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**FILED**

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A2202016

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

Joint Application of Southern California Edison Company (U338E) and San Diego Gas & Electric Company (U902E) for the 2021 Nuclear Decommissioning Cost Triennial Proceeding.

Application 22-02-016

**ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING**

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section (Pub. Util. Code §) 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

**1. Procedural Background**

On February 28, 2022, Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) (hereinafter collectively referred as the Utilities) filed this Joint Application for the 2021 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP).

A prehearing conference (PHC) was held on Monday, May 2, 2022 to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. After considering the Application, protests, reply to protests, and discussion at the PHC, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo.

## **2. Summary of the Application**

In this Joint Application, the Utilities request that the Commission approve the following:

### (Requests Affecting Both Utilities)

1. \$3.11 million incurred for San Onofre Nuclear Generating Station (SONGS) Unit 1 (SONGS 1) decommissioning costs that were completed during January 1, 2018, through December 31, 2020 (the 2018-2020 review period) and for undistributed decommissioning expenditures incurred during the same period;
2. \$606.7 million incurred for SONGS Units 2 and 3 (SONGS 2 & 3) projects that were completed during the 2018-2020 review period and for undistributed decommissioning expenditures incurred during the same period;
3. 2020 SONGS 1 decommissioning cost estimate (DCE) of \$225.9 million;
4. 2020 SONGS 2 & 3 DCE of \$4,712 million;
5. SCE's and SDG&E's annual contributions to each of their respective Nuclear Decommissioning Trusts for SONGS 1, SONGS 2 & 3, and Palo Verde Nuclear Generating Station Units 1, 2, and 3 (PVNGS) to be maintained at \$0.00;<sup>1</sup>
6. SCE and SDG&E to deposit their respective United States Department of Energy (US DOE) litigation proceeds for SONGS into their respective Non-Qualified Nuclear Decommissioning Trusts (NQNDTs);
7. The Utilities are compliant with prior Commission NDCTP decisions;
8. The 2021 Reasonableness Framework;

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<sup>1</sup> SCE has a Nuclear Decommissioning Trust fund for PVNGS as partial owner of the facility, SDG&E does not as it does have an ownership interest in PVNGS.

(Request pertains only to SCE)

9. 2019 DCE for PVNGS of \$594.2 million;

(Requests pertain only to SDG&E)

10. SDG&E's share (20%) of the decommissioning costs and DCE costs for SONGS 1 and SONGS 2 & 3;
11. \$4.5 million in SDG&E-only costs for costs incurred during the 2018-2020 review period for SONGS; and
12. and \$19.4 million of future SDG&E-only costs for SONGS 1 and SONGS 2 & 3.

### **3. Issues**

The issues to be determined or otherwise considered are:

(Issues pertaining to both Utilities)

1. Are the costs incurred for SONGS 1 decommissioning projects that were completed during the 2018-2020 review period and the undistributed expenditures incurred during the same period reasonable? What is a reasonable share of the costs for SCE? What is a reasonable share of the costs for SDG&E?
2. Are the costs incurred for SONGS 2 & 3 projects that were completed during the 2018-2020 review period and the undistributed expenditures incurred during the same period reasonable? What is a reasonable share of the costs for SCE? What is a reasonable share of the costs for SDG&E?
3. Is the 2020 DCE for SONGS 1 reasonable? If not, what is a reasonable amount? What is a reasonable share of the costs for SCE? What is a reasonable share of the costs for SDG&E?
4. Is the 2020 DCE for SONGS 2 & 3 reasonable? If not, what is a reasonable amount? What is a reasonable share of the costs for SCE? What is a reasonable share of the costs for SDG&E?
5. What are reasonable amounts of annual contributions for SCE to the SONGS 1, SONGS 2 & 3, and PVNGS Nuclear

Decommissioning Trusts? What are reasonable amounts of annual contributions for SDG&E to the SONGS 1 and SONGS 2 & 3 Nuclear Decommissioning Trusts?

6. Should their litigation proceeds from US DOE for SONGS be deposited into their respective NQNDTs or be refunded to their customers through each of their respective Energy Resource Recovery Accounts?
7. Are the Applicants compliant with prior Commission decisions?
8. Is the 2021 Reasonableness Framework, as proposed by the Applicants, reasonable? If not, what modifications should be made?

(Issues pertaining only to SCE)

1. Is SCE's 2019 DCE for the PVNGS reasonable? If not, what is a reasonable amount?

(Issues pertaining only to SDG&E)

1. Are the expenditures that only SDG&E incurred for SONGS during the 2018-2020 review period reasonable?
2. Are the 2020 DCEs for SONGS 1 and SONGS 2 & 3 that only SDG&E has been incurring reasonable?

**4. Coordination with Pacific Gas and Electric Company's (PG&E) 2021 NDCTP**

In the past, SCE's and SDG&E's NDCTP applications were consolidated with PG&E's NDCTP applications. The Commission has also addressed the NDCTP applications separately.

On December 14, 2021, PG&E filed Application (A.) 21-12-007 for its 2021 NDCTP. Parties in PG&E's 2021 NDCTP were asked to provide comments on whether the proceeding should be consolidated with SCE's and SDG&E's 2021

NDCTP.<sup>2</sup> Parties in this proceeding were also asked to comment on whether the proceedings should be consolidated.<sup>3</sup>

After considering the comments from the parties, I determined that the facts in these proceedings are largely different such that consolidation of these two proceedings is not warranted. However, there are issues of law that are common between these two proceedings. For these common issues or facts, the Commission can take official notice of the record from PG&E's 2021 NDCTP so that the Commission's deliberation on these issues would be based on a consistent application of law.

#### **5. Need for Evidentiary Hearing**

There are contested material issues of fact that need to be resolved in order to address the issues presented in this proceeding. Accordingly, evidentiary hearing is needed.

#### **6. SONGS Site Visit**

A site visit of SONGS can be beneficial for Commission staff and parties to understand the facts of this case. Parties are directed to provide comments as to whether a site visit of SONGS will be needed and, if so, recommend a time frame for the visit. Parties shall serve and file these comments by June 8, 2022.

#### **7. Schedule**

The following schedule is adopted here and may be modified by the Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the application:

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<sup>2</sup> A.21-12-007, Assigned Commissioner's Scoping Memo and Ruling at 8.

<sup>3</sup> PHC Transcript (Volume) at 32-47.

Event	Date
Intervenors' prepared direct testimony served	September 23, 2022
Prepared rebuttal testimony served	November 14, 2022
Meet and Confer (Pursuant to Rule 13.9)	December 1, 2022
Evidentiary hearing	January 18-20, 2023
Opening briefs filed	February 17, 2023
Reply briefs filed [ <i>matter submitted</i> ]	March 17, 2023
Proposed decision	2 <sup>nd</sup> Quarter of 2023

The purpose of the December 1, 2022 status conference is to ascertain whether, pursuant to Rule 13.8(c), the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, the parties' resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

The proceeding will stand submitted upon the filing of reply briefs, unless the ALJ requires further evidence or argument. Based on this schedule, the proceeding will be resolved within 18 months as required by Pub. Util. Code § 1701.5.

## **8. Alternative Dispute Resolution (ADR) Program and Settlements**

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to

the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules of Practice and Procedure and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

**9. Category of Proceeding and  
*Ex Parte* Restrictions**

This ruling confirms the Commission's preliminary determination<sup>4</sup> that this is a ratesetting proceeding. Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Rules.

**10. Public Outreach**

Pursuant to Pub. Util. Code § 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's March 2022 monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission's website.

**11. Intervenor Compensation**

Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by June 1, 2022, 30 days after the PHC.

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<sup>4</sup> Resolution ALJ 176-3504 at 3.

## **12. Response to Public Comments**

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

## **13. Public Advisor**

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission’s Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

## **14. Filing, Service, and Service List**

The official service list has been created and is on the Commission’s website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission’s Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.<sup>5</sup>

When serving any document, each party must ensure that it is using the current official service list on the Commission’s website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of

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<sup>5</sup> The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>.

both an electronic and a paper copy of filed or served documents, but for this proceeding, parties should serve the assigned ALJ only electronic copies of served documents, unless the assigned ALJ instructs otherwise.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties shall serve the Commissioner's office with all documents served on the service list, including any written testimony. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov) to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

#### **15. Receiving Electronic Service from the Commission**

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add "@cpuc.ca.gov" to your email safe sender list and update your e-mail

screening practices, settings and filters to ensure receipt of e-mails from the Commission.

**16. Assignment of Proceeding**

Darcie L. Houck is the assigned commissioner and Elaine Lau is the assigned ALJ and presiding officer for the proceeding.

**IT IS RULED** that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearing is needed.
4. The presiding officer is Administrative Law Judge Elaine Lau.
5. The category of the proceeding is Ratesetting.
6. Parties shall serve and file comments by June 8, 2022 on whether a site visit of San Onofre Nuclear Generating Station will be needed and, if so, recommend a time frame for the visit.

This order is effective today.

Dated May 24, 2022, at Sacramento, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck  
Assigned Commissioner