant to this agreement "as is, where is" when no longer needed for use by Plaintiff.

A. Equipment Other Than Casks And Canisters. Six months prior to Plaintiff disposing of equipment other than casks and canisters, Plaintiff shall notify the DOE Contracting Officer of the planned disposal to allow DOE the opportunity to exercise this option. DOE will notify Plaintiff of its election within 60 days of Plaintiff's notice. Should

DOE elect not to exercise this option, Plaintiff will be responsible for the disposition of such equipment, but the costs of such disposition shall be allowable and, if otherwise reasonable, payable to Plaintiff pursuant to this agreement.

B. Casks And Canisters. Five years prior to the projected acceptance of SNF stored by Plaintiff in any cask or canister, DOE shall inform Plaintiff of its election regarding the acceptance of those casks and canisters. The five-year requirement for notice shall not be applicable if the schedule for DOE's performance does not allow for that much notice, but in no event shall DOE provide less than six months notice. If DOE elects not to take possession of the casks or canisters, Plaintiff will be responsible for the disposition of the casks and/or canisters, but the costs of such disposition shall be allowable and, if otherwise reasonable, payable to Plaintiff pursuant to this agreement.

*X. Additional Terms And Provisions*

A. Upon execution of this agreement, Plaintiff agrees to join with the United States in stipulating to dismiss the Lawsuit with prejudice, subject to the terms of this agreement.

B. This agreement is for the purpose of settling the Lawsuit and Plaintiff's claims for costs paid or injuries sustained through the termination date of this agreement and for no other purpose. Accordingly, this agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties or counsel for the parties have or may acquire an interest, except as is necessary to effect the terms of the agreement or to comply with regulatory obligations.

C. Plaintiff's counsel represents that he has been and is authorized to enter this agreement on behalf of Plaintiff.

D. Any provision of this agreement that is held, after the date of the execution of this agreement, to be illegal, invalid, or unenforceable by a court or agency of competent jurisdiction under present or future laws that apply to this agreement shall be fully severable. In place of any severed provision, the parties may agree to substitute a legal, valid and enforceable provision that is as similar as possible to the severed provision.

E. This document constitutes a complete integration of the agreement between the parties and supercedes any and all prior oral or written representations, understandings, or agreements among or between them.

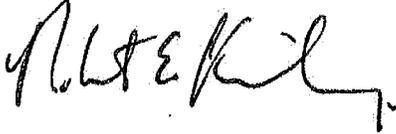
F. This agreement is intended to benefit only the parties, their successors, and their assignees. It is not intended to benefit, directly or indirectly, any other individual, group of individuals, organization, or entity.

G. This agreement is in no way related to or concerned with income or other taxes for which Plaintiff is now liable or may become liable in the future as a result of this agreement.

H. No provision of this agreement shall excuse Plaintiff from its obligation to make reasonable efforts to mitigate the costs for which it seeks reimbursement pursuant to this agreement.

AGREED TO:

FOR THE GOVERNMENT:

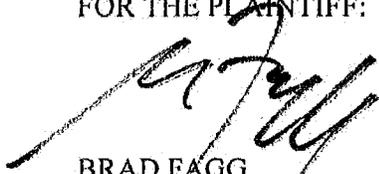


ROBERT E. KIRSCHMAN, JR.  
Director  
Commercial Litigation Branch,  
Civil Division  
U.S. Department of Justice  
P.O.Box 480  
Ben Franklin Station  
Washington, D.C. 20530

4-18-16  
Date

AUTHORIZED REPRESENTATIVE OF  
THE ATTORNEY GENERAL

FOR THE PLAINTIFF:



BRAD FAGG  
MORGAN LEWIS & BOCKIUS LLP  
1111 Pennsylvania Ave., N.W.  
Washington, D.C. 20004

4/14/16  
Date

ATTORNEY AND AUTHORIZED  
REPRESENTATIVE OF SOUTHERN CALIFORNIA EDISON COMPANY

Attachment 1

**Southern California Edison - Allocations 1998-2021**

**Unit(s): San Onofre 1, 2, & 3**

Year	MTHM
Cumulative 2014	901.2
2015	80.6
2016	83.6
2017	45.5
2018	131.4
2019	-
2020	87.4
2021	92.7
<b>Total</b>	<b>1,422.4</b>

Allocation years 1998-2021 are based on actual discharge information from the GC-859 data collection with data through 6/30/13 for SCE. Allocation years 1998-2017 for the industry are based on the RW-859 data as of 12/31/2002 and allocation years 2018-2021 for the industry are based on GC-859 data for 2003 – 6/30/2013.

The parties agree that the above allocations do not fully cover the cask canister and overpack (MPC and CEC) costs under the Holtec contract, but, rather, cover approximately 58% of such expenditures that have occurred and which are expected prior to the end of 2016, and will therefore result in pro rata recoveries of those costs. The parties further agree that the resulting deductions in paid MPC and CEC costs under the Holtec contract due to the available allocations for the period January 1, 2014 through December 31, 2016 shall be \$24 million or 42% of all MPC and CEC progress payments paid under the Holtec Contract through 2016, whichever is greater. This pro rata recovery (58/42 split) of all MPC and CEC costs paid under the Holtec contract through December 31, 2016 resolves the recoverability of paid MPC and CEC costs through the termination date of this agreement.

# **ATTACHMENT C**



Clay Faber -Director  
CA & Federal Regulatory  
8330 Century Park Court  
San Diego, CA 92123

cfaber@semprautilities.com

June 30, 2016

**ADVICE LETTER 2909-E**  
(U-902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: REQUEST FOR AUTHORIZATION OF DISBURSEMENTS FROM THE DECOMMISSIONING MASTER TRUSTS FOR 2016 SAN ONOFRE NUCLEAR GENERATING STATION 2 & 3 EXPENDITURES**

**I. PURPOSE AND INTRODUCTION**

San Diego Gas & Electric Company ("SDG&E") is billed by Southern California Edison Company ("SCE" or "Edison") for costs associated with decommissioning activities at San Onofre Nuclear Generating Station Unit Nos. 2&3 ("SONGS" or "SONGS 2&3"), and also incurs certain SDG&E-only (100%) costs related to the decommissioning of SONGS 2&3. SDG&E now requests that the California Public Utilities Commission ("Commission") authorize disbursement of those decommissioning costs forecasted for 2016, from the SDG&E SONGS Nuclear Decommissioning Trust ("Trust"). SDG&E's request is made consistent with the Commission's directions in D.11-07-003, D.14-12-082, and D.16-04-019.

The Commission permits Trust disbursements for forecasted decommissioning costs upon demonstration that the costs are eligible to be paid from decommissioning trust funds. Pursuant to General Order 96-B, SDG&E respectfully submits this Tier 2 Advice Letter ("AL") requesting authorization from the Commission to disburse up to \$64.9 million, in nominal dollars from its SONGS Trust for SONGS 2&3 decommissioning expenses forecasted for 2016.

The Commission will conduct an after-the-fact reasonableness review of SDG&E's 2016 SONGS costs in a future Nuclear Decommissioning Costs Triennial Proceeding ("NDCTP"). SDG&E requests authorization to access its Trust now for 2016 forecasted decommissioning costs, with the understanding that the same costs are subject to any adjustments ordered by the Commission based on the final determination of reasonableness.

**II. BACKGROUND**

This AL concerns SDG&E's Nuclear Decommissioning Trust for SONGS 2&3.<sup>1</sup> SDG&E's

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<sup>1</sup> This AL does not concern SDG&E's Trusts for Unit 1. SDG&E was given Unit 1 Trust fund withdrawal access by the Commission in D.99-06-007. As required by D.99-06-007, SDG&E provides a quarterly report to Energy Division of actual expenditures and withdrawals for Unit 1 decommissioning costs from

SONGS 2&3 Trust is governed by the SDG&E Nuclear Facilities Qualified and Non-Qualified CPUC Decommissioning Master Trust Agreements for San Onofre Nuclear Generating Stations (“MTAs”). In accordance with the Nuclear Facilities Decommissioning Act of 1985,<sup>2</sup> the Commission approved the SDG&E Trust and the MTAs in D.87-05-062 and Resolution E-3060.<sup>3</sup> With the Commission’s approval, SDG&E has been collecting funds from ratepayers to fund the trusts for almost 30 years.<sup>4</sup>

SONGS’ vendor *EnergySolutions* drafted a new Decommissioning Cost Estimate (“DCE”) for SONGS Units 2&3, which was subsequently submitted to the Nuclear Regulatory Commission (“NRC”) on September 23, 2014 and the Commission on December 10, 2014.<sup>5</sup> On August 20, 2015, the NRC issued a finding, stating that NRC staff found the Post Shutdown Decommissioning Activities Report (“PSDAR”) and the DCE within it to be “reasonable.”<sup>6</sup> In D.16-04-019, the Commission determined that the 2014 DCE was reasonable. SDG&E uses the 2014 DCE herein.

Ordering Paragraph 5 of D.16-04-019 requires that:

San Diego Gas & Electric Company (SDG&E) must file annually Forecast and Recorded Decommissioning Disbursement Tier 2 Advice letters consistent with its share of San Onofre Nuclear Generating Station 2 and 3 decommissioning costs as presented by Edison and billed to SDG&E by Edison, plus include any additional administrative costs unique to SDG&E. Such advice letters must show information supporting the requested disbursements.

This Tier 2 AL includes SDG&E’s 2016 SONGS decommissioning forecasted costs for SDG&E’s 20% share of the 2016 SONGS decommissioning costs as presented by SCE and billed to SDG&E by SCE and includes additional costs unique to SDG&E (100%).

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SDG&E’s Unit 1 Trust. SDG&E also seeks a reasonableness review of Unit 1 expenditures in the cyclical NDCTPs.

<sup>2</sup> California Pub. Util. Code Sec. 8321 *et seq.*

<sup>3</sup> D.87-05-062 (ordering the IOUs to draft MTAs for the Commission’s consideration) and Resolution E-3060 (approving SDG&E’s MTAs for SONGS Units 1, 2 and 3).

<sup>4</sup> In D.16-04-019, SDG&E’s request to set annual Trust collections to \$0.00 as of January 1, 2016 was approved.

<sup>5</sup> A.14-12-007, Joint Application of [SCE and SDG&E] for 2014 SONGS Units 2&3 Decommissioning Cost Estimate and Related Decommissioning Issues (filed December 10, 2014) at 4-5.

<sup>6</sup> NRC Docket Nos. 50-361 and 50-362.

### III. PREVIOUS APPROVALS AND TRUST WITHDRAWALS

On April 1, 2015, SDG&E submitted Tier 3 AL 2724-E, requesting Commission approval to withdraw up to \$55.0 million from SDG&E's Trust for decommissioning costs incurred or recorded June 7, 2013 through December 31, 2013.

Commission Resolution E-4678 approved SDG&E's request.<sup>7</sup> On August 25, 2015, SDG&E withdrew \$36.7 million from its Trust for costs related to 2013. SDG&E did not withdraw the entire authorized \$55.0 million from its Trust because of the ongoing so-called industry-wide "Dominion" issue with the Internal Revenue Service ("IRS"), concerning costs associated with spent fuel management.<sup>8</sup>

On October 23, 2015, SDG&E submitted Tier 2 AL 2806-E, requesting Commission approval to withdraw up to \$35.73 million from SDG&E's Trust for decommissioning costs incurred or recorded in 2014. SDG&E received authorization from the Commission effective November 22, 2015, to be paid for its SONGS decommissioning costs from SDG&E's Trust, incurred through December 31, 2014.

On December 21, 2015, SDG&E withdrew \$22.64 million from its Trust. SDG&E did not withdraw the entire authorized \$35.73 million from its Unit 2&3 Trust because of the ongoing so-called industry-wide "Dominion" issue. Pending a favorable resolution of the Dominion issue, SDG&E will withdraw the remaining amount of its authorized 2014 recorded cost request, to the extent allowable under Treasury regulations and guidance. At the time of this filing, it is unclear when the Dominion issue will be resolved.<sup>9</sup>

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<sup>7</sup> Resolution E-4678 also approved SCE AL 3193-E, filed on March 18, 2015, requesting Commission approval to withdraw up to \$340 million from SCE's Trust for decommissioning costs recorded June 7, 2013 through December 31, 2013, as well as SCE's 2014 costs. SCE expended \$237.9 million (100%) for decommissioning costs in 2013, of which \$180.3 million was SCE's share, and \$210.8 million (100%) in 2014, of which \$159.7 million was SCE's share.

<sup>8</sup> In December 2014, the IRS issued a Private Letter Ruling ("PLR") for a Dominion nuclear facility. The PLR states that the three NRC bucket categories (i.e., License Termination, Spent Fuel Storage and Site Restoration) are nuclear decommissioning costs and may be paid out of the Trust. However, the PLR also states that certain spent fuel storage costs may not be reimbursed from the Trust now if they will be recovered from litigation or settlement with the Department of Energy ("DOE"). While the favorable ruling that SCE received from the IRS on December 8, 2015, provides some guidance on the issue, it is not directly applicable to SDG&E's situation and has no precedential value for any utility except for SCE. SDG&E intends to work with the IRS to gain clarity on its situation in 2016.

In 2016, SCE, acting on behalf of the SONGS co-participants, entered into a settlement with the U.S. Department of Energy ("DOE Settlement"), which concerned, in part SDG&E's 2013 recorded spent fuel management costs. SDG&E has evaluated the impact of the DOE settlement on SDG&E's outstanding 2013 trust disbursement amount and intends to withdraw \$16.3 million in July 2016. SDG&E's future ALs will reflect this withdrawal.

<sup>9</sup> Under the terms of the DOE Settlement, SCE, acting on behalf of the SONGS co-owners, must submit its claims for 2014 and 2015 spent fuel management costs no later than September 30, 2016. While the Settlement creates a process for the submission of future DOE settlement claims, the payment of those

On June 16, 2016, SDG&E submitted Tier 2 AL 2904-E, requesting Commission approval to withdraw up to \$61.7 million from SDG&E's Trust for decommissioning costs incurred or recorded in 2015. The request remains pending at the time of this filing.

Attachment E is a breakdown of total amounts requested by SDG&E in advice letters and approved by the Commission to date.

#### **IV. SDG&E REQUESTS TRUST FUND DISBURSEMENT AUTHORITY FOR FORECASTED SONGS 2&3 2016 DECOMMISSIONING COSTS**

SDG&E seeks authority for disbursements of up to \$64.9 million in nominal dollars to reimburse SDG&E for 2016 forecasted decommissioning costs associated with SONGS 2&3.<sup>10</sup> The majority of the costs will be recorded in SONGS 2&3 Permanent Closure Non-Investment Related Expense Memorandum Account ("SPCEMA").<sup>11</sup> SDG&E had an authorized 2016 revenue requirement of \$0.5 million from its TY2016 GRC related to SDG&E's oversight of SONGS.<sup>12</sup> SDG&E will credit trust funds up to the amounts of the SONGS related authorized revenue requirement back to ratepayers through its Non Fuel Generation Balancing Account ("NGBA"), as appropriate.

##### Categories of SDG&E's 2016 SONGS 2&3 Decommissioning Costs

###### (1) Decommissioning expenditures invoiced by SCE

SCE invoices SDG&E (20% share) for SONGS 2&3 decommissioning costs. In SCE's AL 3307-E, SCE forecasted \$287.2 million (100%) in 2014\$ for SONGS 2&3 decommissioning costs in 2016. The Commission approved AL 3307-E by staff disposition on January 14, 2016, with an effective date of December 12, 2015.<sup>13</sup>

Based on SCE AL 3307-E, for the period of January through December 2016, SDG&E forecasts \$57.4 million in 2014\$ for 2016 SONGS 2&3 decommissioning costs invoiced by

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claims in their entirety remains uncertain. Therefore, SDG&E does not believe it has a "fixed" right to recover its 2014 or 2015 spent fuel management costs in the pending litigation against the DOE.

<sup>10</sup> Out of an abundance of caution, if and when SDG&E receives authority from the Commission to reimburse 2016 decommissioning costs with trust funds, SDG&E will not withdraw funds from the qualified Trusts for certain spent fuel storage costs until the Dominion issue has been sufficiently clarified and/or it has received a settlement or litigation award from the DOE.

<sup>11</sup> [http://regarchive.sdge.com/tm2/ssi/inc\\_elec\\_prelim.html](http://regarchive.sdge.com/tm2/ssi/inc_elec_prelim.html).

<sup>12</sup> On June 23, 2016, the Commission approved the proposed decision for SDG&E's TY2016 GRC. No decision number has yet been issued.

<sup>13</sup> On January 25, 2016, Ms. Donna Gilmore submitted a request for Commission review of Energy Division's disposition letter. Draft resolution E-4779 has been issued which denies the protest by Ms. Gilmore of SCE AL 3307-E. At this point in time, the draft resolution has not been approved by the Commission.

SCE. This amount compares to a DCE amount of \$53.4 million (in 2014\$; 20%).

Attachment A, provided herein, is a graph tracking SDG&E's DCE estimate and actual decommissioning cost expenditures. Attachment B is a comparison for SDG&E's share of DCE estimated and forecasted decommissioning expenditures by NRC cost category and by major cost category. Attachment C is a comparison for SDG&E's share of DCE estimated and SDG&E's forecasted decommissioning expenditures by cost category and DCE line number. In Attachment D is a comparison of the DCE estimate for SDG&E and SDG&E's recorded cash flow by year.

(2) Internal costs specific to SDG&E (100%)

*i. SDG&E Only Costs (100%)*

For 2016, SDG&E forecasts "SDG&E only" expenses necessary to carry out its fiscal oversight role at SONGS as well as SDG&E's decommissioning expenses. SDG&E will incur all of these costs itself (100%). It will not receive bills from SCE for any of these costs.

Internal SDG&E costs fall into two main categories. First, SDG&E forecasts labor costs for personnel directly involved in carrying out its role in overseeing and reviewing activities at the plant. SDG&E continues to retain a site representative at the SONGS worksite to review day-to-day decommissioning activities and progress, and provide contact and interaction with SONGS decommissioning management and personnel. In addition, SDG&E retains personnel to review invoices and track expenditures against SCE-generated internal budgets. The second type of SDG&E-only cost in 2016 is non-labor cost. This includes costs associated with the use of outside decommissioning consultants, outside legal counsel, internal non-labor costs (i.e., travel expenses), site land leases and property taxes.

SDG&E forecasts \$4.4 million (2014\$) of SDG&E-only costs for 2016. This compares to a DCE amount of \$1.8 million (2014\$) for 2016.

Forecasted costs are higher than the DCE by \$2.6 million in 2016. Forecasted property taxes are \$2.5 million higher than the DCE primarily because the tax assessment for the site is based on that of an operating plant. The DCE assumed that the tax assessment would have decreased after the plant entered decommissioning and the property tax liability would have been lower as a result. In addition, forecasted labor and non-labor is \$0.1 million higher than the DCE primarily due to forecasted labor, outside legal and consultant expenses being higher than what was estimated in the DCE.

*ii. Costs For Which SDG&E Can Already Access Trust Funds*

The last SONGS decommissioning cost category is those types of costs for which SDG&E does not need Commission authorization to access trust funds. Specifically, decommissioning planning costs and trust administrative costs do not require prior NRC or Commission approval to withdraw from the Trust. SDG&E is not seeking Commission authority in this AL for trust fund disbursements for these costs, but provides this information for the reader's knowledge.

1. Decommissioning Planning Costs

NRC regulations allow the use of trust funds for decommissioning planning costs.<sup>14</sup> These costs may be incurred at any time, even before decommissioning begins. These costs include the development of “paper” plans or studies.<sup>15</sup> As a result of Commission-approved MTA language, SDG&E does not require Commission approval to access trust funds to pay for these costs.<sup>16</sup> In its future 2016 recorded costs AL filing, scheduled to be submitted in Spring 2017 in accordance with D.16-04-019, SDG&E will report actual decommissioning planning costs withdrawn from the Trust in 2016, if any.

## 2. Trust Administration Costs

Trust administrative costs and incidental trust expenses, such as legal, investment management fees, accounting, taxes, actuarial and trustee expenses incurred in connection with the operation of the Trust, may be paid with trust funds without Commission approval.<sup>17</sup> SDG&E will report its 2016 trust administrative costs in its 2016 Annual Nuclear Decommissioning Report for 2016, which is scheduled to be submitted to the Commission via the Energy Division in Spring 2017 in accordance with Article 3.05 of its MTAs. SDG&E will also report its actual 2016 trust administrative costs in its upcoming 2016 recorded costs AL filing, scheduled to be submitted in Spring 2017 in accordance with D.16-04-019.

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<sup>14</sup> The NRC allows parties to pay up to 3% of a generic formula, per unit, cumulative, for decommissioning planning costs 10 CFR § 50.82(a)(8)(ii). The generic formula is stated at 10 CFR § 50.75. As reported by SCE in the March 2013 decommissioning funding report to the NRC, the formula amount for SONGS decommissioning is \$521.5 million per unit (Units 2&3). SDG&E’s share is 20% of the 3% limit, or \$3.13 million per unit. SDG&E is still well-below the cap; it has withdrawn \$1.31 million to date for decommissioning planning costs each for Units 2 and 3.

<sup>15</sup> U.S. Nuclear Regulatory Commission, *Decommissioning Of Nuclear Power Reactors*, Regulatory Guide 1.184, Revision 1 at 13 (October 2013), <http://pbadupws.nrc.gov/docs/ML1314/ML13144A840.pdf> (“Appropriate activities for the use of the initial 3 percent of the decommissioning funds include engineering designs, work package preparation, and licensing activities. Activities that would not be appropriate uses for these planning funds include decontamination, draining of systems, removal of filters, and projects designed to demonstrate the feasibility of a particular decommissioning activity. Likewise, the decontamination of a building that is no longer in use and would ultimately have to be decontaminated before license termination is not an appropriate use of planning funds.”).

<sup>16</sup> MTA at section 2.01(5); SDG&E AL 1056-E, approved February 23, 1998.

<sup>17</sup> See, e.g., 10 CFR § 50.75(h)(1)(iv); Resolution E-3060, issued Nov. 25, 1987 (approving SDG&E’s AL 718-E, which in turn sought approval of SDG&E’s MTAs, including provisions for paying administrative costs as incurred).

**V. ATTACHMENTS**

- Attachment A - Graph Tracking SDG&E's DCE Estimate (20%) and Actual and Forecasted Decommissioning Expenditures
- Attachment B – Comparison of DCE Estimated (20%) and SDG&E's Forecasted Decommissioning Expenditures by Nuclear Regulatory Commission Cost Category
- Attachment C - Comparison of DCE Estimated (20%) and SDG&E's Forecasted Decommissioning Expenditures by Cost Category and DCE Line Number
- Attachment D - Comparison of DCE Estimated (20%) and SDG&E's Cash Flow
- Attachment E - History of SDG&E Trust Fund Disbursement Amounts Requested, Approved and Withdrawn
- Attachment F - Escalation Factors

**VI. REQUEST FOR RELIEF**

For the reasons explained above, SDG&E requests that the Commission authorize SDG&E to obtain disbursements of up to \$64.9 million from its SONGS 2&3 Trusts for SONGS 2&3 decommissioning expenses forecasted for 2016.

**EFFECTIVE DATE**

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval). SDG&E respectfully requests that this filing become effective on August 1, 2016, 32 days after the date filed.

This filing will not result in an increase in any rates or charges, conflict with any schedules or rules, or cause withdrawal of service.

**PROTEST**

Anyone may protest this AL to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received by July 20, 2016, which is 20 days from the date this AL was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via e-mail to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson  
Regulatory Tariff Manager  
E-mail: [mcaulson@semprautilities.com](mailto:mcaulson@semprautilities.com)

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in A.14-12-007 and I.12-10-013 by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by e-mail at [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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CLAY FABER  
Director – CA & Federal Regulatory

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2909-E

Subject: Request for Authorization of Disbursements from the Decommissioning Master Trusts for 2016

San Onofre Nuclear Generating Station 2 & 3 Expenditures

Keywords (choose from CPUC listing): Trusts, Generating

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.11.-07-003, D.14-12-082 and D.16-04-019

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: None

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: N/A

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 08/01/2016

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: None

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**EDTariffUnit@cpuc.ca.gov**

**San Diego Gas & Electric**

**Attention: Megan Caulson**

**8330 Century Park CT**

**San Diego, CA 92123**

**mcaulson@semprautilities.com**

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

S. Cauchois  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
M. Ghadessi  
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CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Cameron

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell  
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Poway

R. Willcox

City of San Diego

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D. Weil  
F. Ortlieb  
B. Henry

Commerce Energy Group

V. Gan

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill  
J. Pau

Dept. of General Services

H. Nanjo  
M. Clark

Douglass & Liddell

D. Douglass  
D. Liddell  
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell  
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick  
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard  
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

San Diego Regional Energy Office

S. Freedman  
J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

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UCAN

M. Hawiger

U.S. Dept. of the Navy

D. Kelly  
K. Davoodi  
N. Furuta

Utility Specialists, Southwest, Inc.

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Service List

A.14-12-007

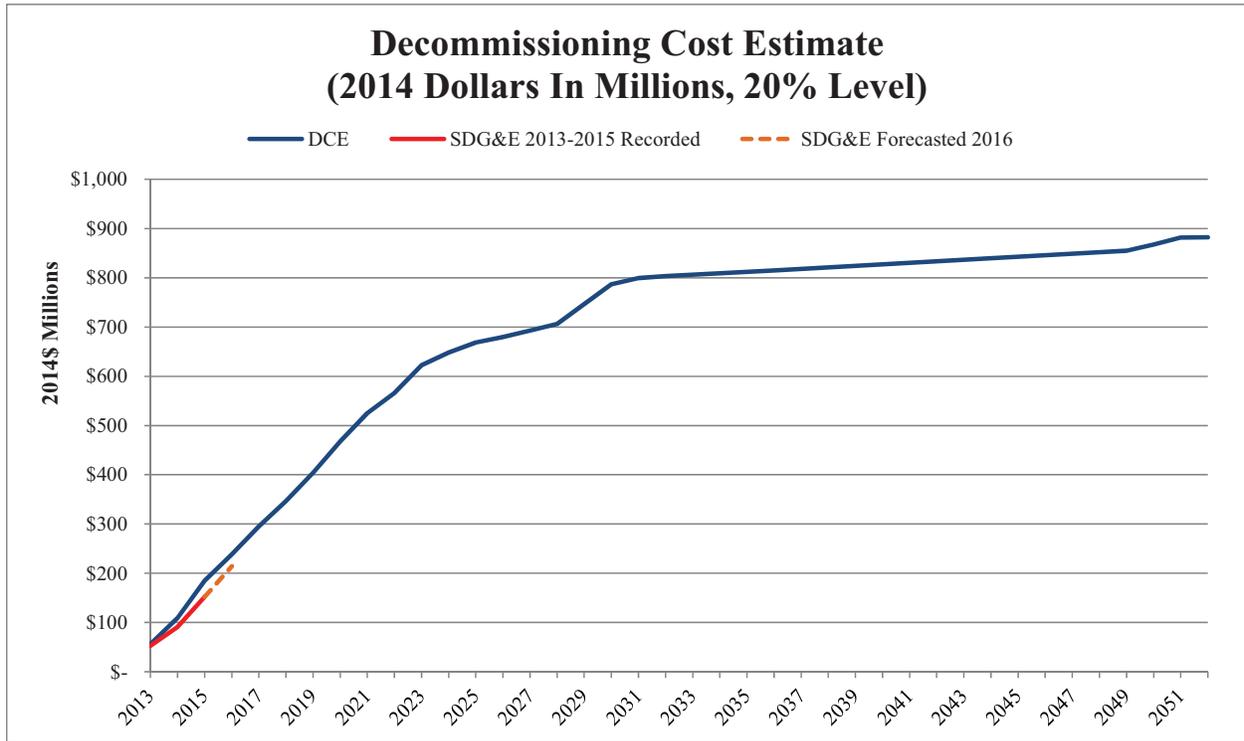
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**Attachment A**

**Graph Tracking SDG&E's DCE Estimate (20%) and Actual and  
Forecasted Decommissioning Expenditures**

**Attachment A**

**Graph Tracking SDG&E's DCE Estimate (20%) and Actual and Forecasted Decommissioning Expenditures**



**Attachment B**

**Comparison of DCE Estimated (20%) and SDG&E's Forecasted  
Decommissioning Expenditures by Nuclear Regulatory Commission  
Cost Category**

## Attachment B

Table 1

<b>Comparison Of 2016 Forecasted Costs By Nuclear Regulatory Commission Cost Category (2014 Constant Dollars In Millions, 20% Level)</b>				
		<b>DCE</b>	<b>Forecast</b>	<b>Variance</b>
<b>1</b>	<b>License Termination</b>			
2	Distributed	\$ 9.1	\$ 10.7	\$ (1.6)
3	Undistributed	13.7	13.3	\$ 0.4
4	<b>Subtotal</b>	<b>\$ 22.8</b>	<b>\$ 24.0</b>	<b>\$ (1.2)</b>
5				
<b>6</b>	<b>Spent Fuel Management</b>			
7	Distributed	\$ 13.1	\$ 17.9	\$ (4.8)
8	Undistributed	11.7	12.0	\$ (0.3)
9	<b>Subtotal</b>	<b>\$ 24.7</b>	<b>\$ 29.9</b>	<b>\$ (5.1)</b>
10				
<b>11</b>	<b>Site Restoration</b>			
12	Distributed	\$ 4.3	\$ 1.6	\$ 2.7
13	Undistributed	1.5	2.0	\$ (0.5)
14	<b>Subtotal</b>	<b>\$ 5.8</b>	<b>\$ 3.6</b>	<b>\$ 2.2</b>
15				
16	<b>2016 Total Billed Costs (20%)</b>	<b>\$ 53.4</b>	<b>\$ 57.4</b>	<b>\$ (4.1)</b>
17				
18	<b>SDG&amp;E Only Costs (100%)</b>	<b>\$ 1.8</b>	<b>\$ 4.4</b>	<b>\$ (2.6)</b>
19				
20	<b>Total</b>	<b>\$ 55.1</b>	<b>\$ 61.8</b>	<b>\$ (6.7)</b>
	<b>General Note:</b>			
	Totals may not sum due to rounding.			

## Attachment B

Table 2

Comparison Of 2016 Forecasted Costs By Major Cost Category (2014 Constant Dollars In Millions, 20% Level)					
	Category	DCE	Forecast	Variance	
<b>Billed Costs:</b>					
1	<b>License Termination</b>				
2	Distributed	Cold and Dark	\$ -	\$ 2.8	\$ (2.8)
3	Distributed	Transition Modifications	-	0.3	(0.3)
4	Distributed	Decommissioning General Contractor	9.1	7.6	1.5
5	Distributed	Historical Site Assessment/Characterization	-	-	-
6	Distributed	Regulatory Compliance	-	0.1	(0.1)
7	Distributed	Legacy Radwaste Disposal	-	-	-
8		<b>Subtotal Distributed</b>	<b>\$ 9.1</b>	<b>\$ 10.7</b>	<b>\$ (1.6)</b>
9					
10	Undistributed	Labor	9.4	8.6	0.8
11	Undistributed	Non-Labor	4.3	4.7	(0.4)
12		<b>Subtotal Undistributed</b>	<b>\$ 13.7</b>	<b>\$ 13.3</b>	<b>\$ 0.4</b>
13					
14	<b>Total License Termination</b>		<b>\$ 22.8</b>	<b>\$ 24.0</b>	<b>\$ (1.2)</b>
15					
16	<b>Spent Fuel Management</b>				
17	Distributed	ISFSI	\$ 13.1	\$ 16.4	\$ (3.4)
18	Distributed	Regulatory Compliance	-	-	-
19	Distributed	Transition Modifications	-	1.4	(1.4)
20		<b>Subtotal Distributed</b>	<b>\$ 13.1</b>	<b>\$ 17.9</b>	<b>\$ (4.8)</b>
21					
22	Undistributed	Labor	9.4	8.7	0.7
23	Undistributed	Non-Labor	2.3	3.3	(1.0)
24		<b>Subtotal Undistributed</b>	<b>\$ 11.7</b>	<b>\$ 12.0</b>	<b>\$ (0.3)</b>
25					
26	<b>Total Spent Fuel Management</b>		<b>\$ 24.7</b>	<b>\$ 29.9</b>	<b>\$ (5.1)</b>
27					
28	<b>Site Restoration</b>				
29	Distributed	Historical Site Assessment/Characterization	\$ -	\$ -	\$ -
30	Distributed	Decommissioning General Contractor	0.9	0.1	0.8
31	Distributed	Mesa Site	2.8	1.4	1.3
32	Distributed	Project Governance and Admin	-	-	-
33	Distributed	Building Demo	0.6	-	0.6
34		<b>Subtotal Distributed</b>	<b>\$ 4.3</b>	<b>\$ 1.6</b>	<b>\$ 2.7</b>
35					
36	Undistributed	Labor	0.8	0.7	0.1
37	Undistributed	Non-Labor	0.7	1.3	(0.6)
38		<b>Subtotal Undistributed</b>	<b>\$ 1.5</b>	<b>\$ 2.0</b>	<b>\$ (0.5)</b>
39					
40	<b>Total Site Restoration</b>		<b>\$ 5.8</b>	<b>\$ 3.6</b>	<b>\$ 2.2</b>
41					
42					
43	<b>2016 Total Billed Costs (20%)</b>		<b>53.4</b>	<b>57.4</b>	<b>(4.1)</b>
44					
45	<b>SDG&amp;E Only Costs (100%)</b>		<b>1.8</b>	<b>4.4</b>	<b>(2.6)</b>
46					
47	<b>Grand Total</b>		<b>\$ 55.1</b>	<b>\$ 61.8</b>	<b>(6.7)</b>
<b>General Note:</b>					
Totals may not sum due to rounding.					

**Attachment C**

**Comparison of DCE Estimated (20%) and SDG&E's Forecasted  
Decommissioning Expenditures by Cost Category and DCE Line  
Number**

Attachment C

Comparison of DCE Estimated (20%) and SDG&E's Forecasted Decommissioning Expenditures by Cost Category and DCE Line Number

(2014 Dollars in Millions, 20% Level)							
DCE No.	Category	Description	2016			Forecasted Inception To Date Through 2016	SDG&E's Share of Total DCE <sup>(2)</sup>
			(A) SDG&E's Share of DCE <sup>(1)</sup>	(B) Forecasted <sup>(4)</sup>	(C)=(A-B) Variance		
1	LT-2-D-2.20	Cold and Dark - 12 KV	-	\$ 0.1	\$(0.1)	\$ 1.5	\$ 1.3
2	LT-2-D-2.21	Cold and Dark - DEC	-	0.6	(0.6)	1.7	0.6
3	LT-2-D-2.18	Cold and Dark - MODS	-	-	-	4.5	2.5
4	LT-2-D-2.19	Cold and Dark - MODS	-	2.1	(2.1)	8.8	8.5
5	LT-2-D-2.29	Cold and Dark - MODS	-	-	-	0.1	0.6
6	LT-2-D-2.30	Cold and Dark - MODS	-	-	-	-	0.3
7	LT-2-D-2.24	Cold and Dark - MODS	-	-	-	-	0.2
8	LT-2-D-2.25	Cold and Dark - MODS	-	-	-	-	0.1
9	LT-2-D-2.23	Cold and Dark - SFPI	-	-	-	-	0.2
10	LT-2-D-2.26	Cold and Dark - SFPI	-	-	-	0.5	1.5
11	LT-2-D-2.27	Cold and Dark - SFPI	-	-	-	0.5	1.5
12	LT-2-D-2.28	Cold and Dark - SFPI	-	-	-	-	0.1
13		Subtotal	\$ -	\$ 2.8	\$(2.0)	\$ 17.6	\$ 17.3
14							
15	LT-2-D-2.31	Transition Modifications	-	-	-	0.2	0.0
16	LT-2-LOED	Transition Modifications	-	0.3	(0.3)	0.3	-
17		Subtotal	\$ -	\$ 0.3	\$(0.3)	\$ 0.5	\$ 0.0
18							
19	LT-2-D-2.22	Select Decommissioning General Contractor	-	1.2	(1.2)	2.3	0.2
20		Subtotal	\$ -	\$ 1.2	\$(1.2)	\$ 2.3	\$ 0.2
21							
22	LT-3-D-3.01	Decommissioning General Contractor	-	0.2	(0.2)	0.2	0.2
23	LT-3-D-3.02	Decommissioning General Contractor	0.7	3.3	(2.6)	3.1	3.7
24	LT-3-D-3.03	Decommissioning General Contractor	0.0	0.1	(0.1)	0.1	0.1
25	LT-3-D-3.04	Decommissioning General Contractor	-	0.1	(0.1)	0.1	0.1
26	LT-3-D-3.05	Decommissioning General Contractor	-	0.1	(0.1)	0.1	0.1
27	LT-3-D-3.06	Decommissioning General Contractor	1.4	-	1.4	-	1.4
28	LT-3-D-3.07	Decommissioning General Contractor	1.2	-	1.2	-	1.4
29	LT-3-D-3.10	Decommissioning General Contractor	0.0	-	0.0	-	0.2
30	LT-3-D-3.11	Decommissioning General Contractor	0.2	-	0.2	-	0.2
31	LT-3-D-3.12	Decommissioning General Contractor	0.1	-	0.1	-	0.1
32	LT-3-D-3.13	Decommissioning General Contractor	0.9	-	0.9	-	0.9
33	LT-3-D-3.14	Decommissioning General Contractor	1.0	-	1.0	-	1.0
34	LT-3-D-3.15	Decommissioning General Contractor	0.9	-	0.9	-	0.9
35	LT-3-D-3.16	Decommissioning General Contractor	-	-	-	-	0.1
36	LT-3-D-3.17	Decommissioning General Contractor	0.9	1.7	(0.9)	1.7	2.0
37	LT-3-D-3.18	Decommissioning General Contractor	0.0	0.0	0.0	0.0	0.0
38	LT-3-D-3.19	Decommissioning General Contractor	1.6	0.9	0.7	0.9	1.6
39	LT-3-D-3.22	Decommissioning General Contractor	0.2	-	0.2	-	0.3
40		Subtotal	\$ 9.1	\$ 6.4	\$ 2.7	\$ 6.4	\$ 14.6
41							
42	LT-2-D-2.17	Historical Site Assessment/Characterization	-	-	-	1.3	1.8
43		Subtotal	\$ -	\$ -	\$ -	\$ 1.3	\$ 1.8
44							
45	LT-2-D-2.01	Regulatory Compliance	-	-	-	-	0.0
46	LT-2-D-2.02	Regulatory Compliance	-	-	-	0.1	0.1
47	LT-2-D-2.03	Regulatory Compliance	-	-	-	-	0.1
48	LT-2-D-2.04	Regulatory Compliance	-	-	-	-	0.1
49	LT-2-D-2.05	Regulatory Compliance	-	-	-	-	0.1
50	LT-2-D-2.06	Regulatory Compliance	-	-	-	0.1	0.0
51	LT-2-D-2.07	Regulatory Compliance	-	0.1	(0.1)	0.4	0.3
52	LT-2-D-2.08	Regulatory Compliance	-	-	-	-	0.3
53	LT-2-D-2.09	Regulatory Compliance	-	-	-	0.3	0.2
54	LT-2-D-2.10	Regulatory Compliance	-	-	-	-	0.0
55	LT-2-D-2.11	Regulatory Compliance	-	-	-	-	0.1
56	LT-2-D-2.12	Regulatory Compliance	-	-	-	0.1	0.0
57	LT-2-D-2.13	Regulatory Compliance	-	-	-	-	0.0
58	LT-2-D-2.14	Regulatory Compliance	-	-	-	0.2	0.4
59	LT-2-D-2.15	Regulatory Compliance	-	-	-	-	0.0
60		Subtotal	\$ -	\$ 0.1	\$(0.1)	\$ 1.2	\$ 1.9
61							
62	LT-1-D-1.05	Legacy Radwaste Disposal	-	-	-	2.3	2.0
63	LT-2-D-2.16	Legacy Radwaste Disposal	-	-	-	2.9	4.1
64		Subtotal	\$ -	\$ -	\$ -	\$ 5.2	\$ 6.1
65							
66		Distributed Subtotal	\$ 9.1	\$ 10.7	\$(1.6)	\$ 34.4	\$ 41.8
67							
68	LT-U-1.01	Undistributed - Labor	5.1	5.2	(0.1)	26.9	65.7
69	LT-U-1.03	Undistributed - Labor	0.3	0.3	0.1	0.9	3.7
70	LT-U-1.11	Undistributed - Labor	4.0	2.8	1.2	2.8	61.2
71	LT-U-RS	Undistributed - Labor	-	0.3	(0.3)	1.2	-
72		Subtotal	\$ 9.4	\$ 8.6	\$ 0.8	\$ 31.8	\$ 130.6
73							
74	LT-U-1.02	Undistributed - Non-Labor	0.2	0.1	0.0	0.2	2.0
75	LT-U-1.04	Undistributed - Non-Labor	0.0	0.0	(0.0)	0.0	0.5
76	LT-U-1.05	Undistributed - Non-Labor	0.5	0.6	(0.1)	2.7	5.6
77	LT-U-1.06	Undistributed - Non-Labor	0.1	0.0	0.0	0.2	0.8
78	LT-U-1.07	Undistributed - Non-Labor	0.4	0.4	0.0	1.1	7.9
79	LT-U-1.08	Undistributed - Non-Labor	0.3	2.2	(1.9)	13.4	3.6
80	LT-U-1.09	Undistributed - Non-Labor	0.0	0.0	0.0	0.0	0.7
81	LT-U-1.10	Undistributed - Non-Labor	0.7	0.6	0.0	0.8	7.6
82	LT-U-1.12	Undistributed - Non-Labor	0.1	-	0.1	-	2.7
83	LT-U-1.13	Undistributed - Non-Labor	0.1	-	0.1	-	2.9
84	LT-U-1.14	Undistributed - Non-Labor	0.0	-	0.0	-	0.5
85	LT-U-1.15	Undistributed - Non-Labor	0.6	0.0	0.5	0.2	6.8
86	LT-U-1.16	Undistributed - Non-Labor	-	-	-	-	4.1
87	LT-U-1.17	Undistributed - Non-Labor	0.4	0.3	0.1	0.4	2.2
88	LT-U-1.18	Undistributed - Non-Labor	0.1	0.0	0.0	0.2	1.0
89	LT-U-1.19	Undistributed - Non-Labor	0.0	-	0.0	-	0.2
90	LT-U-1.20	Undistributed - Non-Labor	0.0	-	0.0	1.6	0.3
91	LT-U-1.21	Undistributed - Non-Labor	0.0	-	0.0	0.5	0.3
92	LT-U-1.22	Undistributed - Non-Labor	0.0	-	0.0	-	0.0
93	LT-U-1.24	Undistributed - Non-Labor	0.5	0.3	0.2	0.7	5.4
94	LT-U-1.25	Undistributed - Non-Labor	0.3	-	0.3	0.3	2.3
95	LT-U-GV	Undistributed - Non-Labor	-	-	-	-	-
96	LT-U-1.30	Undistributed - Non-Labor	-	-	-	0.3	-
97		Subtotal	\$ 4.3	\$ 4.7	\$(0.4)	\$ 22.8	\$ 57.4
98							
99		Undistributed Subtotal	\$ 13.7	\$ 13.3	\$ 0.4	\$ 54.6	\$ 188.0
100							
101		License Termination Total	\$ 22.8	\$ 24.0	\$(1.2)	\$ 89.0	\$ 229.9

(2014 Dollars in Millions, 20% Level)								
DCE No.	Category	Description	2016			Forecasted Inception To Date Through 2016	SDG&E's Share of Total DCE <sup>(2)</sup>	
			[A] SDG&E's Share of DCE <sup>(3)</sup>	[B] Forecasted <sup>(4)</sup>	[C]=[A-B] Variance			
103								
104	SNF-1-D-7.02	ISFSI	Design and Fabricate Spent Fuel Canisters	-	1.6	(1.6)	5.8	1.8
105	SNF-2-D-8.07	ISFSI	ISFSI Pad Study	-	-	-	-	0.0
106	SNF-2-D-8.08	ISFSI	Design ISFSI Expansion	-	6.3	(6.3)	8.8	0.8
107	SNF-2-D-8.09	ISFSI	Construct ISFSI Expansion	-	4.5	(4.5)	4.5	8.4
108	SNF-2-D-8.10	ISFSI	Purchase and Fabrication of Spent Fuel Canisters - Unit 2	-	2.0	(2.0)	3.8	12.4
109	SNF-2-D-8.11	ISFSI	Purchase and Fabrication of Spent Fuel Canisters - Unit 3	-	2.1	(2.1)	3.9	12.7
110	SNF-2-D-8.12	ISFSI	Deliver and Load Fuel Canister, ISFSI Trans - U2	6.4	-	6.4	-	22.2
111	SNF-2-D-8.13	ISFSI	Deliver and Load Fuel Canister, ISFSI Trans - U3	6.6	-	6.6	-	22.7
112		<b>Subtotal</b>		<b>\$ 13.1</b>	<b>\$ 16.4</b>	<b>\$ (3.4)</b>	<b>\$ 26.7</b>	<b>\$ 81.0</b>
113								
114	SNF-1-D-7.03	Regulatory Compliance	Post Fukushima Modifications - U2	-	-	-	-	0.0
115	SNF-2-D-FLEX	Regulatory Compliance	Flex Initiative	-	-	-	-	-
116	SNF-2-D-8.02	Regulatory Compliance	Decay Heat Analysis	-	-	-	0.1	0.0
117	SNF-2-D-8.03	Regulatory Compliance	Zirconium Fire/ Shine Analysis	-	-	-	-	0.0
118	SNF-2-D-8.05	Regulatory Compliance	Prepare Irradiated Fuel Management Plan & NRC Review	-	-	-	-	0.0
119		<b>Subtotal</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.1</b>	<b>\$ 0.1</b>
120								
121	SNF-1-D-7.01	Transition Modifications <sup>(10)</sup>	Security Shutdown Strategy	-	-	-	0.3	1.7
122	SNF-1-D-7.05	Transition Modifications <sup>(10)</sup>	Cyber Security Modifications	-	1.4	(1.4)	2.4	0.4
123	SNF-2-D-8.01	Transition Modifications <sup>(10)</sup>	Security Shutdown Strategy	-	-	-	1.2	0.7
124		<b>Subtotal</b>		<b>\$ -</b>	<b>\$ 1.4</b>	<b>\$ (1.4)</b>	<b>\$ 3.9</b>	<b>\$ 2.8</b>
125								
126		<b>Distributed Subtotal</b>		<b>\$ 13.1</b>	<b>\$ 17.9</b>	<b>\$ (4.8)</b>	<b>\$ 30.8</b>	<b>\$ 83.9</b>
127								
128	SNF-U-2.01	Undistributed - Labor	Labor Spent Fuel Management Reporting	4.2	4.4	(0.2)	22.3	56.2
129	SNF-U-2.04	Undistributed - Labor	Security Guard Force	5.2	4.1	1.1	14.7	71.8
130	SNF-U-RS	Undistributed - Labor	Results Sharing	-	0.1	(0.1)	1.5	-
131		<b>Subtotal</b>		<b>\$ 9.4</b>	<b>\$ 8.7</b>	<b>\$ 0.7</b>	<b>\$ 38.6</b>	<b>\$ 128.0</b>
132								
133	SNF-U-2.02	Undistributed - Non-Labor	Utility Staff Health Physics Supplies	0.3	0.2	0.1	0.3	3.1
134	SNF-U-2.05	Undistributed - Non-Labor	Security Related Expenses	0.1	0.1	(0.0)	0.3	2.7
135	SNF-U-2.06	Undistributed - Non-Labor	Insurance	0.2	0.3	(0.0)	0.5	4.2
136	SNF-U-2.08	Undistributed - Non-Labor	NRC Spent Fuel Fees	0.1	-	0.1	-	2.8
137	SNF-U-2.09	Undistributed - Non-Labor	Emergency Preparedness Fees	0.9	0.4	0.5	1.7	5.2
138	SNF-U-2.10	Undistributed - Non-Labor	Spent Fuel Maintenance	0.1	-	0.1	-	1.5
139	SNF-U-2.11	Undistributed - Non-Labor	Materials and Services	0.3	2.1	(1.9)	4.6	2.9
140	SNF-U-2.12	Undistributed - Non-Labor	DAW Disposal	0.0	0.0	0.0	0.0	0.1
141	SNF-U-2.13	Undistributed - Non-Labor	Energy	0.2	0.2	0.0	0.2	1.9
142	SNF-U-2.15	Undistributed - Non-Labor	Craft Worker Training	0.1	-	0.1	-	0.6
143	SNF-U-2.18	Undistributed - Non-Labor	Utilities (Water, gas, phone)	0.2	0.1	0.1	0.2	1.8
144	SNF-U-2.22	Undistributed - Non-Labor	Personal Computers	0.0	-	0.0	-	0.0
145		<b>Subtotal</b>		<b>\$ 2.3</b>	<b>\$ 3.3</b>	<b>\$ (1.0)</b>	<b>\$ 7.7</b>	<b>\$ 26.7</b>
146								
147		<b>Undistributed Subtotal</b>		<b>\$ 11.7</b>	<b>\$ 12.0</b>	<b>\$ (0.3)</b>	<b>\$ 46.3</b>	<b>\$ 154.7</b>
148								
149		<b>Spent Fuel Management Total</b>		<b>\$ 24.7</b>	<b>\$ 29.9</b>	<b>\$ (5.1)</b>	<b>\$ 77.1</b>	<b>\$ 238.6</b>



**Attachment D**

**Comparison of DCE Estimated (20%) and SDG&E Cash Flow**

## Attachment D

## Comparison of DCE Estimated (20%) and SDG&amp;E Cash Flow

(2014 Dollars In Thousands, 20% Level)		
	[A]	[B]
Year	Total DCE	Recorded / Forecasted
2013 / 2014	111,163	91,107
2015	77,332	61,186
2016	55,121	61,802
2017	57,268	
2018	52,370	
2019	58,747	
2020	64,497	
2021	57,536	
2022	41,666	
2023	57,621	
2024	26,428	
2025	20,906	
2026	11,721	
2027	13,167	
2028	14,030	
2029	40,342	
2030	41,211	
2031	12,965	
2032	4,082	
2033	2,918	
2034	2,918	
2035	2,923	
2036	3,098	
2037	3,098	
2038	3,098	
2039	3,098	
2040	3,098	
2041	3,098	
2042	3,098	
2043	3,098	
2044	3,098	
2045	3,098	
2046	3,098	
2047	3,098	
2048	3,098	
2049	3,469	
2050	13,051	
2051	14,530	
2052	551	
<b>Total</b>	<b>\$ 898,807</b>	<b>\$ 214,095</b>

**Attachment E**

**History of SDG&E Trust Fund Disbursement Amounts Requested,  
Approved and Withdrawn**

## Attachment E

## History of SDG&amp;E Trust Fund Disbursement Amounts Requested, Approved and Withdrawn

Year	Advice Letter Number	Requested Amount (in millions)	Not to Exceed Approved Amount (in millions)	Trust Withdrawn Amount	Estimated Future Trust Withdrawal Amount
2013	AL-2724-E	\$55.0	\$55.0	\$36.7	\$16.3 <sup>(1)</sup>
2014	AL-2806-E	\$35.7	\$35.7	\$22.6	\$13.1
2015	AL-2904-E	\$61.7			\$61.7
2016	AL-2909-E	\$64.9			\$64.9
<b>Total</b>		<b>\$217.3</b>	<b>\$90.7</b>	<b>\$59.3</b>	<b>\$156.0</b>

- (1) Note: \$0.4 million related to property tax, which was included in the 2013 total amount requested by SDG&E and approved by the Commission, has not and will not be withdrawn by SDG&E because an adjustment to the property tax amount has since been identified.

**Attachment F**  
**Escalation Factors**

**Attachment F**  
**Escalation Factors**

<b>Forecasted Escalation And De-escalation Factors</b>			
	<b>Escalation Factors</b>		
<b>Year <sup>(1)</sup></b>	<b>Labor</b>	<b>Other</b>	
2015-A	1.0211	1.0061	
2016-F	1.0526	1.0297	
	<b>De-escalation Factors</b>		
<b>Year <sup>(1)</sup></b>	<b>Labor</b>	<b>Other</b>	
2015-A	0.9793	0.9939	
2016-F	0.9500	0.9712	
<b>Note:</b>			
(1) "-F" indicates the escalation factors are forecasted for the given year. "-A" will be used to denote actual factors.			