



**FILED**

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

Application of Pacific Gas and Electric Company in its 2009 Nuclear Decommissioning Cost Triennial Proceeding (U39E).

Application 09-04-007  
(Filed April 3, 2009)

Joint Application of Southern California Edison Company (U338E) and San Diego Gas & Electric Company (U902E) for the 2009 Nuclear Decommissioning Cost Triennial Proceeding to Set Contribution Levels for the Companies' Nuclear Decommissioning Trust Funds and Address Other Related Decommissioning Issues.

Application 09-04-009  
(Filed April 3, 2009)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REQUESTING ADDITIONAL TESTIMONY IN PHASE 2**

Pursuant to the August 31, 2010 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, evidentiary hearings were scheduled to occur on December 8-9, 2010. On December 1, 2010, the hearings were postponed to consider whether additional written testimony would assist the Commission prior to the conduct of any hearings. This ruling addresses these issues.

**Additional Testimony**

All three utilities shall submit testimony within 15 days of the date of this ruling which responds to the following questions:

1. When the utility requests pre-approval of Interim Distributions of decommissioning funds from the Commission, in what form

- does the utility concurrently submit its decommissioning plan and schedule (e.g., prior cost estimate, internally approved plan, etc?).
2. If the proposed decommissioning plan or schedule changes significantly, how and when does the utility provide an amended plan or schedule to the Commission and the Trust Fund Committee?
  3. When did your Trust Fund Committee most recently obtain an asset allocation study? Did the study recommend that the Trust Fund diversify asset classes to limit or manage risk? What types of alternate asset classes were recommended, if any, and were any conditions to such investments advised (e.g., percentage cap, conditioned on license renewal, etc.).
  4. Does the utility recommend that a new asset class be approved for Trust Fund investment? If so, please identify each such asset class, an appropriate fee cap for that asset class, and if a limit should be imposed on the total percentage of Trust Funds which should be permitted in that class, or for all such asset classes combined.
  5. Is it your contention that the Master Trust Agreement permits the utility to submit an Advice Letter request for approval of an Investment Manager which does not require a Commission resolution for approval?
  6. What asset classes do you think are inconsistent with the investment objectives and decommissioning goals of the Trust Fund?
  7. If the Commission authorized a pilot program to allow a portion of one or more of the qualified Trust Funds to make limited investments in some alternate investment classes, would the utility be likely to participate? Would the Trust Fund Committee seek an Asset Allocation study prior to any decision to participate?

In addition to questions 1-7 above, Pacific Gas & Electric Company (PG&E) shall also respond to the following:

8. In light of testimony that PG&E advances all decommissioning costs and seeks later reimbursement via a Withdrawal Certificate supported by an internal accounting of expenses, describe how obtaining advanced funds through interim disbursements for the decommissioning costs at Humboldt Bay Power Plant (HBPP) differs or conforms with the stated method of only getting Trust Funds for reimbursement after a cost is incurred. To the extent that PG&E has withdrawn HBPP decommissioning funds and not spent them, please identify how much is unspent as of December 31, 2010, where the funds are, how much interest was earned on the funds up through that date, and when the funds are expected to be spent.

In addition to questions 1-7 above, Southern California Edison Company (SCE) shall also respond to the following:

9. When SCE received Advance Withdrawals for payment of decommissioning costs of SONGS 1 (pursuant to § 2.01(5) of Master Trust Agreement), what percentage of the funds were actually spent within one month of the advance? Did the company submit to the Commission the required quarterly reconciliations of all of the advances and payments?

### **Evidentiary Hearing**

An evidentiary hearing will be held in March at a date to be confirmed in a future ruling.

**IT IS RULED** that the utilities shall serve supplemental testimony responding to the questions set forth in the body of the ruling no later than February 11, 2011.

Dated January 27, 2011, at San Francisco, California.

/s/ MELANIE M. DARLING  
Melanie M. Darling  
Administrative Law Judge

**INFORMATION REGARDING SERVICE**

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Upon confirmation of this document's acceptance for filing, I will cause a hard copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the hard copy of the filed document is current as of today's date.

Dated January 27, 2011, at San Francisco, California.

/s/ LILLIAN LI  
\_\_\_\_\_  
Lillian Li

**N O T I C E**

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