

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

Joint Application of Southern California Edison
Company (U 338-E) and San Diego Gas &
Electric Company (U 902-E) For the 2018
Nuclear Decommissioning Cost Triennial
Proceeding.

Application No. 18-03-XXX

**JOINT APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR THE 2018 NUCLEAR
DECOMMISSIONING COST TRIENNIAL PROCEEDING**

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Dated: **March 15, 2018**

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Pursuant to the California Public Utilities Commission (CPUC or Commission) Rules of Practice & Procedure, Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) (hereinafter collectively referred to as the “Utilities”), hereby respectfully submit the following Joint Application for the 2018 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP).

I.

SUMMARY OF REQUEST

In this Joint Application, the Utilities propose that the Commission approve the following in this proceeding:

The Utilities jointly request the Commission:

- 1) Find the 2017 San Onofre Nuclear Generating Station Unit 1 (SONGS 1)¹ decommissioning cost estimate (DCE) of \$209.0 million (100% share, 2014 \$) is reasonable;

¹ SCE holds an 80% interest and SDG&E holds a 20% interest in SONGS 1 decommissioning liability.

- 2) Find the 2017 San Onofre Nuclear Generating Station Units 2&3 (SONGS 2&3)² DCE of \$4,479 million (100% share, 2014 \$) is reasonable;
- 3) Approve as reasonable \$1.93 million³ (100% share, 2014 \$) for SONGS 1 decommissioning expenses incurred from January 1, 2016 to December 31, 2017 (2016-2017);
- 4) Approve as reasonable \$310.1 million⁴ (100% share, 2014 \$) for SONGS 2&3 decommissioning expenses incurred during 2016-2017; and
- 5) Find the Utilities are compliant with prior Commission decisions regarding the NDCTP.

In addition, SCE separately requests that the Commission:

- 1) Approve SCE's request to maintain its annual contributions to its SONGS 1 and SONGS 2&3 Nuclear Decommissioning Trusts (NDTs) at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 1 and SONGS 2&3, current balances in the SONGS 1 and SONGS 2&3 NDTs, projected escalation rates, and financial market conditions known at this time.

In addition, SDG&E separately requests that the Commission:

- 1) Approve as reasonable the 2017 SONGS 1 DCE for remaining SONGS 1 decommissioning work and SDG&E's 20% share of the costs (\$41.8 million, 2014 \$);⁵
- 2) Approve as reasonable the 2017 SONGS 2&3 DCE for SONGS 2&3 decommissioning work and SDG&E's 20% share of the costs (\$895.7 million, 2014 \$);⁶

² SCE holds an approximately 75.74% interest, SDG&E holds a 20% interest, the City of Anaheim holds an approximately 2.47% interest, and the City of Riverside holds a 1.79% interest in SONGS 2&3 decommissioning liability, respectively.

³ The SONGS 1 expenses include only undistributed costs incurred during 2016-2017. There were no distributed costs associated with completed projects during this period.

⁴ The SONGS 2&3 expenses include undistributed costs and the distributed costs for completed Major Projects during 2016-2017 as detailed in A.16-03-004 Milestone Framework testimony (Exhibit (Ex.) SCE-SDGE-01 at 3-4).

⁵ The total updated SONGS 1 DCE is \$209 million (100% share, 2014 \$). Ex. SCE-02 at 1.

⁶ The total updated SONGS 2&3 DCE is \$4,479 million (100% share, 2014 \$). Ex. SCE-03 at 1.

3) Approve as reasonable the \$45.9 million (SDG&E share, 2014 \$) estimate of future SDG&E-only costs for SONGS 1 and SONGS 2&3;⁷

4) Approve SDG&E's request to maintain its annual contributions to its SONGS 1 NDTs at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 1, current level of funding of the SONGS 1 NDTs, projected escalation rates, and financial market conditions known at the time the Joint Application was filed (March 15, 2018);⁸

5) Approve SDG&E's request to maintain its annual contributions to its SONGS 2&3 NDTs at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 2&3, current level of funding of the SONGS 2&3 NDTs, projected escalation rates, and financial market conditions known at the time the Joint Application was filed (March 15, 2018);⁹

6) Approve as reasonable the \$0.2 million (SDG&E share, 2014 \$) for SONGS 1 decommissioning expenses invoiced to SDG&E by SCE for completed distributed activities and undistributed costs for the 2018 NDCTP review period;¹⁰

7) Approve as reasonable the \$58.9 million (SDG&E share, 2014 \$) for SONGS 2&3 decommissioning expenses invoiced to SDG&E by SCE for completed distributed activities and undistributed costs for the 2018 NDCTP review period;¹¹

8) Approve as reasonable the \$7.4 million (2014 \$) in SDG&E-only costs for SONGS incurred during 2016-2017;¹²

⁷ Ex. SDGE-03 at 46-47.

⁸ Ex. SDGE-04 at 7.

⁹ Ex. SDGE-04 at 8.

¹⁰ Ex. SDGE-02 at 7-8.

¹¹ *Id.*

¹² Ex. SDGE-02 at 36.

9) Approve, if necessary, SDG&E’s request to establish a Non-Qualified Trust (NQT) for SONGS 3 (SONGS 3 NQT) and reallocate trust funds from SONGS 1 NQT to SONGS 2 NQT and SONGS 3 NQT;¹³ and

10) Authorize SDG&E to record Department of Energy (DOE) refunds for reimbursement to ratepayers in its Energy Resource Recovery Account (ERRA) and include the amounts in the annual ERRA compliance filing.¹⁴

II.

DISCUSSION

A. This Joint Application Is Consistent With The Objectives Of The NDCTP

As provided in the California Nuclear Facility Decommissioning Act of 1985 (Decommissioning Act)¹⁵ and Commission precedent, the objectives of this NDCTP are: (1) to set the annual revenue requirements for the decommissioning trusts for the nuclear power plants owned by the Utilities, and (2) to determine whether actual expenditures by the Utilities for decommissioning activities are reasonable and prudent.¹⁶ This Joint Application meets these objectives.

With respect to the first objective, the Decommissioning Act requires the Commission to authorize the Utilities “to collect sufficient revenues and rates to make the maximum contributions” to the NDTs, to the maximum extent deductible for federal and state income tax purposes pursuant to Internal Revenue Code § 468A and applicable regulations, “and to otherwise recover the revenue requirements associated with reasonable and prudent decommissioning costs of the nuclear facilities for purposes of making contributions into other funds established pursuant to [the Decommissioning Act].”¹⁷ The Utilities request the

¹³ Ex. SDGE-01 at 14-17.

¹⁴ Ex. SDGE-01 at 14.

¹⁵ Public Utilities Code § 8321, et seq.

¹⁶ Public Utilities Code §§ 8326-8327; Decision (D.) 17-05-020, pp. 7-8.

¹⁷ Public Utilities Code § 8325(c).

Commission approve maintaining customer contribution levels at \$0.00 for each Utility's separate SONGS 1 and SONGS 2&3 NDTs. The Utilities' requests are supported by updated decommissioning cost estimates and ratepayer contribution analyses accompanying this Joint Application.

With respect to the second objective, the Utilities are submitting supporting testimony demonstrating the reasonableness of 2016-2017 SONGS 1 and SONGS 2&3 decommissioning expenses.

B. This Joint Application Is Consistent With Other Federal And State Requirements

In addition, this Joint Application demonstrates compliance with other various federal and state requirements that the Utilities must fulfill to decommission SONGS.

As holders of Nuclear Regulatory Commission (NRC) licenses for SONGS, the Utilities have an unavoidable obligation, under NRC regulations, to decommission SONGS.¹⁸ The Utilities' customers are required to provide funding to decommission SONGS.¹⁹ In addition, the Utilities do not own the site upon which SONGS is located. Instead, they are authorized to use the site under grants of easement and leases from the U.S. Department of the Navy and the California State Lands Commission. The SONGS site leases and grants of easement also require the Utilities to decommission the SONGS facility.²⁰

¹⁸ 10 C.F.R. § 50.2 defines decommissioning as “to remove a facility or site safely from service and reduce residual radioactivity to a level that permits – (1) release of the property for unrestricted use and termination of the license” 10 C.F.R. § 50.82(a)(3) provides that “decommissioning will be completed within sixty years of permanent cessation of operations.”

¹⁹ Public Utilities Code §§ 8322, 8325, and 8328.

²⁰ Upon termination of the grants of easement, the Utilities are required to remove all improvements they installed or constructed on the site, return the site to the condition satisfactory to the grantors, and return the site to the grantors.

III.

STATUTORY AND PROCEDURAL REQUIREMENTS

A. Statutory And Regulatory Authority

This Joint Application is made pursuant to Sections 451, 454, 701, and 8321, et seq. of the Public Utilities Code. In addition, this Joint Application complies with Commission rules, prior decisions, orders, and resolutions.

The Utilities demonstrate compliance with the Commission rules applicable to the Joint Application as follows.

B. Compliance With Commission Rules For Applications

1. Rule 2.1 -- Contents

Rule 2.1 requires:

All applications shall state clearly and concisely the authorization or relief sought; shall cite by appropriate reference the statutory provision or other authority under which Commission authorization or relief is sought, shall be verified by at least one applicant . . . ; and . . . shall state the following: (a) [applicant information]; (b) [applicant service information]; (c) The proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule. . . ; (d) Such additional information as may be required by the Commission in a particular proceeding.

a) Applicant Information And Service Information

(1) SCE

SCE is a corporation organized and existing under the laws of the state of California; and is primarily engaged in the business of generating, purchasing, transmitting, distributing, and selling clean electric energy in portions of central and southern California as a public utility subject to the jurisdiction of the Commission. SCE's properties, substantially all of which are located within the state of California, consist of generation

facilities, transmission and distribution lines, and other property necessary in connection with its business.

SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, and its post office address and telephone number are:

Southern California Edison Company
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1212

Walker A. Matthews, III is the SCE attorney on this matter. Please address correspondence or communications in regard to this Application to Mr. Matthews at:

Walker A. Matthews, III
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2244 Walnut Grove Avenue
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To request a copy of this Joint Application, please contact:

Case Administration
Southern California Edison Company
8631 Rush Street
Rosemead, CA 91770
Telephone: 626-302-6906
Facsimile: 626-302-5060
E-mail: Case.Admin@sce.com

(2) **SDG&E**

SDG&E is a corporation organized and existing under the laws of the state of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. The exact legal name of the Applicant is San Diego Gas & Electric Company. The location of SDG&E's principal place of business is 8330 Century Park Court, San Diego, California 92123.

Correspondence or communications regarding this application or requests for a copy of this Joint Application from SDG&E should be addressed to:

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b) Proposed Categorization

California Public Utilities Code § 1701.1(c)(3) defines ratesetting as “cases in which rates are established for a specific company, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.” The Utilities propose this Joint Application be designated as a “ratesetting” proceeding. The Joint Application does not presently request a rate change, but the NDCTP generally involves rate issues. Therefore, the Utilities are not providing documents required under Rule 3.2 for applications requesting rate increases.

c) Proposed Schedule And Issues To Be Considered

The Utilities anticipate that hearings will be necessary in this proceeding, and propose a procedural schedule, as shown below.

SCE and SDG&E Joint Application Filed / Supporting Testimony Submitted	March 15, 2018
Application Noticed on CPUC Daily Calendar	March 21, 2018
Protests/Responses to Application(s)	April 20, 2018

Replies to Protests/Responses to Application(s)	April 30, 2018
Prehearing Conference	TBD
Workshop(s)	TBD
Intervenor Testimony	July 13, 2018
Rebuttal Testimony	August 17, 2018
Evidentiary Hearings	September 17-18, 2018
Opening Briefs	November 16, 2018
Reply Briefs	December 14, 2018
Proposed Decision Issued	Q1 2019

SCE proposes holding one or more workshops to provide an overview of the Application and supporting testimony submitted by the Utilities, including an overview of the 2017 SONGS 1 and SONGS 2&3 DCEs, and recorded costs under reasonableness review. SCE believes that the workshop(s) will facilitate the Commission's and intervenors' understanding and review of these materials.

In this proceeding, the principal issues to be considered include the reasonableness of: (1) the 2017 SONGS 1 DCE; (2) the 2017 SONGS 2&3 DCE; (3) 2016-2017 SONGS 1 decommissioning expenses; (4) 2016-2017 SONGS 2&3 decommissioning expenses; (5) the Utilities' compliance with prior Commission decisions in the NDCTP; and (6) each Utility's financial analyses and calculated customer contribution levels for their respective SONGS 1 and SONGS 2&3 NDTs.

d) Disadvantaged Communities and Safety

This Joint Application concerns cost estimates of SONGS nuclear decommissioning, reasonableness reviews of incurred decommissioning costs, and the sufficiency of NDTs. As such, it does not relate to or impact disadvantaged communities.

In D.16-01-017, the Commission amended Rule 2.1 to require all applications to include a detailed showing of relevant safety considerations. In response thereto, the Utilities provide the following information regarding safety considerations.

(1) **The NDCTP Historically Considers Ratemaking And Cost-Recovery Issues**

As noted above, the NDCTP historically considers: (1) the sufficiency of the utilities' NDTs for estimated decommissioning costs, including the adequacy of customer contribution levels; and (2) the reasonableness of activities and recorded expenditures incurred by utilities in an active decommissioning. Accordingly, in this proceeding, the Commission is primarily considering the prudence and reasonableness of the Utilities' decommissioning cost estimates, activities, and costs for SONGS 1 and SONGS 2&3. The typical ratemaking, financial, and cost-recovery issues considered in the NDCTP generally do not involve safety issues.

(2) **Radiological Health And Safety Issues**

In addition, the NRC exercises exclusive jurisdiction for radiological health and safety issues. As decommissioning agent and lead licensee, SCE is responsible for complying with the NRC's rules and regulations to ensure radiological health and safety of the public. The NRC rules and regulations preempt any state regulation for these issues. The Atomic Energy Act (AEA)²¹ created a comprehensive and pervasive program of federal regulation and licensing that permitted the private use, control, ownership, operation, and decommissioning of commercial nuclear power plants.²² The AEA gave the federal government "exclusive jurisdiction to license the transfer, delivery, receipt, acquisition, possession and use of

²¹ Atomic Energy Act, 42 U.S.C. Chapter 23.

²² *Duke Power Co. v. Carolina Env'tl. Study Grp. Inc.*, 438 U.S. 59, 63 (1978).

nuclear materials,” and regarding these subjects, “no role was left for the states.”²³ The AEA specifically authorizes the NRC to regulate the construction, operation, and decommissioning of nuclear reactor facilities in order to protect the public health and safety from radiological risks, and provides that the NRC may not cede this authority.²⁴ In particular, the NRC’s “prime area of concern in the licensing context . . . is national security, [and] public safety.”²⁵ Further, Congress’ decision to foreclose “states from conditioning the operation of nuclear plants with state-imposed safety standards” is based on “its belief that the [NRC] was more qualified to determine what type of safety standards should be enacted in this complex area.”²⁶ This precludes the state from interfering with the NRC’s jurisdiction over aspects of SONGS decommissioning operations relating to radiological health and public safety issues, including spent fuel management practices.

Second, in keeping with its broad statutory mandate under the AEA, the NRC has established a correspondingly comprehensive and pervasive regulatory framework for addressing, among other matters, the decommissioning of nuclear power reactors. Licensees are required under NRC regulations to remove a nuclear power reactor safely from service and reduce the residual radioactivity to a level that permits unrestricted or restricted use following permanent shutdown (10 C.F.R. § 50.2). 10 C.F.R. § 50.82 (Termination of License) provides the required steps for permanently shutting down a reactor, decommissioning a reactor, and terminating the reactor’s operating license. For example, the NRC requires licensees to submit a Post Shutdown Decommissioning Activities Report (PSDAR),²⁷ Irradiated Fuel Management Plan (IFMP),²⁸ and DCE for the NRC’s review.²⁹ The submittals provide plans for

²³ *Pac. Gas & Electric Co. v. State Energy Res. Conserv. & Dev. Comm’n*, 461 U.S. 190, 207 (1983) (citing 42 U.S.C. §§ 2014(e), (z), (aa), 2061-64, 2071-78, 2091-99, 2111-14).

²⁴ See 42 U.S.C. § 2021(c)(1).

²⁵ *Pacific Gas*, 461 U.S. at 207.

²⁶ *Silkwood v. Kerr-McGee Corp.*, 464 U.S. 238, 250-51 (1984).

²⁷ 10 C.F.R. § 50.82(a)(4)(i).

²⁸ 10 C.F.R. § 50.54(bb).

²⁹ 10 C.F.R. § 50.82(a)(8)(iii) & (iv).

radiological decommissioning, the schedule for decommissioning, an assessment of the impact on the environment, the plans for the handling of the spent fuel, and the cost to decommission the nuclear power reactor. About two years before the end of the decommissioning process, the licensee is required to submit a license termination plan that describes the remaining decommissioning activities and provides a final site survey to terminate the plant's operating licenses pursuant to 10 C.F.R. § 50.82(a)(11).

During permanent shutdown and decommissioning, licensees are still regulated by the NRC under some of the same regulations when the nuclear plant was in operation. The regulations in 10 C.F.R. include, but are not limited to:

- § 20 – Standards for Protection Against Radiation
- § 50 – Domestic Licensing of Production and Utilization Facilities
- § 51 – Environmental Protection Regulations For Domestic Licensing and Related Regulatory Functions
- § 72 – Licensing Requirements for the Independent Storage of Spent Nuclear Fuel, High Level Radioactive Waste, and Reactor-Related Greater Than Class C Waste
- § 73 – Physical Protection of Plants and Materials

In support of regulatory requirements during permanent shutdown and decommissioning, the NRC provides licensees with guidance for satisfying the regulations in regulatory guides and NUREGs that further demonstrate the pervasiveness of the NRC's regulation of decommissioning. Some of the guidance documents include:

- Regulatory Guide 1.184 – Decommissioning of Nuclear Power Reactors
- Regulatory Guide 1.185 – Standard Format and Content for Post-Shutdown Decommissioning Activities Report

- Regulatory Guide 1.179 – Standard Format and Content for License Termination Plans for Nuclear Power Reactors
- Regulatory Guide 1.191 – Fire Protection Program for Nuclear Power Plants During Decommissioning and Permanent Shutdown
- NUREG-0586 – Final Generic Environmental Impact Statement on Decommissioning of Nuclear Facilities

In addition to the regulations and guidance for decommissioning, NRC staff will continue to inspect a decommissioning nuclear power plant. After a licensee has certified to the NRC that all fuel has been removed from the reactor, the NRC implements an inspection program designed for decommissioning nuclear power plants until the license is terminated.³⁰ The objective of the inspections is to ensure the reactor is decommissioned safely, spent fuel is stored safely, and site operations and license termination activities comply with regulatory requirements, licensee commitments, and management controls. Some of the areas of inspection include:

- Safety reviews, design changes, and modifications
- Maintenance and surveillance
- Physical Security assessment
- Spent fuel pool safety
- Occupational radiation exposure
- Radwaste treatment, and effluent & environmental monitoring

Third, the NRC, consistent with its broad and plenary jurisdiction over the operations at nuclear plants, is implementing additional regulatory activities to address decommissioning, including relevant radiological health and safety issues. A Federal Register Notice was issued on November 19, 2015 seeking public comment on proposed changes to the

³⁰ NRC Inspection Manual, IMC 2561, Decommissioning Power Reactor Inspection Program.

regulations. “The NRC’s goal in amending the regulations would be to provide an efficient decommissioning process, reduce the need for exemptions from existing regulations, and support the principles of good regulation, including openness, clarity, and reliability.”³¹ A meeting was held on December 9, 2015 for the NRC to present the plans for a proposed rulemaking and to receive public comments. The NRC has continued to pursue this rulemaking since then and has most recently published a regulatory basis to support the rulemaking³² and a draft regulatory analysis to supplement the basis document³³ that it anticipates updating soon. A proposed rule is expected in 2018.

SCE acknowledges that it is appropriate for the Commission to consider economic issues regarding decommissioning in the NDCTP, including the reasonableness of the Utilities’ decommissioning cost estimates, activities, and costs. However, it is vitally important that the Commission not interfere with the NRC’s active and ongoing regulation of radiological health and safety issues concerning decommissioning, as doing so would violate the NRC’s exclusive jurisdiction for these issues.

(3) Worker Safety

The Utilities are committed to ensure worker safety during decommissioning, and hold the welfare of employees and contractors at SONGS as a top priority. Safety is a core decommissioning principle and an integral requirement for all work completed at SONGS. SCE implements a comprehensive safety program to ensure all SONGS personnel complete decommissioning activities safely. For example, frequent safety planning, pre-job safety briefings, worksite inspections, and post-job debriefs of lessons learned are part of

³¹ Federal Register Notice 80 FR 72358, Advance Notice of Proposed Rulemaking; Request for Comment, Regulatory Improvements for Decommissioning Power Reactors, November 19, 2015.

³² Federal Register Notice 82 FR 55954, Regulatory Basis, Regulatory Improvements for Power Reactors Transitioning to Decommissioning, November 27, 2017.

³³ Federal Register Notice 82 FR 21481, Preliminary Draft Regulatory Analysis; Request for Comments, Regulatory Improvements for Power Reactors Transitioning to Decommissioning, May 9, 2017.

the everyday work environment at SONGS to ensure worker safety. The Division of Occupational Safety and Health (DOSH), better known as Cal/OSHA, also provides oversight regarding non-radiological worker health and safety issues. SCE complies with Cal/OSHA requirements in connection with non-radiological work.

The NRC also has strict rules governing cleanup of radioactive components to protect the radiological health and safety of workers throughout the decommissioning process.

Because worker safety issues are addressed by Cal/OSHA and NRC, the Commission does not need to address these issues in this proceeding, which is generally focused on ratemaking and cost-recovery issues.

2. Rule 2.2 – Organization and Qualification To Transact Business

Rule 2.2 provides:

All applicants [] shall submit with their applications a copy of the entity's organizing documents and evidence of the applicant's qualification to transact business in California. If current documentation has previously been filed with the Commission, the application need only make specific reference to such filing.

a) Articles Of Incorporation

(1) SCE

A copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with A.06-03-020, and is incorporated herein by this reference pursuant to Rule 2.2 of the Commission's Rules of Practice and Procedure.

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and

presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with A.11-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and a copy of SCE's Certificate of Increase of Authorized Shares of the Series E Preference Stock filed with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with A.12-03-004, and are incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 5, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with A.12-06-017, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with A.13-01-016, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with A.14-03-013, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series J Preference Stock filed with the California Secretary of State on August 19, 2015, and presently in effect, certified by the California Secretary of State, was filed with the Commission on October 2, 2015, in connection with A.15-10-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series K Preference Stock filed with the California Secretary of State on March 2, 2016, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2016, in connection with A.16-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series L Preference Stock filed with the California Secretary of State on June 20, 2017, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 30, 2017, in connection with A.17-06-030, and is incorporated herein by this reference.

Certain classes and series of SCE's capital stock are listed on a "national securities exchange" as defined in the Securities Exchange Act of 1934 and copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 17, 2017, pursuant to General Order Nos. 65-A and 104-A of the Commission.

(2) SDG&E

SDG&E is a corporation duly created under the laws of the state of California. A certified copy of the Restated Articles of Incorporation of San Diego Gas & Electric Company presently in effect and certified by the California Secretary of State was filed with the Commission on September 10, 2014, in connection with SDG&E's A.14-09-008 and is incorporated herein by reference.

3. Rule 2.4 -- CEQA Compliance

Rule 2.4(c) states that any application for authority to undertake a project that is statutorily or categorically exempt from CEQA requirements shall so state, with citation to the relevant authority. Public Resources Code § 21080(b)(8) states that CEQA does not apply to the "establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies." Therefore, CEQA does not apply to this Joint Application.

C. Compliance with Prior Commission Decisions

The Utilities are submitting supporting testimony in Exhibit SCE-01 demonstrating compliance with prior decisions applicable to decommissioning, such as the requirement to develop the Milestone Framework. As demonstrated by this testimony, the Utilities have fully complied with the requirements set forth in D.16-04-019. The Commission has not yet issued a decision in the 2015 NDCTP (A.16-03-004), but the Utilities reserve the right to submit supplemental testimony in this proceeding to address its compliance with any new requirements imposed by the Commission in that proceeding.

D. Index Of Exhibits

SCE and SDG&E hereby incorporate by reference into this Joint Application the following exhibits:

SCE Exhibits to Joint Application

SCE-01	Policy Testimony On The Decommissioning of SONGS Unit 1 and SONGS Units 2&3
SCE-02	Testimony On The 2017 SONGS 1 Decommissioning Cost Estimate
SCE-03	Testimony On The 2017 Decommissioning Cost Estimate for SONGS 2&3
SCE-04	Testimony On The Reasonableness of SONGS 1 Nuclear Decommissioning Expenses Incurred During 2016-2017
SCE-05	Testimony On The Reasonableness Of The SONGS 2&3 Nuclear Decommissioning Activities and Costs Incurred During 2016-2017
SCE-06	2018 SCE Trust Fund Contributions and Financial Assumptions

SDG&E Exhibits to Joint Application

SDGE-01	SDG&E's Oversight and Fiscal Management Role at SONGS
SDGE-02	Reasonableness of SONGS 1, 2&3 Decommissioning Activities and Costs Incurred by SDG&E in 2016 and 2017
SDGE-03	2017 SONGS 1 and SONGS 2&3 DCE
SDGE-04	Financial Modeling, Trust Fund Contributions, Regulatory Accounting, and Tax Issues

IV.

CONCLUSION

The Utilities jointly request that the Commission:

- 1) Find the 2017 SONGS 1 DCE of \$209.0 million (100% share, 2014 \$) is reasonable;
- 2) Find the 2017 SONGS 2&3 DCE of \$4,479 million (100% share, 2014 \$) is reasonable;
- 3) Approve as reasonable \$1.93 million (100% share, 2014 \$) for SONGS 1 decommissioning expenses incurred during 2016-2017;
- 4) Approve as reasonable \$310.1 million (100% share, 2014 \$) for SONGS 2&3 decommissioning expenses incurred during 2016-2017; and
- 5) Find the Utilities are compliant with prior Commission decisions regarding the NDCTP.

In addition, SCE separately requests that the Commission:

- 1) Approve SCE's request to maintain its annual contributions to its SONGS 1 and SONGS 2&3 NDTs at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 1 and SONGS 2&3, current balances in the SONGS 1 and SONGS 2&3 NDTs, projected escalation rates, and financial market conditions known at this time.

In addition, SDG&E separately requests that the Commission:

- 1) Approve as reasonable the 2017 SONGS 1 DCE for remaining SONGS 1 decommissioning work and SDG&E's 20% share of the costs (\$41.8 million, 2014 \$);
- 2) Approve as reasonable the 2017 SONGS 2&3 DCE for SONGS 2&3 decommissioning work and SDG&E's 20% share of the costs (\$895.7 million, 2014 \$);
- 3) Approve as reasonable the \$45.9 million (SDG&E share, 2014 \$) estimate of future SDG&E-only costs for SONGS 1 and SONGS 2&3;
- 4) Approve SDG&E's request to maintain its annual contributions to its SONGS 1 NDTs at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 1, current level of funding of the SONGS 1 NDTs, projected escalation rates, and financial market conditions known at the time the Joint Application was filed (March 15, 2018);
- 5) Approve SDG&E's request to maintain its annual contributions to its SONGS 2&3 NDTs at \$0.00 (zero), based upon the current estimate of decommissioning costs for SONGS 2&3, current level of funding of the SONGS 2&3 NDTs, projected escalation rates, and financial market conditions known at the time the Joint Application was filed (March 15, 2018);
- 6) Approve as reasonable the \$0.2 million (SDG&E share, 2014 \$) for SONGS 1 decommissioning expenses invoiced to SDG&E by SCE for completed distributed activities and undistributed costs for the 2018 NDCTP review period;
- 7) Approve as reasonable the \$58.9 million (SDG&E share, 2014 \$) for SONGS 2&3 decommissioning expenses invoiced to SDG&E by SCE for completed distributed activities and undistributed costs for the 2018 NDCTP review period;
- 8) Approve as reasonable the \$7.4 million (2014 \$) in SDG&E-only costs for SONGS incurred during 2016-2017;
- 9) Approve, if necessary, SDG&E's request to establish an NQT for SONGS 3 and reallocate trust funds from SONGS 1 NQT to SONGS 2 NQT and SONGS 3 NQT; and

10) Authorize SDG&E to record DOE refunds for reimbursement to ratepayers in its
ERRA and include the amounts in the annual ERRA compliance filing.

Respectfully submitted,

WALKER A. MATTHEWS, III
ELIZABETH C. BROWN

EMMA D. SALUSTRO

By: /s/ Walker A. Matthews, III

By: /s/ Emma D. Salustro

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Dated: March 15, 2018

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 15th day of March, 2018, at Rosemead, California.

/s/ Thomas J. Palmisano

Thomas J. Palmisano

Vice President Decommissioning and Chief Nuclear Officer
SOUTHERN CALIFORNIA EDISON COMPANY

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf.

I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 15th day of March, 2018, at San Diego, California.

/s/ Bruce A. Folkmann

Bruce A. Folkmann

Vice President, Controller & Chief Financial Officer

SAN DIEGO GAS & ELECTRIC COMPANY