

March 12, 2014

10 CFR 50.82(a)(8)(i)(A)  
10 CFR 50.75(h)(2)  
10 CFR 50.12

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

**Subject: Docket Nos. 50-361 and 50-362,  
San Onofre Nuclear Generating Station, Units 2 and 3  
Access to Nuclear Decommissioning Trust Funds**

**Reference: Letter from Thomas J. Palmisano, Southern California Edison to U. S.  
Nuclear Regulatory Commission, Access to Nuclear  
Decommissioning Trust Funds, dated February 13, 2014**

Dear Sir or Madam:

SCE and the NRC staff have discussed whether or not exemptions from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(2) are required to support access to the Decommissioning Trust Funds set aside by the San Onofre participants in support of various activities required to decommission the site and to meet various regulatory and statutory obligations. The path forward agreed upon was a dual track submittal. The next step was the referenced letter which requested that the NRC either agree that such exemptions are not necessary or grant appropriate exemption(s) to clearly allow use of all the NDTs for their intended purposes.

It was our understanding that the staff would begin with a review to determine whether or not the NRC staff agreed that exemptions are not required. If such a conclusion appeared unlikely in a timely manner, the NRC staff was to notify SCE that the exemption is the best path forward and promptly begin its review. The content of Enclosure 2 to that letter was an exemption request similar to equivalent submittals on other dockets thereby facilitating the NRC's review.

ADD  
NRC

On March 5, 2014 SCE and NRC staff discussed the progress on the review of the dual purpose letter. The NRC staff indicated that the most timely path would be to pursue the exemption(s). The staff further indicated that the technical/financial aspects of the review could be completed very promptly and that issuance could follow soon thereafter and in no case later than the end of the second quarter which was consistent with our previous request.

As previously noted we will work closely with the NRC to avoid any adverse financial impact or delays in the decommissioning of SONGS Units 2 and 3. It remains imperative that access to these funds not be delayed significantly beyond the time-frame expected to set up appropriate processes for CPUC oversight and authorization to access the funds in the NDTs.

SCE does understand that the limitations on use of the radiological decommissioning (also referred to as license termination) funds remain in effect thus partially limiting our access to those portions of the trust funds until after the Post Shutdown Decommissioning Activities Report (PSDAR) is filed, a public meeting is held and the report is accepted by the NRC. The requested exemption would confirm unlimited access of the SONGS participants to those portions of the trusts associated with spent fuel management and site restoration.

One request was made of SCE and is provided in the attached cash flow tables. Attachment 1 to my February 13, 2014 letter included cash flows combined for both Units 2 and 3. The staff requested that the funds be separated to better correlate the cash flows to the trusts supporting each unit which would allow them to provide continued assurance that there is sufficient funding remaining for radiological decommissioning for each, separate unit. Attachment 1 provides cash flows by unit and includes updated balances as of December 31, 2013 which will be consistent with our annual 10 CFR 50.75(f)(1) reports due later this month.

In deriving the annual cash flows from the July 2013 site specific cost study, SCE refined and improved the method by which some costs were allocated in certain years. Thus, the total annual cash flows in Attachment 1 vary from the annual cash flows provided in the prior submittal even though they are based upon the same study. Finally, the July 2013 study provided cash flows in 2011 dollars, but the cash flows in Attachment 1 have been escalated to 2013 dollars, so that they can be more accurately compared to the 2013 balances.

If there are any questions or if additional information is needed, please contact Mr. Ken Wilson at (949) 368-9514.

Sincerely,

A handwritten signature in black ink, appearing to be "Ken Wilson", written over the word "Sincerely,".

Attachment

1. SONGS Units 2 and 3 Nuclear Decommissioning Trust Funds Annual Cost and Contribution Cash Flows Separated by Unit

cc: Mark Dapas, Regional Administrator, NRC Region IV  
M. H. Chernoff, NRC Project Manager, San Onofre Units 2 and 3  
Decommissioning  
R. E. Lantz, NRC Region IV, San Onofre Units 2 and 3  
G. G. Warrick, NRC Senior Resident Inspector, San Onofre Units and 2

**ATTACHMENT 1**

**SONGS UNITS 2 AND 3  
NUCLEAR DECOMMISSIONING TRUST FUNDS  
ANNUAL COST AND CONTRIBUTION CASH FLOWS  
SEPARATED BY UNIT**

March 12, 2014

## SONGS Unit 2

### Decommissioning Funding Summary

Year	Radiological Decontamination	Spent Fuel Management	Site Restoration	Total	Contributions to Trust Fund	Available Funds
2013	36,774	17,022	65,401	119,197	-	\$ 1,847,000
2014	72,949	33,767	15,104	121,820	23,400	
2015	77,044	40,942	10,781	128,767	23,400	
2016	81,294	48,132	14,195	143,622	23,400	
2017	81,072	48,001	14,157	143,229	23,400	
2018	81,072	48,001	14,157	143,229	23,400	
2019	81,072	48,001	14,157	143,229	23,400	
2020	81,294	48,132	14,195	143,622	23,400	
2021	81,072	48,001	14,157	143,229	23,400	
2022	81,072	48,001	14,157	143,229	23,400	
2023	81,072	48,001	14,157	143,229		
2024	26,253	13,032	69,736	109,021		
2025	14,659	12,996	69,545	97,201		
2026	14,659	12,996	69,545	97,201		
2027	7,269	20,327	34,487	62,084		
2028	-	7,990	-	7,990		
2029	-	7,968	-	7,968		
2030	-	7,968	-	7,968		
2031	-	7,968	-	7,968		
2032	-	7,990	-	7,990		
2033	-	7,968	-	7,968		
2034	-	7,968	-	7,968		
2035	-	7,968	-	7,968		
2036	-	7,990	-	7,990		
2037	-	7,968	-	7,968		
2038	-	7,968	-	7,968		
2039	-	7,968	-	7,968		
2040	-	7,990	-	7,990		
2041	-	7,968	-	7,968		
2042	-	7,968	-	7,968		
2043	-	7,968	-	7,968		
2044	-	7,990	-	7,990		
2045	-	7,968	-	7,968		
2046	-	7,968	-	7,968		
2047	-	7,968	-	7,968		
2048	-	7,990	-	7,990		
2049	-	7,968	-	7,968		
2050	774	8,432	9,741	18,946		
2051	774	8,432	5,197	14,403		
	\$900,174	\$727,643	\$462,867	\$2,090,684	\$ 210,600	

Notes: Costs are in 2013 dollars (in thousands).

Trust fund balance at December 31, 2013 was \$1,847,000 (net of estimated taxes)

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### SONGS Unit 3 Decommissioning Funding Summary

Year	Radiological Decontamination	Spent Fuel Management	Site Restoration	Total	Contributions to Trust Fund	Available Funds
2013	22,631	20,026	66,872	109,528	-	\$ 2,079,400
2014	44,892	39,726	19,231	103,848	7,300	
2015	64,706	43,719	14,471	122,896	7,300	
2016	84,427	47,778	17,384	149,590	7,300	
2017	84,197	47,648	17,337	149,181	7,300	
2018	84,197	47,648	17,337	149,181	7,300	
2019	84,197	47,648	17,337	149,181	7,300	
2020	84,427	47,778	17,384	149,590	7,300	
2021	84,197	47,648	17,337	149,181	7,300	
2022	84,197	47,648	17,337	149,181	7,300	
2023	84,197	47,648	17,337	149,181		
2024	25,592	13,815	80,398	119,806		
2025	14,122	13,778	80,398	108,298		
2026	14,122	13,778	80,178	108,078		
2027	7,003	21,031	39,760	67,794		
2028	-	8,826	-	8,826		
2029	-	8,802	-	8,802		
2030	-	8,802	-	8,802		
2031	-	8,802	-	8,802		
2032	-	8,826	-	8,826		
2033	-	8,802	-	8,802		
2034	-	8,802	-	8,802		
2035	-	8,802	-	8,802		
2036	-	8,826	-	8,826		
2037	-	8,802	-	8,802		
2038	-	8,802	-	8,802		
2039	-	8,802	-	8,802		
2040	-	8,826	-	8,826		
2041	-	8,802	-	8,802		
2042	-	8,802	-	8,802		
2043	-	8,802	-	8,802		
2044	-	8,826	-	8,826		
2045	-	8,802	-	8,802		
2046	-	8,802	-	8,802		
2047	-	8,802	-	8,802		
2048	-	8,826	-	8,826		
2049	-	8,802	-	8,802		
2050	995	9,338	60,218	70,552		
2051	995	9,338	55,723	66,056		
	869,093	759,789	636,038	2,264,920	\$ 65,700	

Notes: Costs are in 2013 dollars (in thousands).

Trust fund balance at December 31, 2013 was \$2,079,000 (net of estimated taxes).