

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

**ENERGY DIVISION**

**RESOLUTION E-3916  
MARCH 17, 2005**

**R E S O L U T I O N**

**Resolution E-3916. San Diego Gas & Electric Company requests confirmation of Donna J. Weston to serve on the Nuclear Decommissioning Master Trust Funds Committees.**

**Request Approved.**

**By Advice Letter 1659-E filed on January 27, 2005.**

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**SUMMARY**

**SDG&E's nomination of Donna J. Weston is approved.**

This Resolution confirms the reappointment of Donna J. Weston to serve on San Diego Gas & Electric Company's Nuclear Facilities Decommissioning Master Trust Committees [Committees] for an additional five-year term, starting on July 6, 2005.

**BACKGROUND**

**The Commission opted for externally managed trust funds to accrue nuclear decommissioning trust funds.**

In Order Instituting Investigation 86, the Commission conducted an investigation into methods of financing the cost of decommissioning California's investor owned nuclear power plants. In Decision [D.] 87-05-062, the Commission adopted externally managed trusts as the vehicle for accruing decommissioning funds. In that Decision, the Commission also established guidelines for the trust agreements.

In response to D.87-05-062, SDG&E established two trusts for its nuclear decommissioning funds. One trust was established as the vehicle to hold the decommissioning funds from contributions which qualify for an income tax deduction under section 468A of the Internal Revenue Code [the Qualified

Trust], and the other was designed to hold the remaining funds [the Non-qualified Trust].

**The Committee's non-affiliated members must be confirmed by the Commission.**

By Resolution E-3060 dated November 25, 1987, the Commission approved SDG&E's Master Trust Agreements. The Trusts were initially funded in December 1987. Under the Trust Agreements, the Committee, consisting of five members nominated by SDG&E's management and confirmed by its Board of Directors, is responsible for directing and managing the Trusts, including the appointment of trustees and investment managers and the execution of whatever contract, agreements, or other documents it deems necessary to manage and invest the Trust's assets. Three of the five Committee members must be from outside and non-affiliated with SDG&E. The Trust Agreements further provide that the three members not affiliated with SDG&E be confirmed by the Commission and shall serve terms of five years.

The nomination of Ms. Weston to serve for another five year term starting on July 6, 2005 has been confirmed by SDG&E's Board of Directors.

**NOTICE**

SDG&E mailed copies of AL 1659-E to parties listed in the Advice Letter in accordance with General Order 96A. Notice of the Advice Letter appeared on the Commission's Daily Calendar.

**PROTESTS**

Advice Letter 1659-E was not protested.

**DISCUSSION**

**This will be Weston's third nomination.**

This is the third time Ms. Weston is being nominated by SDG&E. She was nominated twice before, and confirmed by the Commission in D.94-09-049 and Resolution E-3679 to serve two five-year terms. By this advice letter, SDG&E is re-nominating Ms. Weston to continue serving as a non-affiliated Committee

member for its Trusts for an additional term of five years. Weston has indicated her willingness to serve on the Committees if confirmed by the Commission as shown in her Declaration dated June 28, 2004, attached to the Advice Letter.

**Weston has outstanding financial management background.**

The statement of Ms. Weston's qualifications attached to the Advice Letter shows that she is currently Senior Vice President and Chief Financial Officer of the Scripps Research Institute, a non-profit biomedical research entity. She joined the Institute in 1992 and is responsible for internal and external financial reporting, budgeting, and control. From 1984 to 1992, Weston was with Scripps Clinic and Research Foundation, serving as Vice President (1988) and Chief Financial Officer (1991) responsible for the Foundation's investment portfolio and financial reporting and controls. Weston was an audit manager for Deloitte, Haskins and Sells from 1977 to 1984, managing audit services for clients in the construction and real estate industries, financial and mortgage banking institutions and health care providers. She is a Certified Public Accountant.

**Weston has no conflict of interest.**

The attachment to the Advice Letter also notes that Ms. Weston has no current or past relationships with SDG&E that could reasonably be perceived as creating a conflict with her acting independently in the Trusts' best interests.

**Weston is suitable for the nominated position.**

The Energy Division believes that Ms. Weston has demonstrated independence, competence, and integrity during her service on the Committee. As a non-affiliated Committee member, she will be able to represent the ratepayers and the public who are intended to be the ultimate beneficiaries of the Trusts. The Energy Division recommends approval of Ms. Weston's appointment for an additional five year term starting on July 6, 2005.

**Current compensation arrangements are adequate.**

The Energy Division notes that the Trust Agreements in Article 3.06 state

Each committee member who is not an employee, officer, director, or otherwise an agent of the Company shall be entitled to reasonable fees and/or compensation for their services hereunder. At the time a nominee's name is furnished to the CPUC, the company shall furnish to the CPUC a statement in writing setting forth all proposed fee and/or

compensation arrangements with such nominees. The fee and/or compensation arrangements shall be subject to approval of the CPUC.

SDG&E, in its AL 1659-E proposes to continue the current fee arrangements for its outside Committee member approved in D.88-07-071 and subsequently found reasonable in D.94-09-049, i.e., \$8,000 per year and \$500 per meeting. Having been found reasonable by the Commission previously, Energy Division does not object to the current fee arrangement at this time.

### **COMMENTS**

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code Section 311(g) (2), the otherwise applicable 30-day period for public review and comment is being waived.

### **FINDINGS**

1. SDG&E filed AL 1659-E on January 27, 2005 requesting confirmation of Donna J. Weston to its committees of nuclear decommissioning trust funds.
2. In D.87-05-062, the Commission required externally managed trust funds to finance the decommissioning of nuclear power plants.
3. The Trust Agreements authorized in Resolution E-3060 provide that a Committee shall direct and manage the Trusts and perform all duties, including the appointment of trustees and investment manager and the execution of whatever contracts, agreements, or other documents it deems necessary to manage and invest such assets.
4. The Trust Agreements require that SDG&E nominate the outside members of the Committee and submit their names to the Commission for confirmation.
5. Ms. Weston is well qualified and willing to continue to serve on the Committee.

6. The fee and compensation arrangements currently applicable to non-company Committee members were established in D.88-07-071 and subsequently found reasonable in D.94-09-049 and should continue to apply to the appointment of Ms. Weston.
7. There is no opposition to AL 1659-E.
8. Ms. Weston's nomination should be confirmed.

**THEREFORE IT IS ORDERED THAT:**

1. The nomination of Donna J. Weston to serve as a non-company member of San Diego Gas & Electric Company's [SDG&E] Nuclear Facilities Decommissioning Master Trusts Committee for a term of five years starting July 6, 2005 is hereby approved.
2. The current fee and compensation arrangements for non-company members of SDG&E's Nuclear Facilities Decommissioning Master Trusts Committee as approved in Decision 88-07-071 and subsequently found reasonable in Decision 94-09-049 shall continue until revised through the process set forth in the Trust Agreements.
3. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on March 17, 2005; the following Commissioners voting favorably thereon:

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STEVE LARSON  
Executive Director

MICHAEL R. PEEVEY  
PRESIDENT  
GEOFFREY F. BROWN  
SUSAN P. KENNEDY  
DIAN M. GRUENEICH  
Commissioners