

Application No.: 24-12-XXX
Exhibit No.: SCE-SDGE-0012
Witnesses: J. Childs, SCE
T. Dalu, SDG&E



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(U 338-E)

***Testimony of Southern California Edison and
San Diego Gas & Electric Company Regarding
Updates to the SONGS 2&3 Decommissioning
Reasonableness Framework***

Before the

Public Utilities Commission of the State of California

Rosemead, California
December 6, 2024

**SCE-SDGE-01: Testimony of Southern California Edison Company and
San Diego Gas & Electric Company Regarding Updates to the SONGS
2&3 Decommissioning Reasonableness Framework**

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I.

INTRODUCTION

3 In this testimony, Southern California Edison Company (SCE) and San Diego Gas & Electric
4 Company (SDG&E) propose an update to the SONGS Decommissioning Reasonableness Framework to
5 reflect updates from the 2024 SONGS 2&3 Decommissioning Cost Estimate (DCE).

II.

BACKGROUND

In the 2015 Nuclear Decommissioning Cost Triennial Proceeding, Application (A.)16-03-004 (2015 NDCTP), the Parties¹ jointly developed and proposed the original Reasonableness Framework (a.k.a., Milestone Framework). The original Reasonableness Framework was “a filing schedule for reasonableness reviews [of recorded costs] that identifies major projects and anticipated filing dates” that fulfilled the California Public Utilities Commission’s (Commission) direction in Decision (D.)16-04-019 for the Parties to propose such a schedule.² The original Reasonableness Framework was adopted by the Commission in D.18-11-034, the 2015 NDCTP Decision.

In the 2018 NDCTP (A.18-03-009), SCE and SDG&E identified necessary updates to the original Reasonableness Framework, which were adopted by the Commission in D.21-12-026.

In the 2021 NDCTP (A.22-02-016), SCE and SDG&E again updated the Reasonableness Framework, which was adopted by the Commission in D.24-08-001. SCE and SDG&E relied on the Reasonableness Framework to determine which costs to include for review in this proceeding for the SONGS 2&3 2021-2023 Reasonableness Review of recorded costs.

¹ The Parties were SCE, SDG&E, the Office of Ratepayer Advocates (ORA) (now known as the Public Advocates Office (Cal Advocates)), The Utility Reform Network (TURN), and the Utility Consumers' Action Network (UCAN).

2 D.16-04-019, p. 25.

III.

PROPOSED UPDATES TO ORIGINAL REASONABLENESS FRAMEWORK

The Commission and the Parties have recognized that the Reasonableness Framework may evolve throughout the SONGS decommissioning project and that changes may be required.³ Because the 2024 SONGS 2&3 DCE includes new projects and line items, another update to the Reasonableness Framework (2024 Reasonableness Framework) is appropriate. There are three types of updates being made herein, as discussed below in Sections A and B. These include: (1) new Major Projects identified in the 2024 SONGS 2&3 DCE, (2) new or existing activities that need to be assigned to a new or existing Major Projects, and (3) update to Major Project Check Point 3 title.

A. Update to Major Projects List (Appendix B)

The 2024 Reasonableness Framework provides a list of Major Projects, each of which is a grouping of distributed activities that are directly attributable to a specific project or project scope. For various reasons, the Major Project groupings must be modified to reflect updates included in the 2024 SONGS 2&3 DCE. The scope of each new Major Project identified in the 2024 SONGS 2&3 DCE is discussed in greater detail in Exhibit SCE-04. Each new Major Project is shown in Appendix B (Major Projects List) to this testimony in red/italics font.⁴ Additionally, certain Major Projects are shown in Appendix B to this testimony in blue/italics font and the timing of these Major Projects was updated to reflect the schedule in the 2024 SONGS 2&3 DCE. Lastly, the title of the Major Project Check Point 3 is now labeled “License Termination Plan” in lieu of “License Reduction” as it was previously labeled.⁵

3 In its initial direction requiring the parties to propose the original Reasonableness Framework, the Commission in D.18-11-034, Appendix 1, Section III.f, provided: "The Milestone [Reasonableness] Framework should be flexible to allow for the movement of a DCE activity from one Major Project to another, addition of new activities (including the proper placement of the activity in an existing Major Project or new Major Project), and adjustment of the schedule of NDCTPs. Any such changes are subject to the Commission's review and determination."

4 The new Major Projects are Equipment Storage and Mesa Post Release Work Activities.

⁵ See Exhibit SCE-04C, pp. 28-29, for detailed discussion of the change.

1 **B. Updates to Major Project Line Items (Appendix C)**

2 With the development of the 2024 SONGS 2&3 DCE, additional DCE activities were identified.
3 Each of these new activities must be incorporated into an existing Major Project or a new Major Project
4 to allow for a reasonableness review after completion. New activities are reflected in red/italics font in
5 Appendix C (Major Projects Line Items). Some DCE line items were moved from one Major Project to
6 another; these are reflected in blue/italics font in Appendix C.

7 SCE submitted fourteen of the original twenty Initial Plant Building Demo Major Project DCE
8 Line Items for reasonableness review in this NDCTP.⁶ SCE moved the remaining six DCE Line Items
9 to the Final Plant Building Demo Major Project. This is largely attributed to changes in the building
10 demolition sequence by the Decommissioning General Contractor (DGC). When the original
11 Reasonableness Framework was established in 2017, the DGC had submitted its baseline schedule to
12 SCE for review. Since then, the DGC has refined its building demolition sequence. For example, the L-
13 50 Building (DCE Line Item – SR-4-D-17.24) was initially scheduled to be demolished early in SONGS
14 decommissioning. However, L-50 is now scheduled to be demolished at the end of Phase 2 to allow the
15 DGC to use it for office space and administrative functions until Phase 2 is complete. The attached
16 reasonableness framework has been updated to reflect these changes.

6 Although some of the DCE Line Items included in the original Initial Plant Building Demo Major Project
have been completed, SCE is only seeking reasonableness of the DCE Line Items included in the new Initial
Plant Building Demo Major Project.

IV.

CONCLUSION

3 SCE and SDG&E request that the Commission determine that the 2024 Reasonableness
4 Framework, the Major Project list (Appendix B), and the Major Project line-item structure (Appendix C)
5 are reasonable.

**Appendix A
Witness Qualifications**

SOUTHERN CALIFORNIA EDISON COMPANY
QUALIFICATIONS AND PREPARED TESTIMONY
OF JARED J. CHILDS

Q. Please state your name and business address for the record.

A. My name is Jared Childs, and my business address is 5000 Pacific Coast Highway, San Clemente CA 92673.

Q. Briefly describe your present responsibilities at the Southern California Edison Company.

A. I am presently a Project Manager in the SONGS Business Services group for San Onofre Nuclear Generating Station (SONGS). In this role I am responsible for various oversight aspects of the Decommissioning General Contractor Agreement (DGCA) including validation of completion criteria of milestone completion certificates submitted for review and approval.

Q. Briefly describe your educational and professional background.

A. I earned a Bachelor of Science Degree in Construction from the Ira A. Fulton School of Engineering at Arizona State University. I have worked at SONGS intermittently since 2012 during which time I have focused my career within the Finance, Project Controls and Contract Oversight groups working in various roles from an analyst overseeing Capital and Distributed accounting and project controls functions to my current role as a project manager.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony in this proceeding is to sponsor Exhibit SCE-SDGE 01: *Testimony of Southern California Edison and San Diego Gas & Electric Regarding Updates to the SONGS 2&3 Decommissioning Reasonableness Framework*, as identified in the Table of Contents thereto.

Q. Was this material prepared by you or under your supervision?

A. Yes, it was.

Q. Insofar as this material is factual in nature, do you believe it to be correct?

A. Yes, I do.

1 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
2 judgment?

3 A. Yes, it does.

4 Q. Does this conclude your qualifications and prepared testimony?

5 A. Yes, it does.

WITNESS QUALIFICATIONS FOR TRACY M. DALU

My name is Tracy M. Dalu and my business address is 8326 Century Park Court, San Diego, California 92123. I am employed by SDG&E as the Manager of SONGS Decommissioning and am a Certified Public Accountant (“CPA”). My primary responsibilities are to provide oversight and proper fiscal management of SDG&E’s 20% ownership interest in SONGS and to provide financial information to support legal and regulatory filings. I have been in my current role since April of 2016. Prior to my current role, I was the Generation Accounting Supervisor for SDG&E where my primary responsibilities were to account for and report on all SDG&E owned generation facilities, including SONGS. I was also responsible for the accounting and financial reporting of SDG&E’s asset retirement obligations and ensuring that SDG&E was in compliance with Securities Exchange Commission (“SEC”) and regulatory reporting requirements. I began work at Sempra Energy in May 2002 as an accountant for Sempra Energy’s Global division and was responsible for the financial reporting of their generation fleet. My responsibilities included preparing financial statements, consolidations, cash flows, variance analysis and ensuring compliance with SEC reporting. Prior to my career at SDG&E I spent three years working as an auditor for Price Waterhouse Coopers. I graduated from San Diego State University with a Bachelor of Science in Business Administration (Accounting emphasis) and obtained my CPA license in 2001.

I have previously testified before this Commission.

Appendix B

SONGS Decommissioning - Nuclear Decommissioning Cost Triennial Proceeding Major Project List based on the 2024 DCE

SONGS Decommissioning - Nuclear Decommissioning Cost Triennial Proceeding
Major Project List based on the 2024 DCE
(2014\$ in Millions, 100% share)

2027 NDCTP (in \$millions, 100% Level) Years Reviewed (2024 - 2026) Distributed = ~\$689 / Undistributed = ~\$220 <i>(Check Point 2)</i>		2030 NDCTP (in \$millions, 100% Level) Years Reviewed (2027 - 2029) Distributed = ~\$344 Undistributed = ~\$141 <i>(No Undistributed Check Point)</i>
ISFSI Aging Management	Removal Of Spent Fuel Systems/Equipment	
Steam Generator Removal	Offshore Conduit Diffuser and Risers	
Large Component Removal	Drainage Dissipator	
NEPA	Containment Building Demo	
DCE Updates	Final Plant Building Demo	
D&D Waste 2 & 3	Final Survey/License Termination Plan	
Building Decontamination	DCE Updates	
Non-Essential System Removal	D&D Waste 4	
GTCC Waste	CDP Amendment	
Internals and Vessel Segmentation	Plant Easement Extension	
U1 RV Disposal**		
Equipment Storage		
	All Undistributed Costs	
All Undistributed Costs - Subject to Check Point #2		
2033 NDCTP (in \$millions, 100% Level) Years Reviewed (2030 - 2032) Distributed = ~\$9 / Undistributed = ~\$71 <i>(Check Point 3)</i>		
DCE Updates		
Mesa Post Release Work Activities		
	All Undistributed Costs - Subject to Check Point #3	

Check Points:

Check Point 2 = Large Component Removal (~2025)

Check Point 3 = License Termination Plan (~2028)

Source: 2024 SONGS Units 2 & 3 Decommissioning Cost Estimate**Notes:**

- (1) Major Project totals are in millions (2014\$), and may not tie directly to 2024 DCE due to rounding.
- (2) This matrix is subject to revision (both estimated costs and timing of a Major Project reasonableness).

** As directed by the Commission's Decision in D. 18-10-010, Unit 1 Reactor Vessel disposal has been added to the Reasonableness Framework.

Appendix C

**SONGS Decommissioning - Nuclear Decommissioning Cost Triennial Proceeding Major
Project List Items based on the 2024 DCE**

SONGS Decommissioning - Nuclear Decommissioning Cost Triennial Proceeding
Major Project Line Items based on the 2024 DCE

Major Project ⁽¹⁾	DCE Line Item	NDCTP	Description
U1 RV Disposal - 2027 NDCTP (2024-2026)			
U1 RV Disposal ⁽²⁾	U1 - LT-7-D-20.04	2027	Transportation and Disposal of Unit 1 Rx Vessel
GTCC Waste Storage - 2027 NDCTP (2024-2026)			
GTCC Waste	SNF-2-D-GTCC	2027	GTCC Waste Storage
Internals and Vessel Segmentation - 2027 NDCTP (2024-2026)			
Internals and Vessel Segmentation	LT-3-D-3.23	2027	Finalize Internals and Vessel Segmenting Details - Unit 2
Internals and Vessel Segmentation	LT-3-D-3.24	2027	Segment, Package and Dispose of Reactor Internals - Unit 2
Internals and Vessel Segmentation	LT-3-D-3.26	2027	Finalize Internals and Vessel Segmenting Details - Unit 3
Internals and Vessel Segmentation	LT-3-D-3.27	2027	Segment, Package and Dispose of Reactor Internals - Unit 3
Internals and Vessel Segmentation	LT-3-D-3.19	2027	Design, Specify, and Procure Special Items and Materials
Internals and Vessel Segmentation	LT-3-D-3.22	2027	Test Special Cutting and Handling Equipment and Train Operators
ISFSI Aging Management - 2027 NDCTP (2024-2026)			
ISFSI Aging Management	SNF-2-D-AM Areva	2027	Areva ISFSI Relicensing
ISFSI Aging Management	SNF-2-D-AM Holtec 1	2027	Holtec ISFSI I&M Program Development
Steam Generator Removal - 2027 NDCTP (2024-2026)			
Steam Generator Removal	LT-4-D-4.33	2027	Remove and Dispose of Steam Generators - Unit 2
Steam Generator Removal	LT-4-D-4.35	2027	Remove and Dispose of Steam Generators - Unit 3
Large Component Removal - 2027 NDCTP (2024-2026)			
Large Component Removal	LT-4-D-4.27	2027	Reactor Vessel Insulation Removal and Disposal - Unit 2
Large Component Removal	LT-4-D-4.28	2027	Segment, Package and Dispose of Reactor Pressure Vessel - Unit 2
Large Component Removal	LT-4-D-4.34	2027	Remove and Dispose of Pressurizer - Unit 2
Large Component Removal	LT-4-D-4.37	2027	Remove and Dispose of Turbine Gantry Crane - Unit 2
Large Component Removal	LT-4-D-4.31	2027	Reactor Vessel Insulation Removal and Disposal - Unit 3
Large Component Removal	LT-4-D-4.32	2027	Segment, Package and Dispose of Reactor Pressure Vessel - Unit 3
Large Component Removal	LT-4-D-4.36	2027	Remove and Dispose of Pressurizer - Unit 3
Large Component Removal	LT-4-D-4.38	2027	Remove and Dispose of Turbine Gantry Crane - Unit 3
Large Component Removal	LT-4-D-4.25	2027	Remove, Package and Dispose of Essential Systems
NEPA - 2027 NDCTP (2024-2026)			
NEPA	SR-3-D-16.03	2027	Initial Real Estate Authorization Renewal and Plant Easement
DCE Updates - 2027 NDCTP (2024-2026)			
DCE Updates	LT-D-DCE3	2027	DCE Update
D&D Waste - 2027 NDCTP (2024-2026)			
D&D Waste 2		2027	Disposal of D&D Waste
D&D Waste 3		2027	Disposal of D&D Waste
Non-Essential System Removal - 2027 NDCTP (2024-2026)			
Non-Essential System Removal	LT-4-D-4.06	2027	Remove, Package and Dispose of Non-Essential Systems - Unit 2
Non-Essential System Removal	LT-4-D-4.09	2027	Remove, Package and Dispose of Non-Essential Systems - Unit 3
Non-Essential System Removal	LT-4-D-4.01	2027	Upgrade Rail Spur
Building Decontamination - 2027 NDCTP (2024-2026)			
Building Decontamination	LT-5-D-5.01	2027	Decon Containment Building - Unit 3
Building Decontamination	LT-5-D-5.02	2027	Decon Penetration Building - Unit 3
Building Decontamination	LT-5-D-5.03	2027	Decon Safety Equipment and MSIV Building - Unit 3
Building Decontamination	LT-5-D-5.04	2027	Decon Fuel Handling Building - Unit 3
Building Decontamination	LT-5-D-5.06	2027	Decon Containment Building - Unit 2
Building Decontamination	LT-5-D-5.07	2027	Decon Penetration Building - Unit 2
Building Decontamination	LT-5-D-5.08	2027	Decon Safety Equipment and MSIV Building - Unit 2
Building Decontamination	LT-5-D-5.09	2027	Decon Fuel Handling Building - Unit 2
Building Decontamination	LT-5-D-5.10	2027	Decon Turbine Building - Unit 2
Building Decontamination	LT-5-D-5.11	2027	Decon Auxiliary Radwaste Building - Common
Building Decontamination	LT-5-D-5.12	2027	Decon Auxiliary Control Building - Common
Equipment Storage - 2027 NDCTP (2024-2026)			
Equipment Storage	SNF-2-D-ES	2027	Equipment Storage
Drainage Dissipator - 2030 NDCTP (2027-2029)			
Drainage Dissipator	SR-D-Drain 1	2030	South Lot 4 Drainage Dissipator
Drainage Dissipator	SR-D-Drain 2	2030	North Lot 4 & South Drainage Dissipator
Removal Of Spent Fuel Systems/Equipment - 2030 NDCTP (2027-2029)			
Removal Of Spent Fuel Systems/Equipment	LT-4-D-4.16	2030	Drain Spent Fuel Pool and Process Liquid Waste - Unit 2
Removal Of Spent Fuel Systems/Equipment	LT-4-D-4.12	2030	Remove and Dispose of Spent Fuel Storage Racks - Unit 2
Removal Of Spent Fuel Systems/Equipment	LT-4-D-4.10	2030	Remove Underground Diesel Tank - Unit 2
Removal Of Spent Fuel Systems/Equipment	LT-4-D-4.17	2030	Drain Spent Fuel Pool and Process Liquid Waste - Unit 3
Removal Of Spent Fuel Systems/Equipment	LT-4-D-4.13	2030	Remove and Dispose of Spent Fuel Storage Racks - Unit 3
Removal Of Spent Fuel Systems/Equipment	LT-4-D-4.11	2030	Remove Underground Diesel Tank - Unit 3
Removal Of Spent Fuel Systems/Equipment	SR-4-D-17.05	2030	Remove Protected Area Security Fencing
Offshore Conduit Diffuser and Risers - 2030 NDCTP (2027-2029)			
Offshore Conduit Diffuser and Risers	SR-5-D-Riser	2030	Offshore Conduit Diffuser and Risers
Containment Building Demo - 2030 NDCTP (2027-2029)			
Containment Building Demo	SR-4-D-17.15	2030	Detension and Remove Unit 2 Containment Building Tendons
Containment Building Demo	SR-4-D-17.21	2030	Demolish Safety and MSIV Equipment Building - Unit 2
Containment Building Demo	SR-4-D-17.22	2030	Demolish Unit 2 Containment Building to 3-Feet Below Grade
Containment Building Demo	SR-4-D-17.07	2030	Detension and Remove Unit 3 Containment Building Tendons
Containment Building Demo	SR-4-D-17.13	2030	Demolish Safety Equipment and MSIV Building - Unit 3
Containment Building Demo	SR-4-D-17.14	2030	Demolish Unit 3 Containment Building to 3-Feet Below Grade
Containment Building Demo	SR-2-D-15.05	2030	Demolish Staging Warehouse
Containment Building Demo	SR-2-D-15.06	2030	Demolish Administration Building (K-40/50)
Final Plant Building Demo - 2030 NDCTP (2027-2029)			
Final Plant Building Demo	LT-4-D-4.26	2030	Removal and Disposal of Spent Resins, Filter Media and Tank Sludge
Final Plant Building Demo	SR-2-D-15.07	2030	Demolish South Yard Area Buildings T-10, 20, 60 and Haz Mat.
Final Plant Building Demo	SR-4-D-17.01	2030	Procure Clean Building Demolition Equipment
Final Plant Building Demo	SR-4-D-17.06	2030	Remove Protected Area Pavement
Final Plant Building Demo	SR-4-D-17.09	2030	Demolish Condensate Building and Transformer Pads - Unit 3
Final Plant Building Demo	SR-4-D-17.10	2030	Demolish Full Flow Area and Turbine Building - Unit 3
Final Plant Building Demo	SR-4-D-17.11	2030	Demolish Unit 3 Fuel Handling Building to 3-Feet Below Grade
Final Plant Building Demo	SR-4-D-17.12	2030	Demolish Penetration Building - Unit 3
Final Plant Building Demo	SR-4-D-17.17	2030	Demolish Condensate Building and Transformer Pads - Unit 2

SONGS Decommissioning - Nuclear Decommissioning Cost Triennial Proceeding
Major Project Line Items based on the 2024 DCE

Major Project ⁽¹⁾	DCE Line Item	NDCTP	Description
Final Plant Building Demo	SR-4-D-17.19	2030	Demolish Unit 2 Fuel Handling Building to 3-Feet Below Grade
Final Plant Building Demo	SR-4-D-17.20	2030	Demolish Penetration Building - Unit 2
<i>Final Plant Building Demo</i>	SR-4-D-17.24	2030	Demolish Building L-50
<i>Final Plant Building Demo</i>	SR-4-D-17.30	2030	Demolish Auxiliary Radwaste Building - Common
<i>Final Plant Building Demo</i>	SR-4-D-17.31	2030	Demolish Auxiliary Control Building - Common
Final Plant Building Demo	SR-D-BF	2030	Backfill
Final Plant Building Demo	SR-D-ASP	2030	Asphalt Removal
Final Survey/License Termination Plan - 2030 NDCTP (2027-2029)			
Final Survey/License Termination Plan	LT-4-D-4.39	2030	Prepare License Termination Plan
Final Survey/License Termination Plan	LT-6-D-6.01	2030	Final Status Survey
Final Survey/License Termination Plan	SR-3-D-16.02	2030	Subsurface Structure Removal Engineering Planning and Design
DCE Updates - 2030 NDCTP (2027-2029)			
DCE Updates	LT-D-DCE	2030	DCE Update
D&D Waste - 2030 NDCTP (2027-2029)			
D&D Waste 4		2030	Disposal of D&D Waste
CDP Amendment - 2030 NDCTP (2027-2029)			
CDP Amendment	SR-D-CDP SR	2030	CDP Amendment For Site Restoration
Plant Easement Extension - 2030 NDCTP (2027-2029)			
Plant Easement Extension	SR-D-NEPA 2	2030	Plant Easement Extension (2029)
Mesa Post Release Work Activities - 2033 NDCTP (2030-2032)			
<i>Mesa Post Release Work Activities</i>	<i>SR-D-MESA</i>	<i>2033</i>	<i>Mesa Post Release Work Activities</i>
DCE Updates - 2033 NDCTP (2030-2032)			
DCE Updates	SNF-D-DCE	2033	DCE Update

Notes:

(1) New Major Projects and DCE line items are reflected in red/italics font and removed or consolidated Major Projects and DCE line items are in red/italics/strike-through font.

(2) As directed by the Commission's Decision in D. 18-10-010, Unit 1 Reactor Vessel disposal has been added to the Reasonableness Framework.