

10 CFR 140.21

May 31, 2012

ATTN: Document Control Desk
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

San Onofre Nuclear Generating Station Units 2 and 3
Docket Nos. 50-361, 50-362
Palo Verde Nuclear Generating Station Units 1, 2, and 3
Docket Nos. 50-528, 50-529, and 50-530

Subject: Annual Report of Guarantee of Payment of Deferred Premium

Dear Sir or Madam:

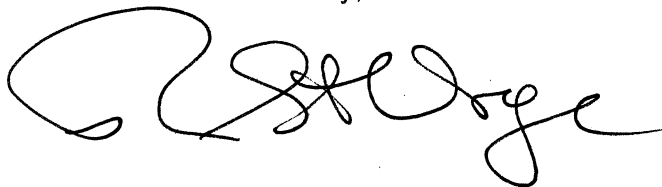
10 CFR 140.21 requires Southern California Edison (SCE), as agent for the owners of the San Onofre Nuclear Generating Station Units 2 and 3 and SCE's 15.8% ownership share of Palo Verde Units 1, 2, and 3, to provide evidence that it maintains a guarantee of payment of deferred premium in an amount of \$17.5 million for each reactor SCE is licensed to operate. In accordance with option (e) of 10 CFR 140.21 and with 10 CFR 50.71(b), SCE has provided its quarterly Form 10-Q report to the Securities and Exchange Commission in lieu of an annual certified financial statement.

SCE is providing the enclosed 2011 Internal Cash Flow statement which is from the consolidated financial statements included in SCE's 2011 annual report.

There are no commitments contained in this letter or its enclosure.

Should you have any questions or require additional information, please contact Ms. Linda T. Conklin at 949-368-9443.

Sincerely,



Enclosure

cc: E. E. Collins, Regional Administrator, NRC Region IV
R. Hall, NRC Project Manager, San Onofre Units 2 and 3
G. G. Warnick, NRC Senior Resident Inspector, San Onofre Units 2 and 3

SOUTHERN CALIFORNIA EDISON COMPANY

2011 Internal Cash Flow

(Dollars in Millions)

	<u>2011</u> <u>Actual</u>
Net Income After Taxes	\$1,144
Dividends Paid	<u>(\$520)</u>
Retained Earnings	\$624
Adjustments:	
Depreciation & Decommissioning	\$1,426
Net Deferred Taxes & ITC	\$852
Allowance for Funds Used During Construction	<u>(\$138)</u>
Total Adjustments	\$2,140
Internal Cash Flow	\$2,764
Average Quarterly Cash Flow	\$691

Percentage Ownership in All Nuclear Units:

San Onofre Nuclear Generating Station Units 2 & 3	
o Southern California Edison Company	78.21%
o San Diego Gas & Electric Company	20.00%
o City of Riverside	1.79%
Palo Verde Nuclear Generating Station Units 1, 2 & 3	15.80%

Maximum Total Contingent Liability:

San Onofre Nuclear Generating Station Unit 2	\$17.50	(1)
San Onofre Nuclear Generating Station Unit 3	\$17.50	(1)
Palo Verde Nuclear Generating Station Unit 1	\$2.77	(2)
Palo Verde Nuclear Generating Station Unit 2	\$2.77	(2)
Palo Verde Nuclear Generating Station Unit 3	\$2.77	(2)
Total	\$43.30	

(1) The value represents 100% of the SONGS Annual Per Incident Contingent Liability.

(2) The value represents 15.8% (SCE's Share) of the Palo Verde Annual Per Incident Contingent Liability