

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

Order Instituting Investigation on the
Commission's Own Motion into the Rates,
Operations, Practices, Services and Facilities of
Southern California Edison Company and San
Diego Gas and Electric Company Associated
with the San Onofre Nuclear Generating
Station Units 2 and 3.

Investigation 12-10-013
(Filed Oct. 25, 2012)

And Related Matters.

Application 13-01-016
Application 13-03-005
Application 13-03-013
Application 13-03-014

**THE COALITION TO DECOMMISSION SAN ONOFRE'S EX PARTE
COMMUNICATION REGARDING PROPOSED SETTLEMENT
OF APRIL 3, 2014**

Raymond Lutz
raylutz@CitizensOversight.org

THE COALITION TO DECOMMISSION SAN ONOFRE (CDSO)
A Project of Citizens Oversight, Inc.
771 Jamacha Rd, #148
El Cajon, CA 92019
Telephone: (619) 820-5321

June 30, 2014

DOCUMENT ID: CDSO-508

Citizens Oversight, Inc., a 501(c)3 corporation doing business as "The Coalition to Decommission San Onofre" (CDSO) is an "interested party" in the above mentioned proceedings, which have been categorized as "rate-setting."¹

This ex parte communication is regarding the motion to adopt the proposed settlement of April 3, 2014².

On April 14, 2014, Southern California Edison and other proponents (SDG&E, TURN, ORA, FOE) of the proposed settlement met in a number of private ex parte meetings³. These parties met for 45 minutes with representatives for Commissioner Peevey, 30 minutes with advisors to Commissioner Picker, 30 minutes with advisors to, and with Commissioner Florio, and 30 minutes with Advisors to Commissioner Peterman. During these meetings, the proponents presented their point of view to Commissioner Florio and advisors of the other Commissioners.

There were also other ex parte meetings with the Commission by the proponents of the settlement.

According to the rules of practice and procedure (8.2 and 8.3), such meetings are allowed in ratemaking proceedings with advisors to Commissioners without prior notice. Prior notice was provided for the meeting with Commissioner Florio. Also, including in those rules, other parties are allowed to request equal time in similar ex parte meetings.

The CDSO requested equal time before the Commission in the recent public meeting of June 16, 2014, but ALJ Darling ruled that we were not allowed additional time to present our views to the Commission to match the additional time provided to the proponents of the proposed settlement agreement.

Citizens Oversight and the CDSO have requested guidance by CPUC legal advisors regarding the interpretation of the law with regard to individual and private ex parte meetings, as we believe the plain reading of the law does not allow for individual meetings with Commissioners without advance notice to other parties also inviting them to attend the meeting. A response to our request is pending.

We do not wish to engage in this system of ex parte communications which we believe is contrary to the clear intent of the law, and we believe a bad way to handle these proceedings. Therefore,

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- 1 "ORDER INSTITUTING INVESTIGATION REGARDING SAN ONOFRE NUCLEAR GENERATING STATION UNITS 2 AND 3" <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M032/K192/32192692.pdf> Page 15: "We determine that the category of this proceeding is ratesetting. (Rules 1.3(e) and 7.1(c).) This is consistent with the preliminary issues focusing on the economic consequences of the outages, repairs, source of replacement electricity, cost of replacement electricity, and cost responsibility. This determination may be appealed under the procedures stated in Rule 7.6.
 - 2 <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M089/K640/89640857.PDF> -- "JOINT MOTION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E), SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E), THE UTILITY REFORM NETWORK, THE OFFICE OF RATEPAYER ADVOCATES, FRIENDS OF THE EARTH, AND THE COALITION OF CALIFORNIA UTILITY EMPLOYEES FOR ADOPTION OF SETTLEMENT AGREEMENT"
 - 3 <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M090/K127/90127274.PDF> -- "JOINT NOTICE OF EX PARTE COMMUNICATION BY SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E), SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E), THE UTILITY REFORM NETWORK, THE OFFICE OF RATEPAYER ADVOCATES, AND FRIENDS OF THE EARTH"

we have prepared a recorded oral presentation which we request each of the aforementioned advisors and Commissioners should watch, just as if we had traveled to the CPUC offices in San Francisco and sat before them in an in-person meeting. We request that each of the advisors and Commissioners that has already met with any proponent of the settlement view and listen to our recorded presentation, and provide us with written confirmation that we were granted equal time by viewing our recorded presentation, which is approximately 30 minutes in length.

This presentation can be found at this public URL: <http://www.copswiki.org/Common/M1458>

Also, the written presentation is provided as an attachment to this filing, and is also provided at the link referenced above.

Our message is clear. The Commission should not approve this settlement, which is unlawful in how it was negotiated, unfair to ratepayers, and bad Commission policy. It rewards SCE with unprecedented profits on the net asset value of the plant and pre-pays them for third-party recoveries, which is improper, and forces ratepayers to wait for years or decades to be compensated from those third-party lawsuits.

We show that SCE comes out about even if the Commission adopts the "hands-off" approach, which is similar to the rulings in the HELMS and MOHAVE engineering and maintenance failures, with the ratepayers providing only replacement power and a portion of the other categories, but 0% net asset value of the plant, 0% of the Replacement Steam Generators, and with 0% return on investment. However, we support SCE retaining 100% of salvaging proceeds and 100% of any proceeds from their litigation with their insurance company NEIL and their contractor, Mitsubishi Heavy Industries, and the "Nuclear Waste Operation" (NWO), which is the fuel pools and dry cask storage areas and related infrastructure, is sold in our plan to the decommissioning project.

We believe this is a cleaner and better settlement, and much better policy for the Commission.

It is important that we emphasize that the Commissioners should immediately take the plant out of rates as of Feb 1, 2012, and rebate ratepayers for this amount. This should not be a point of negotiation that the utilities reluctantly give up.

Please consider our points we make in this presentation and related documents.

Respectfully submitted,

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Ray Lutz

Coalition to Decommission San Onofre

A project of Citizens Oversight