

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 )

I.12-10-013  
(Filed October 25, 2012)

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 And Related Matters. )  
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A.13-01-016  
 A.13-03-005  
 A.13-03-013  
 A.13-03-014

**ALLIANCE FOR NUCLEAR RESPONSIBILITY'S RESPONSE  
 TO MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)  
 FOR AUTHORITY TO REDUCE RATES ON AN INTERIM BASIS**

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Date: July 31, 2013

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## **I. INTRODUCTION.**

Pursuant to Rule 11.1(e) of the California Public Utilities Commission (“Commission” or “CPUC”) Rules of Practice and Procedure, and the July 26, 2013 email of ALJs Darling and Dudley specifying an August 2, 2013 deadline for responses, the Alliance for Nuclear Responsibility (“A4NR”) offers its response to the July 24, 2013 motion of San Diego Gas & Electric Company (“SDG&E”) for authority to reduce rates on an interim basis. A4NR considers the SDG&E motion to be well-intentioned, but inconsistent with prior SDG&E testimony and undersized in its proposed interim rate reduction. Consequently, A4NR recommends that the SDG&E motion be denied.

## **II. SDG&E’S EARLIER IDENTIFICATION OF \$53.734 MILLION IN NON-GENERATION REVENUE REQUIREMENT SHOULD BE THE STARTING POINT.**

SDG&E-1 identified \$53.734 million<sup>1</sup> as the amount of SONGS revenue requirement which should “be excluded from any rate reduction and remain in rates as SDG&E believes these costs are necessary to ensure a safe and secure environment for SONGS.”<sup>2</sup> This testimony was developed in coordination with SCE-1 and appears to be consistent with it. SDG&E observed at the time that D.12-11-051, the Southern California Edison Company (“Edison” or “SCE”) General Rate Case (“GRC”), gave SDG&E “a clear guide as to what to expect as its share of SONGS costs over the 2012 – 2014 period” but that the absence of a decision in its own GRC compelled it to derive its estimates from its 2011 authorized revenue requirement.<sup>3</sup> As a consequence, it is unclear to A4NR to what extent and how the \$53.734 million should be treated

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<sup>1</sup> This amount appears to be expressed in 2009 dollars. SDG&E-1, p. 17

<sup>2</sup> *Id.*, p. 4.

<sup>3</sup> *Id.*, p. 6.

up before being subtracted from the \$188.892 million which the SDG&E motion identifies as “the total SONGS revenue requirement for 2013 ... to be put into rates on September 1, 2013.”<sup>4</sup>

Assuming no adjustment, or only minor ones, it is clear that SDG&E’s proposed rate reduction “in a range between \$62 million and \$67 million”<sup>5</sup> is undersized by an order of magnitude. Consistent with what SDG&E originally identified as the costs that would be subject to refund, its proposed rate reduction for the prematurely retired electric generation asset should be approximately \$135 million. SDG&E has offered no explanation for why its customers should continue to be charged for the electric generating portion of this abandoned plant, or how it would be lawful under Cal. Pub. Util. Code §§ 451 and 728 to do so.

### **III. SDG&E’S MOTION SHOULD BE DENIED, DRA’S SHOULD BE GRANTED.**

SDG&E’s motion suffers from none of the malevolence of the July 22, 2013 motion filed by Edison<sup>6</sup> in this proceeding, and the SONGS junior partner should be acknowledged for sincerely addressing an unjust and unreasonable overcollection from its customers. Nevertheless, its proposed interim reduction is significantly short of the amount simple fairness requires. A better approach would be to true up the \$53.374 non-generation amount to 2013 dollars, subtract it from the \$188.892 million 2013 revenue requirement, and remove approximately \$135 million from rates. With the small adjustments A4NR has previously

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<sup>4</sup> SDG&E motion, p. 4.

<sup>5</sup> *Id.*, pp. 1, 7.

<sup>6</sup> SCE, “Motion of Southern California Edison Company (U 338-E) for an Order Authorizing a Change to SCE’s Preliminary Statement, Part YY, Base Revenue Requirement Balancing Account and Part ZZ, Energy Resource Recovery Account,” July 22, 2013. A4NR addresses Edison’s motion in a separate response filed this same day.

suggested,<sup>7</sup> the motion to accomplish this (which was filed by the Division of Ratepayer Advocates on June 25, 2003) should be granted forthwith.

#### **IV. CONCLUSION.**

For the reasons stated herein, SDG&E's motion should be denied.

Respectfully submitted,

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<sup>7</sup> A4NR, "Response to Motion of Division of Ratepayer Advocates to Amend the Scoping Memo and for Summary Disposition to Immediately Remove Specified SONGS Units 2 and 3 Revenue Requirement from Rates," July 10, 2013.