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Sent: 11/19/2013 4:34:16 PM
To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
Bcc:
Subject: CPUC Issues First in Series of Proposed Decisions to Protect Consumers From Overpaying for San Onofre-Related Costs: CPUC Information Alert

CPUC Issues First in Series of Proposed Decisions to Protect Consumers From Overpaying for San Onofre-Related Costs: CPUC Information Alert

The California Public Utilities Commission (CPUC) today took the first of many expected actions to ensure that consumers do not overpay for electricity due to the outage and subsequent closure of the San Onofre Nuclear Generating Station. A Proposed Decision issued today by Administrative Law Judges orders refunds for customers of Southern California Edison and San Diego Gas & Electric (SDG&E) as a result of reduced operating costs in 2012 following a Unit 3 steam generator tube leak at San Onofre on January 31, 2012, and an immediate halt to generation.

The Proposed Decision orders refunds of approximately \$94 million (\$74.2 million for Edison customers and \$19.3 million for SDG&E customers), which represents a portion of the costs incurred by Edison and SDG&E during 2012 that the CPUC found were neither reasonable nor necessary.

Said Commissioner Mike Florio, the lead Commissioner for the CPUC's San Onofre investigation, "The Proposed Decision issued today is the first in a series that evaluates costs to ensure customers don't pay for both the power plant that was shut down and the power that had to be purchased to replace it. The CPUC is considering hundreds of millions of dollars in additional refunds to customers resulting from replacement power costs, steam generator replacement costs, and removing San Onofre from rate base."

The Proposed Decision orders the utilities to make the refunds by reducing the rates that consumers would otherwise pay, starting January 1, 2014.

The Proposed Decision determines that Edison's continuing to spend money on a restart plan for San Onofre after May 2012 was the result of an unsound decision-making process, primarily because Edison did not consider alternatives or rate impact, or realistically assess the regulatory hurdles blocking a reasonably foreseeable restart.

The Proposed Decision is targeted for the CPUC's Dec. 19, 2013, Voting Meeting and is available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M081/K627/81627425.PDF> (please past into your browser if clicking does not work).

Please let me know if you have any question.

Terrie Prosper

Director, News and Public Information Office

California Public Utilities Commission

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