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December 6, 2012

Mr. Paul Clanon
California Public Utilities Commission
505 Van Ness Avenue, Room 5223
San Francisco, CA 94102

Dear Mr. Clanon:

San Diego Gas & Electric Company ("SDG&E") submits this letter pursuant to California Public Utilities Code section 455.5(b),¹ which requires utilities to notify the California Public Utilities Commission ("Commission") when a major generation facility has been out of service for nine consecutive months. Section 455.5(c) excludes time for any "planned outages" from this "out of service" period.

Unit 2 of the San Onofre Nuclear Generating Station ("SONGS") began a scheduled refueling outage on January 10, 2012,² an outage that was scheduled to last until March 5, 2012. On January 31, 2012, a primary-to-secondary reactor coolant leak was detected in one of the steam generators in SONGS's Unit 3. Southern California Edison Company ("SCE") completed planned activities for the Unit 2 refueling outage, but did not return Unit 2 to service as scheduled on March 5, 2012, pending an evaluation of the susceptibility of the Unit 2 steam generators to the tube wear found in Unit 3. On October 3, 2012, SCE submitted a proposal to the Nuclear Regulatory Commission ("NRC") to return Unit 2 to service at a reduced power level (70%) for approximately five months, followed by a mid-cycle scheduled outage. The NRC has not yet approved SCE's proposal. Thus Unit 2 has been out of service for nine consecutive months as of this date.

Subsection (c) of section 455.5 provides for the Commission, within 45 days after receiving a 455.5(b) out-of-service notice, to institute an investigation "to determine whether to reduce the rates of the corporation to reflect the portion of the electric, gas, heat, or water generation or production facility which is out of service." The Commission issued an Order Instituting Investigation on November 1, 2012, which addresses issues relating to the outages of both Unit 2 and Unit 3.

Respectfully,

A handwritten signature in black ink, appearing to read 'James P. Avery', is written over a horizontal line.

James P. Avery

¹ All further section references are to the California Public Utilities Code.

² The breakers were opened at Unit 2 at approximately 9 p.m. on January 9, 2012. Hence, Unit 2 delivered power to the grid on January 9. Outage-related work activities were scheduled to commence shortly after midnight on January 10, 2012.