



Washington, D.C. 20530

25 FEB 1981

Joseph Rutberg, Esquire  
Chief, Antitrust Division  
Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: Southern California Edison Co., San Diego Gas & Electric Co.; San Onofre Nuclear Generating Station, Units 2 & 3, Dkts. Nos. 50-361A & 50-362A

Dear Mr. Rutberg:

You have requested that the Department of Justice ("Department") give you its view on whether there has been a significant change since the construction permit was issued in the above captioned proceeding that would warrant an antitrust review pursuant to section 105(c)(2) of the Atomic Energy Act of 1954 (as amended), prior to the issuance of a license to operate the San Onofre Units 2 and 3.

The Nuclear Regulatory Commission ("Commission") issued a Memorandum and Order, CLI-80-28, on June 30, 1980, that contained criteria for the "significant changes" determination. In order to be considered significant, the change or changes: (1) must have occurred since the previous antitrust review of the licensee(s); (2) be reasonably attributable to the licensee(s); and (3) have antitrust implications that would likely warrant some Commission remedy.

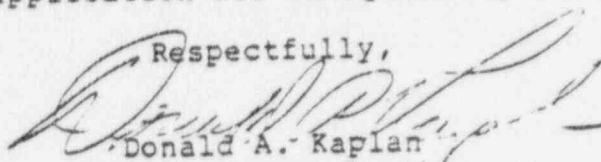
Based on the factual matters set forth in the information you transmitted to the Department and other information available to us, it appears that the only potential "significant change" in the situation in California since the prior antitrust review is the limited availability of high voltage transmission capacity to import power from out-of-state generating sources. All of the utilities in the state have had to place increased reliance on out-of-state generation because of the cancellation of nuclear power plants and the limited availability of other fuel sources within the state. The three large utilities in the state, including Southern California Edison ("SCE") and San Diego Gas and Electric, currently own or control most of the capacity available for importing power from out of state.

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Applying the Commission's criteria to this situation, it appears that there has not been a significant change and an antitrust review is not warranted. <sup>1/</sup> This conclusion is based on the following factors: The availability of transmission capacity to import power was important at the time of the prior antitrust review in much the same manner and magnitude as it is today. This suggests that there has been no change in the situation since the prior antitrust review. Even assuming the increased importance of transmission capacity to be a "significant change" it may not be reasonably attributable to the licensees. Other factors beyond the control of the licensees, such as the cancellation of planned nuclear capacity due to state and local political pressure and the limited availability of coal and gas as fuel, may have been a more substantial contributor to the importance of transmission capacity. Finally, it would be difficult to conclude that the present situation warrants additional conditions on the San Onofre Units 2 and 3 license in order to assure smaller systems in southern California easier access to out-of-state generation when SCE appears to be fully meeting its obligations under the present license conditions with respect to allowing, or assisting in obtaining, participation by smaller systems in future nuclear generation.

In light of the above, the Department is of the view that there has not been a significant change since the prior antitrust review. Accordingly, no antitrust review is warranted at this time in connection with the application for an operating license for the subject units.

Respectfully,

  
Donald A. Kaplan  
Chief, Energy Section  
Antitrust Division

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<sup>1/</sup> The Department filed a Response to the Commission's proposed "significant change" criteria with the Commission on October 10, 1980, in South Carolina Electric and Gas Company and South Carolina Public Service Authority (Virgil C. Summer Nuclear Station, Unit No. 1) NRC Docket No. 50-395A. The Department suggested a different third criterion that would require significant changes in the competitive environment (i.e., changes in the structure of the market or in the conduct of the licensee with respect to the construction or operation of the licensed plant). Even under this different criterion, the Department views the present situation in southern California as not constituting a significant change. See also the Comments of the Department of Justice in Response to the Nuclear Regulatory Commission Order of January 15, 1981, filed on February 6, 1981.

SUMMARY OF ENERGY AND FUEL REQUIREMENTS

Average Hydro Conditions

	1974 Est. of 1975	(4) Recorded 1975	(5) Recorded 1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. Energy Load - Gigawatts														
a. Sales (1)	32735	51096	53389	55101	56558	58964	61474	64200	67151	70391	73878	77435	81097	84764
b. System Losses and Unaccounted For	3931	3819	4098	4234	4444	4664	4884	5071	5278	5503	5797	6114	6449	6784
c. Total Load (arb)	36666	54915	57487	59415	61002	63628	66358	69271	72429	75894	79675	83549	87546	91548
2. Energy Production (GWH5)														
a. Hydro (b)	4590	4923	2695	4365	4365	4365	4365	4405	4410	4410	4410	4410	4410	4410
b. Fossil Steam	46405	40122	43101	41675	43204	46963	49500	49265	47832	45971	48842	47570	4615	4513
1. Gas and Oil	37393	32820	35418	33080	34325	37436	39991	39756	38323	36489	39333	38088	36502	35002
2. Coal	9012	7320	7683	8595	8879	9527	9509	9509	9509	9509	9509	9509	9509	9509
c. Turbine	188	60	114	188	188	188	188	188	188	188	188	188	188	188
d. Nuclear	2223	2574	2014	2627	2274	2380	2763	2763	2763	2763	2763	2763	2763	2763
e. Geothermal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f. Combined Cycle	0	0	0	1173	2176	4899	4899	4899	4899	4899	4899	4899	4899	4899
g. Net Firm Transfers	1452	2585	2686	3526	2930	2176	2461	2763	2763	2763	2763	2763	2763	2763
h. Pump Storage Generation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i. Pump Storage Pumping	0	0	0	0	0	0	0	0	0	0	0	0	0	0
j. Other (2)	1828	4631	6557	5661	5865	2558	2272	2891	2891	2891	2891	2891	2891	2891
k. Total	56686	54915	57487	59415	61002	63628	66358	69271	72429	75894	79675	83549	87546	91548
1. Total Unit of State (3)	11878	13726	17168	16785	16743	13414	13253	13772	13772	13772	13772	13772	13772	13772
3. Fuel Requirements														
(1. Billions of Btu,														
2. Physical Units)														
a. Gas														
1. M <sup>3</sup> Btu	46000	75109	43400	13500	12900	10000	8500	6700	5600	5000	4500	4100	3700	3300
2. M <sup>3</sup> C.F.	43000	71250	41100	12500	12100	9400	7900	6100	5200	4600	4200	3800	3400	3000
b. Coal														
1. M <sup>3</sup> Btu	2700(10)													
2. M <sup>3</sup> C.F.	2500													

(1) Edison main system (Net Edison-Isolated, Part I, Tables 7 and 8) + sales to Metropolitan Water District of Southern California (MWD) and California Department of Water Resources for the State Water Project (CWHM).

(2) Net non-firm transfers plus production from fuel cell, wind, and solar resources.

(3) Included in a. through j. above.

(4) The availability of non-firm economy energy from others exceeded estimated average year conditions. This caused the 1975 recorded oil requirement to be substantially less than the 1974 estimate of 1975.

(5) Includes recorded data through July 1976.

(6) Includes only energy generated by SCL owned hydro facilities.

DECEMBER 7, 1974  
FUTURE GENERATION RESOURCE PROGRAM  
1974-1989

DATE	RESOURCE	NET CAPACITY ADDED (MW)	TOTAL CAPACITY		AREA PEAK DEMAND (MW)	AREA MARGIN		AREA RELIABILITY INDEX (PER UNIT)	EDISON NET PEAK DEMAND (MW)	ADDITIONAL LOAD INCREASE (%)
			SUMMER (MW)	WINTER (MW)		(MW)	(%)			
12-31-73	AGGREGATE PATED CAPACITY REDUCED FOR "DRY YEAR HYDRO" CONDITIONS. 100 MW FOR SUMMER AND 119 MW FOR WINTER		13401	13523	(1)					
1- 1-74	PERATE MOVEAVE 1 (760/425 TO 790/442 MW)	17	(2)							
1- 1-74	PERATE MOVEAVE 2 (760/428 TO 790/443 MW)	17	(2)							
3- 6-74	TERMINATE VERNON	-20	(3)							
3-31-74	TERMINATE 150 MW SALE TO PORTLAND GENERAL ELECTRIC		(4)							
4- 1-74	TERMINATE PORTLAND GENERAL EXCHANGE (5) MW SEE TO PAGE		(5)							
5-31-74	TERMINATE 400 MW SALE TO NORTHWEST		(6)							
5-31-74	NAVAJO 1 LAYOFF (98 MW)	95	(7)							
8- 1-74	ELLMOOD ENERGY SUPPORT FACILITY	54								
10-10-74	TERMINATE GABBS	-6	(8)							
11- 1-74	PERATE 150 MW SALE TO PORTLAND GENERAL ELECTRIC		(4)							
11- 1-74	PERATE PORTLAND GENERAL EXCHANGE (2) MW SEE TO PAGE		(5)							
11- 1-74	PERATE LONG BEACH 10 (106 TO 50 MW)	-56	(9)							
11- 1-74	PERATE LONG BEACH 11 (106 TO 50 MW)	-56	(9)							
	TOTAL CAPACITY ADDED	45								
	LOADS AND RESOURCES FOR SUMMER 1974		13651		10279	3372	32.8	.99	9997	-2.5
	LOADS AND RESOURCES FOR WINTER 1974			13568	9181	4387	47.8			

POOR ORIGINAL

DECEMBER 17, 1974  
FUTURE GENERATION RESOURCE PROGRAM  
1974-1984

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DATE	RESOURCE	NET CAPACITY ADDED (MW)	TOTAL CAPACITY SUMMER (MW)	WINTER (MW)	AREA PEAK DEMAND (MW)	AREA MARGIN (MW)	(%)	AREA RELIABILITY INDEX (PER UNIT)	EDISON NET PEAK DEMAND (MW)	ANNUAL LOAD (THOUS) (%)
3-31-75	TERMINATE 159 MW SALE TO PORTLAND GENERAL ELECTRIC		143							
4- 1-75	TERMINATE PORTLAND GENERAL EXCHANGE (27 MW SCE TO PGE)		151							
4-15-75	DERATE NAVAJO 1 LAYOFF 198 TO 101 MW		3 (1)							
4-15-75	NAVAJO 2 LAYOFF (101 MW)		98 (3)							
5- 1-75	DERATE FOUR CORPERS 4 (800/384 TO 787/378 MW)		-6 (10)							
5-16-75	BEGIN ANNUAL SUMMER PGE EXCHANGE (100 MW PGE TO SCE FROM MAY 16, THRU OCT 15)	94/ 0 (5)								
	TOTAL CAPACITY ADDED	189/ 95								
	LOADS AND RESOURCES FOR SUMMER 1975		13776		10842	2934	27.1	.99	10540	5.4
	LOADS AND RESOURCES FOR WINTER 1975			13663	9682	3981	41.1			

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DECEMBER 17, 1974  
FUTURE GENERATION RESOURCE PROGRAM  
1974-1989

PAGE 1

DATE	RESOURCE	NET	TOTAL CAPACITY		AREA	AREA MARGIN		AREA	EFFECTIVE	AVERAGE
		CAPACITY ADDED (MW)	SUMMER (MW)	WINTER (MW)	PEAK DEMAND (MW)	(MW)	(%)	RELIABILITY INDEX (PER UNIT)		
4-15-76	HERATE NAVAJO 1 LAYOFF (101 TO 109 MW)	8 (7)								
4-15-76	HERATE NAVAJO 2 LAYOFF (101 TO 109 MW)	8 (7)								
4-15-76	NAVAJO 3 LAYOFF (109 MW)	106 (7)								
6- 1-76	INTEGPATH YUMA-ARIZ STEAM GENERATION INTO MAIN SYSTEM (75/25 MW)	25 (11)								
7- 2-76	LONG BEACH 1 (COMBUSTION TURBINE)	63 (12)								
7-30-76	LONG BEACH 2 (COMBUSTION TURBINE)	63 (12)								
8-27-76	LONG BEACH 3 (COMBUSTION TURBINE)	63 (12)								
9-24-76	LONG BEACH 4 (COMBUSTION TURBINE)	63 (12)								
9-24-76	LONG BEACH 1-4 (STEAM)	82 (12)								
10-22-76	LONG BEACH 5 (COMBUSTION TURBINE)	63 (12)								
11- 1-76	BEGIN ANNUAL WINTER PG&E EXCHANGE (106 MW SEE TO PG&E FROM NOV 1 THRU MAR 31)	15)								
11-19-76	LONG BEACH 6 (COMBUSTION TURBINE)	63 (12)								
12-17-76	LONG BEACH 7 (COMBUSTION TURBINE)	63 (12)								
12-17-76	LONG BEACH 5-7 (STEAM)	49 (12)								
	TOTAL CAPACITY ADDED	719								
	LOADS AND RESOURCES FOR SUMMER 1976		14049		11352	2697	23.8	.29	110%	4.8
	LOADS AND RESOURCES FOR WINTER 1976			14382	10348	4834	39.8			

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APPENDIX 3

DECEMBER 17, 1974  
POWER GENERATION RESOURCE PROGRAM  
1974-1980

1974-1980

DATE	RE SOURCE	IN 1 CAPACITY ADDED (MW)	TOTAL CAPACITY SUMMER (MW)	AREA DEMAND (MW)	AREA MARGIN (MW)	AREA REL. ABILITY INDEX (PER UNIT)	1974-1980 1974 1975 1976 1977 1978 1979 1980
4-1-77	DEBATE FOUR CORPUS 4 (178/378 TO 742/356 MW)	-22 (10)					
6-1-77	COOL WATER 3	236					
6-1-77	DEBATE FOUR CORPUS 5 (800/304 TO 742/356 MW)	-28 (10)					
6-10-77	DEBATE MOVE 1 (790/442 TO 746/417 MW)	-25 (10)					
6-30-77	DEBATE MOVE 2 (790/443 TO 746/418 MW)	-25 (10)					
	TOTAL CAPACITY ADDED	136	14631	11879 10945	2752 3573	23.2 32.6	1.111 1.111
4-1-78	APES CONSTRUCTION TURBINE	25				.99	
6-1-78	COOL WATER 4	236					
	TOTAL CAPACITY ADDED	261	14892	12467 11603	2425 3176	19.5 27.4	1.111 1.111
1-1-79	DEBATE LONG BEACH 10 (50 TO 106 MW)	56 (9)					
1-1-79	DEBATE LONG BEACH 11 (50 TO 106 MW)	56 (9)					
6-1-79	CONSTRUCTION TURBINES 15 UNITS	270 (13)					
	TOTAL CAPACITY ADDED	382	15274	13084 12170	2190 2991	16.7 24.6	1.2768 1.2768
	LOADS AND RESOURCES FOR SUMMER 1979						5.0
	LOADS AND RESOURCES FOR WINTER 1979						

DECEMBER 17, 1974  
FUTURE GENERATION RESOURCE PROGRAM  
1974-1989

SEE 4

DATE	RESOURCE	NET	TOTAL CAPACITY		AREA	AREA MARGIN		AREA	EDISON TRT	TOTAL
		CAPACITY ADDED (MW)	SUMMER (MW)	WINTER (MW)	PEAK DEMAND (MW)	(MW)	(%)	RELIABILITY INDEX (PER UNIT)	PEAK DEMAND (MW)	LOAD (MW)
3- 1-80	BIG CREEK 3 UNIT 5 (A)	29 (14)								
5-11-80	Kaiparowits 1 (B)	(15)								
6- 1-80	LUFERNE VALLEY 1A2	452 (16)								
7- 1-80	SAN ONOPE 2 (228/182 MW)	182 (17)								
7- 1-80	FUEL CELL 1	26 (18)								
10- 1-80	FUEL CELL 2	26 (18)								
12- 1-80	FUEL CELL 3	26 (18)								
	TOTAL CAPACITY ADDED	741								
	LOADS AND RESOURCES FOR SUMMER 1980		15963		13705	2258	16.5	.98	1711	11
	LOADS AND RESOURCES FOR WINTER 1980			15902	12741	3161	24.8			
1- 1-81	FUEL CELL 4	26 (18)								
3- 1-81	FUEL CELL 5	26 (18)								
5- 1-81	FUEL CELL 6	26 (18)								
5-11-81	Kaiparowits 1 (1750/200 MW)	291 (15)								
6- 1-81	COMBUSTION TURBINE 11 UNITS	54 (13)								
6- 1-81	FUEL CELL 7	26 (18)								
7- 1-81	GEAR SAN ONOPE 2 (228/182 TO 1140/912 MW)	730 (17)								
8- 1-81	FUEL CELLS 8&9	52 (18)								
10- 1-81	SAN ONOPE 3 (228/182 MW)	182 (17)								
11- 1-81	FUEL CELLS 10&11	52 (18)								
	TOTAL CAPACITY ADDED	1465								
	LOADS AND RESOURCES FOR SUMMER 1981		17246		14395	2851	19.8	.96	16100	11
	LOADS AND RESOURCES FOR WINTER 1981			17367	13371	3996	29.9			

(A)

NON-FIRM ENERGY PRODUCTION ONLY. TIMELY REGULATORY APPROVAL AND/OR FAVORABLE CONSTRUCTION PROGRESS MAY ALLOW ADVANCEMENT OF THE FIRM OPERATING DATES OF THE KAIPAROWITS PROJECT BY AS MUCH AS ONE YEAR ALLOWING FIRM COMMERCIAL OPERATION OF UNIT 1 ON 5-11-80.

(B)

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DECEMBER 17, 1974  
FUTURE GENERATION RESOURCE PROGRAM  
1974-1989

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DATE	RESOURCE	NET CAPACITY ADDED (MW)	TOTAL CAPACITY SUMMER (MW)	WINTER (MW)	AREA PEAK DEMAND (MW)	AREA MARGIN (MW)	AREA RELIABILITY INDEX (PER UNIT)	EDGE OF I PEAK DEMAND (MW)	ATTEND LOAD THRU 1989 (MW)
1- 1-82	FUEL CELLS 12813	52 (18)							
4- 1-82	FUEL CELLS 14815	52 (18)							
5-31-82	Kaiparowits 2 (750/300 MW)	291 (15)							
10- 1-82	Renate San Onofre 3 (228/182 TO 1160/912 MW)	730 (17)							
	TOTAL CAPACITY ADDED	1125							
	LOADS AND RESOURCES FOR SUMMER 1982		17875		15131	2744	18.1	.96	1483
	LOADS AND RESOURCES FOR WINTER 1982			18492	14048	4444	31.6		
1- 1-83	Kaiparowits 3 (750/300 MW)	291 (15)							
12- 1-83	Kaiparowits 4 (750/300 MW)	291 (15)							
	TOTAL CAPACITY ADDED	582							
	LOADS AND RESOURCES FOR SUMMER 1983		18896		15982	2914	18.2	.98	15603
	LOADS AND RESOURCES FOR WINTER 1983			19074	14839	4235	28.5		
	(B)								
8- 1-84	Lucerne Valley 384	453 (16)							
6- 1-84	COMBUSTION TURBINE (1 UNIT)	53 (13)							
	TOTAL CAPACITY ADDED	506							
	LOADS AND RESOURCES FOR SUMMER 1984		19693		16826	2867	17.0	.97	15511
	LOADS AND RESOURCES FOR WINTER 1984			19588	15623	3967	25.3		

(B)

ALTHOUGH HUNTINGTON BEACH IS THE PREFERRED SITE, LUCERNE VALLEY REPRESENTS THE GREATER COST EXPOSURE AND THUS IS BEING USED FOR PLANNING AND BUDGETING PURPOSES.

DECEMBER 17, 1974  
FUTURE GENERATION RESOURCE PROGRAM  
1974-1989

POOR ORIGINAL

APPENDIX 3

DATE	RESOURCE	NET CAPACITY ADDED (MW)	TOTAL CAPACITY SUMMER (MW)	WINTER (MW)	AREA PEAK DEMAND (MW)	AREA MARGIN (MW)	AREA RELIABILITY INDEX (PER UNIT)	LOADS FOR SUMMER 1985	LOADS FOR WINTER 1985
1- 1-85	TERMINATE GROVELLE-THERMAL 110	-318 (19)							
1- 1-85	TERMINATE NAVAJO LAYOFF (327 MW)	-318 (7)							
4- 1-85	GEOTHERMAL 182	100 (20)							
6- 1-85	COMBINED CYCLE (11 UNITS)	245 (13)							
6- 1-85	(B) LUCERNE VALLEY 566	453 (16)							
6- 1-85	COMBUSTION TURBINE ( 9 UNITS)	502 (13)							
6- 1-85	SAN JOAQUIN NUC 1 (1270/260 MW)	260 (21)							
	TOTAL CAPACITY ADDED	924							
	LOADS AND RESOURCES FOR SUMMER 1985		20617		17741	2876	16.2	.97	17110
	LOADS AND RESOURCES FOR WINTER 1985			20504	16469	4035	24.5		
6- 1-86	COMBINED CYCLE (12 UNITS)	468 (13)							
6- 1-86	COMBUSTION TURBINE (6 UNITS)	362 (13)							
6- 1-86	SAN JOAQUIN NUC 2 (1270/260 MW)	260 (21)							
	TOTAL CAPACITY ADDED	1070							
	LOADS AND RESOURCES FOR SUMMER 1986		21687		18640	3047	16.3	.99	17710
	LOADS AND RESOURCES FOR WINTER 1986			21574	17289	4285	24.8		
6- 1-87	TERMINATE HODDER	-277 (22)							
6- 1-87	COMBUSTION TURBINE (12 UNITS)	660 (13)							
6- 1-87	COMBINED CYCLE (14 UNITS)	936 (13)							
6- 1-87	SAN JOAQUIN NUC 3 (1270/260 MW)	260 (21)							
8- 1-87	TERMINATE BPA EXCHANGE	-517 (23)							
	TOTAL CAPACITY ADDED	1062							
	LOADS AND RESOURCES FOR SUMMER 1987		22749		19574	3175	16.2	.99	17710
	LOADS AND RESOURCES FOR WINTER 1987			22636	18149	4487	24.7		

(B)

ALTHOUGH THE LUCERNE VALLEY IS THE PREFERRED SITE, LUCERNE VALLEY REPRESENTS THE GREATER COST EXPENDITURE AND THIS IS BEING USED FOR PLANNING AND BIDDING

POOR ORIGINAL

REVISION 17-1974  
 COAST GUARDIAN RE SOURCE PROGRAM  
 1974-1989

DATE	RE SOURCE	NET CAPACITY ADDED (MW)	TOTAL CAPACITY SUMMER (MW)	AREA PER MW (SQ FT)	AREA MAINTEN (SQ FT)	AREA TOTAL (SQ FT)	AREA TOTAL (SQ FT)	AREA TOTAL (SQ FT)
6-1-88	WIND POWER (1540/1386 MW)	1386 (25)						
6-1-88	SAR, JORDANIAN MFC & (1270/260 MW)	270 (21)						
	TOTAL CAPACITY ADDED	1656	24395	20568 19065	3821 5217	18.6 27.4	2.91	4.9
6-1-89	WIND POWER (1540/1386 MW)	1386 (25)						
	TOTAL CAPACITY ADDED	1386	25781	21546 19978	4235 5696	19.7 28.5	2.91	4.9

CC

THE WIND POWER PROJECT SCHEDULE IN 1988 IS A POSSIBLE ALTERNATIVE TO THE  
 COMPLETED CYCLE AND COMBUSTION TURBINE UNITS SCHEDULED IN 1985 AND 1986.

# POOR ORIGINAL

APPENDIX 4

February 12, 1974

Mr. Joseph C. Fackrell, P.E.  
Executive Director  
Intermountain Consumer Power Association  
8722 South 300 West  
Sandy, Utah 84070

Dear Mr. Fackrell:

Subject: Intermountain Power Project  
Possible Participation by Edison  
Steering Committee Consideration

Your letter of January 10, 1974, advising of the Steering Committee's decision to limit participation at this time in the proposed Intermountain Project to the present membership, has been received.

As we understand it, the feasibility study is presently progressing based on an anticipated maximum capacity of 3,000 megawatts, for which the participants have fully subscribed at this time. However, if the feasibility study should indicate that capacity would be available in excess of the anticipated 3,000 megawatts, consideration would be given to other requests, including Edison's.

We would like very much to receive the information offered in your letter, as the study progresses. In the meantime, of course, we will continue to maintain communications with the Cities of Anaheim and Riverside regarding the status of the feasibility study.

Sincerely,

Original Signed  
D. J. Fogarty

D. J. Fogarty

J7:pdd