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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY OF SAN FRANCISCO

11 MICHAEL J. AGUIRRE,  
12 Plaintiff,  
13 v.  
14 CALIFORNIA PUBLIC UTILITIES  
15 COMMISSION, et al.,  
16 Defendants.

Case No. CPF-15-514188

**DECLARATION OF MARIA C. SEVERSON  
IN SUPPORT OF PLAINTIFF'S  
SUPPLEMENTAL BRIEF**

Continued Date: January 21, 2016  
Time: 9:30 a.m.  
Dept.: 302, Hon. Ernest H. Goldsmith

Complaint filed: March 9, 2015

17  
18 1. I am an attorney duly licensed to practice law before all of the courts of the State  
19 of California, and I am a partner with the law firm of Aguirre & Severson LLP, the attorneys of  
20 record for the Plaintiff in this action. Except where otherwise stated, I have personal knowledge  
21 of the matters stated herein and if sworn as a witness could and would testify competently thereto.

22 2. The following documents attached as Exhibits hereto are true and correct copies of  
23 what they are purported to be:

Ex.	Date	Document
25 1	31 January 2012	SCE Notification of San Onofre, Unit 3 'Reactor Coolant Leak' for steam generator leak
26 2	Re 23 December 2013	Office of Inspector General, NRC, Event Inquiry, page 9 re 23 December 2013 report of replacement steam generators experiencing "significant and unexpected steam generator tube wear and the loss of tube integrity"

1	3	28 January 2013	Email from Michael Peevey: "I had dinner with Ron L Friday night"
2	4	8 June 2015	Declaration of Edward F. Randolph, CPUC Director of Energy, re 26 March 2013 meeting with CPUC Peevey and SCE Pickett in Warsaw, Poland
3	5	26 March 2013	Handwritten "RSG Notes": CPUC's Peevey and SCE's Pickett re San Onofre settlement from private meeting at the Hotel Bristol, Warsaw, Poland
4	6	31 March 2013	Email CPUC's Edward Randolph to CPUC Commissioner Florio re "Commissioner Peevey asked me to set up a meeting" after "email problems in Poland" and "keep this meeting to just the three of us, ..." explain the topic in person (or on the phone)."
5	7	1 April 2013	Email from SCE's Pickett to SCE CEO Craver, "My Notes" and attached "Elements of SONGS Deal"
6	8	4 April 2013	Email SCE's Pickett to SCE's Worden re "settlement framework"..."take my notes and turn it into a simple term sheet"..."include the non-RSG CWIP" I'm on it. I have the SONGS 1 settlement and will get it to you."
7	9	29 May 2013	SCE executive email thread "small window of opportunity to work with parties to implement a shutdown in exchange for getting our money back;" and "in talking with Carol [Brown, CPUC Peevey's Chief of Staff], she indicated that Pickett was well prepared in Poland."
8	10	6 June 2013	Email from SCE CEO Craver re Brown-Feinstein-Peevey phone calls: Governor Brown "indicated a willingness to do that" (in response to the media, help by indicating "he thought the company was acting responsibly;" Peevey "said he was going out with a statement after our investor call."
9	11	12 June 2013	SCE certification it permanently shut down San Onofre Nuclear Generating Station
10	12	7 June 2013	Email by Peevey advisor Brian Stevens to Peevey's Chief of Staff, Carol Brown, and SCE Director of Regulatory Affairs, Laura Genao, copying several SCE executives and CPUC officials
11	13	7 June 2013	Email by SCE official to Stephen Pickett re CPUC Commissioner Florio's office response: "do everything we can to keep this out of the Commission's hands. They've learned much from the San Bruno effort (i.e. claims that the commission is <b>in the "pockets" of the utilities</b> ) and want to avoid a repeat as much as they can."
12	14	21 September 2013	Email exchange between SCE's Pickett and CPUC's Peevey re plans to meet at the "Stafford Hotel in St. James" in London
13	15	3 January 2014	Peevey's Chief of Staff, Carol Brown email to SCE executive Michael Hoover: "Do we really want to fiddlefart around with this Phase 1 decision..."
14	16	27 March 2014	Edison International and Southern California Edison Company's Form 8-K filing at the SEC re Settlement Agreement
15	17	17 April 2015	TURN Statement re Settlement, noting "Mr. Peevey stated that he had met with Stephen Pickett about San Onofre over a year earlier and waved several papers he claimed were notes from that meeting."
16	18	17 April 2015	ORA Statement re Settlement
17	19	19 June 2013	CPUC letter to Plaintiff, Michael Aguirre, in response to Public Records Act request re communications between Peevey and SCE relating to Settlement
18	20	23 June 2015	CPUC letter to Plaintiff, Michael Aguirre, in response to Public Records Act request re communications relating to March 2013 Warsaw meeting

1	21	21 August 2015	CPUC letter to Plaintiff, Michael Aguirre, in response to Public Records Act request re communications between CPUC's Picker and the Governor or Governor's office
2	22	13 November 2015	Search Warrant for 1,400 emails related to Stephen Pickett and Affidavit in support
3	23	5 June 2015	Search Warrant for CPUC records and emails from 22 CPUC and SCE persons relating to the Warsaw meeting, San Onofre closure and settlement
4	24	1 April 2015	CPUC President Picker letter to the Assembly Committee on Utilities & Commerce Chairperson re deliberative process claimed to have been followed in connection with San Onofre
5	25	25 November 2014	Decision at CPUC Approving Settlement: "Ratepayers will still pay approximately \$3.3 billion..."

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3. The documents consist of various types of documents obtained by me and Plaintiff: emails obtained through the Public Records Act; records obtained through the official websites of Southern California Edison, NRC, TURN, ORA, CPUC; official filings with the SEC (Form 8-K); search warrants and affidavits through subpoena; and Picker letter through court records. Where excerpts are provided, they are a part of the whole.

4. Exhibit 10 includes an email. For the court's convenience, the substance of a portion of the email is retyped for better visibility.

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct.

Executed this 27th day of December, 2015, at San Diego, CA.

/s/ Maria C. Severson  
Maria C. Severson, Esq.

# EXHIBIT 1

Power Reactor	Event Number: 47628
Facility: SAN ONOFRE Region: 4 State: CA Unit: [ ] [ ] [3] RX Type: [1] W-3-LP,[2] CE,[3] CE NRC Notified By: DOUG FOOTE HQ OPS Officer: JOHN KNOKE	Notification Date: 01/31/2012 Notification Time: 22:58 [ET] Event Date: 01/31/2012 Event Time: 17:30 [PST] Last Update Date: 01/31/2012
Emergency Class: NON EMERGENCY 10 CFR Section: 50.72(b)(2)(iv)(B) - RPS ACTUATION - CRITICAL	Person (Organization): JEFF CLARK (R4DO) SCOTT MORRIS (IRD) LOUISE LUND (NRR)

Unit	SCRAM Code	RX CRIT	Initial PWR	Initial RX Mode	Current PWR	Current RX Mode
3	M/R	Y	100	Power Operation	0	Hot Standby

### Event Text

MANUAL TRIP DUE TO A PRIMARY TO SECONDARY LEAK GREATER THAN 30 GAL/HR

"At 1505 PST, Unit 3 entered Abnormal Operation Instruction S023-13-14 'Reactor Coolant Leak' for a steam generator leak exceeding 5 gallons per day.

"At 1549 PST, the leak rate was determined to be 82 gallons per day. At 1610 PST, a leak rate greater than 75 gallons per day with an increasing rate of leakage exceeding 30 gallons per hour was established and entry into S023-13-28 'Rapid Power Reduction' was performed.

"At 1630 PST, commenced rapid power reduction per S023-13-28 'Rapid Power Reduction'. At 1731 PST, with reactor power at 35% the Unit was manually tripped. At 1738 PST, Unit 3 entered Emergency Operation Instruction S023-12-4 'Steam Generator Tube Rupture'.

"At 1800 PST the affected steam generator was isolated."

All control rods fully inserted on the trip. Decay heat is being removed thru the main steam bypass valves into the main condenser. Main feedwater is maintaining steam generator level. No relief valves lifted during the manual trip. The plant is in normal shutdown electrical lineup.

Unit 2 is presently in a refueling outage and was not affected by this event.

The licensee has notified the NRC Resident Inspector. The licensee has issued a press release.

# EXHIBIT 2

Office of the Inspector General

**EVENT INQUIRY**



**NRC Oversight of Licensee's Use  
of 10 CFR 50.59 Process To Replace  
SONGS' Steam Generators**

Case No. 13-006

petition requested that NRC order SCE to submit a license amendment application for the design and installation of the SONGS Units 2 and 3 replacement steam generators and to suspend SCE's licenses until they were amended. The petition stated the licensee was required to obtain a license amendment when it replaced the original steam generators at SONGS. The Commission Order (CLI-12-20) directed the staff to examine this portion under the 10 CFR 2.206 process. 10 CFR 2.206 allows any member of the public to raise potential health and safety issues in a petition to the NRC.

On November 9, 2012, NRC Region IV issued NRC AIT Followup Report 05000361/2012010 and 05000362/2012010. The team closed 8 of the 10 unresolved items; this included the item pertaining to the 10 CFR 50.59 evaluation. Although inspectors determined that the change in method of evaluation did not require a license amendment prior to implementing the change, a minor violation<sup>14</sup> of 10 CFR 50.59(d)(1) was identified because the evaluation did not provide a correct basis for the licensee's determination that the change did not require a license amendment prior to implementing the change.

On June 7, 2013, SCE announced its decision to permanently shut down SONGS Units 2 and 3. Upon learning this, the NRC terminated its review of SCE's CAL Response for Unit 2, dated October 3, 2012.

On June 12, 2013, SCE submitted a Certification of Permanent Cessation of Power Operations letter to the NRC, certifying that Units 2 and 3 had permanently ceased power operations. On June 28 and July 22, 2013, SCE certified all fuel had been permanently removed from Units 3 and 2 reactors, respectively.

On September 20, 2013, NRC Region IV issued a NRC CAL Response Inspection Report 05000361/2012009 and 05000362/2012009 that closed out the remaining two unresolved issues (URI) from the AIT inspection. The report documented that one unresolved item was of very low safety significance (Green) for Unit 2, and one finding that was preliminarily determined to have low to moderate safety significance (White) for Unit 3.

On December 23, 2013, the NRC issued a Final Significance Determination of White Finding and Notice of Violation regarding NRC Inspection Reports 05000361/2012009 and 05000362/2012009. This design control finding involved the failure to verify the adequacy of the thermal-hydraulic and flow-induced vibration design of the Unit 3 replacement steam generators, which resulted in significant and unexpected steam generator tube wear and loss of tube integrity on Unit 3 Steam Generator 3EO-88 after 11 months of operation.

<sup>14</sup> Violations of minor safety concern are those below Severity Level IV and Green ROP's findings.

# EXHIBIT 3

**Castro, Stacie M.**

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**From:** Randolph, Edward F. <edward.randolph@cpuc.ca.gov>  
**Sent:** Monday, January 28, 2013 10:56 AM  
**To:** Peevey, Michael R.  
**Cc:** Clanon, Paul; Randolph, Edward F.  
**Subject:** Re: CPUC NEWSCLIPS for Monday, January 28, 2013

Do they think there is any chance they are online this summer at this point?

On Jan 28, 2013, at 10:42 AM, "Peevey, Michael R." <michael.peevey@cpuc.ca.gov> wrote:

> I had dinner with Ron L Friday night and he told me then that the NRC had just informed Edison of this further delay, which Ron said was for an additional 30 days.

>

> \_\_\_\_\_

> From: Clanon, Paul

> Sent: Monday, January 28, 2013 10:26 AM

> To: Peevey, Michael R.; Randolph, Edward F.

> Subject: Re: CPUC NEWSCLIPS for Monday, January 28, 2013

>

> NRC decision on Unit 2 pushed out again:

>

> "The U.S. Nuclear Regulatory Commission has pushed back the date when it could make a decision on the fate of the San Onofre nuclear plant.

>

> ...

>

> The commission had previously said it might make a decision as soon as March. But it is now projecting a late April or early May date."

>

>

> On Jan 28, 2013, at 10:14 AM, "Chow, Christopher"

<christopher.chow@cpuc.ca.govmailto:christopher.chow@cpuc.ca.gov>> wrote:

>

>

> CPUC NEWSCLIPS

> For January 28, 2013

>

> For newsclips help, contact Christopher Chow (crs) at 415-703-2234

> Newsclips also available on Intranet<ftp://epuc/NewsClips/> in .doc format

>

> To follow a link, hold CTRL, then click with left mouse button

> To return to the top, hold CTRL, then press the "Home" key or click a Back to Table of Contents link

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# EXHIBIT 4

**Q. Please state your name, title, and business address.**

A. My name is Edward F. Randolph. I am the Director of the Energy Division at the California Public Utilities Commission. My business address is 505 Van Ness Avenue, San Francisco, California, 94102.

**Q. What is the purpose of your declaration?**

A. The purpose of this declaration is to respond to questions I received via email on June 1, 2015 from the assigned Administrative Law Judges (ALJs), Melanie M. Darling and Kevin Dudney, in the above-captioned proceeding. These questions relate to Southern California Edison's (SCE) Late-Filed Notice of Ex Parte Communication filed February 9, 2015 in Investigation (I.)12-10-013 ("the SONGS OII").

**Q. The first question from the assigned ALJs asks: "Were you present for some or all of the March 26, 2013 meeting referenced in SCE's 2/9/15 Late-Filed Notice? Describe the date, location, and identity of all those in attendance for the meeting, as well as the times you were present." What is your response?**

A. Yes, I was present at the meeting described in the SCE's late-filed notice. The meeting occurred on March 26, 2013 in the Hotel Bristol in Warsaw Poland. I was present along with the Commission President at the time, Michael Peevey, and Stephen Pickett. I was present for the entire duration of the meeting.

**Q. The second question from the assigned ALJs asks: "Did Mr. Pickett make any statements regarding substantive matters related to the SONGS OII, including potential settlement? If so, please describe those statements." What is your response?**

A. President Peevey initiated the meeting for the purpose of encouraging SCE to make a decision soon if it would seek to restart the San Onofre Nuclear Generating Station (SONGS) or permanently shut down the plant. Ongoing uncertainty over whether the plant would operate in the long-term was causing negative ratepayer impacts because SCE and the CAISO were both forced to make continued short term investments to ensure reliability in Southern California, and planning for

permanent solutions to replace the output of the plant could not begin until a decision was made on the long term operations. Mr. Pickett stated that SCE was in the process of making a decision on that issue and he did not make any specific commitment during the meeting.

After this discussion a conversation was initiated about a possible settlement agreement on cost recovery in the OII. Mr. Pickett initially stated his opinion of what he thought a settlement agreement would look like in the SONGS OII. He emphasized that he had not communicated this vision with his management. After Mr. Pickett presented his vision of a settlement agreement, President Peevey stated that any settlement agreement should include protections for the workers and funding to help offset the increased greenhouse gas (GHG) emissions created by the need to replace power generated by SONGS.

**Q. The third question from the assigned ALJs asks: “Did Mr. Pickett make any statements about substantive matters related to other pending Commission proceedings?” What is your response?**

A. No. Other than the conversations I describe above, I do not recall discussions about any other topics occurring at that meeting.

**Q. The fourth question from the assigned ALJs asks: “Do you have any recollection of notes being taken of the meeting, and by whom? Did you create or keep any notes?” What is your response?**

A. No, I do not recall notes being taken at the meeting. No, I did not take notes of the meeting.

**Q. The fifth question from the assigned ALJs asks: “Did Mr. Pickett make any statements which led you to believe that he and President Peevey had reached an agreement about any matter then pending before the Commission?” What is your response?**

A. No. Mr. Pickett made it clear that he did not have authority to make an agreement on a SONGS settlement. No other issues were raised regarding any matter pending before the Commission.


**Q. Does this conclude your responses to the Assigned ALJ's questions?**

**A. Yes.**

**Declaration of Witness**

I, Edward F. Randolph, declare under penalty of perjury that the statements contained in the forgoing Declaration of Edward F. Randolph in Response to Administrative Law Judge Questions Received by Email on June 1, 2015, are true and correct to the best of my knowledge, information, and belief.

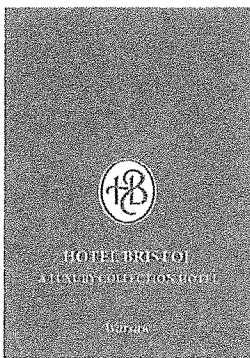
Executed on this 4 day of June, 2015.



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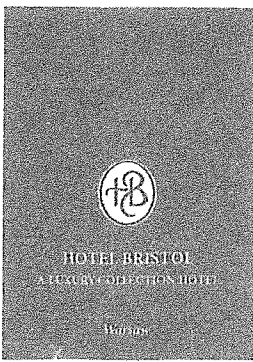
Edward F. Randolph

# EXHIBIT 5



1. Pre-RSG investment: recover w/ debt-level return through 2022.
2. RSG and post-RSG investment: disallow "retroactively out of rate base" effective 2/1/2012 ~~with effect~~
3. Replacement power responsibility: customer
4. NEIL/insurance recoveries: to customers
5. MHI recovery: 1<sup>st</sup> to SCE to the extent of the disallowance  
2<sup>d</sup> to customers
6. Decommissioning costs: remain in rates through time of decommissioning -- periodic redetermination in CLUC proceedings as before
7. O&M:
  - a) Already approved GRC amounts through shutdown + 6 months
  - b) OII to determine shutdown O&M through end of 2017 (i.e., not in GRC)
  - c) shutdown O&M 2018 and beyond determined in GRC's
  - d) Shutdown O&M to include reasonable severance for SONGS employees - A pool of \$50 million

Next page



8. Environmental offset: SCE to donate \$5.0 million<sup>10</sup> per year 2014-2022 to \_\_\_\_\_ [as agreed upon GHG, climate, or environmental academic research fund, institution, etc.]

9. Process
- a) settlement agreement approved in OII
  - b) balance of OII closed except for shutdown O&M phase
  - c) new OII phase for shutdown O&M per 7(b) and 7(d) above
  - d) 2018 GRC for shutdown O&M 2018 and beyond
  - e) Usual CPUC proceedings for review of decommissioning costs

MHI Recovery

- 1 - First \$200 million — 50% cust. — 50% SCE
- 2 - Next \$200 million — 70% S — 30% cust.
- 3 - Any above \$400 million — 80% to S — 20% to C up to disallowance
- 4 - Above disallowance — 25% to SCE — 75% cust.

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# EXHIBIT 6

**Castro, Stacie M.**

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**From:** Florio, Michel Peter <MichelPeter.Florio@cpuc.ca.gov>  
**Sent:** Sunday, March 31, 2013 9:50 PM  
**To:** Randolph, Edward F.  
**Subject:** RE: Meeting with Peevey Thursday

**Categories:** Red Category

Yes, I have only a 2:30 meeting that afternoon. Lunch would be fine. THANKS and welcome back! Mike

---

**From:** Randolph, Edward F.  
**Sent:** Sunday, March 31, 2013 2:59 PM  
**To:** Florio, Michel Peter  
**Cc:** Gonzalez, Nuria  
**Subject:** Meeting with Peevey Thursday

Commissioner Florio,

Commissioner Peevey asked me to set up a meeting with him for you and me next Thursday after the Commission meeting. (We were both having email problems in Poland so he asked me to set it up when I got back). He suggest lunch or dinner (but I need to be in Sacto late in the day). For now Commisisoner Peevey would like to keep this meeting to just the three of us. I am happy to come by and explain the topic in person (or on the phone).

Can we make something work for Thursday?

# EXHIBIT 7

**From:** stephen e pickett/sce/eix;nsf;stephen.pickett@sce.com;smtp  
**Sent:** Mon Apr 01 2013 11:32:28 PDT  
**To:** ted craver/sce/eix@sce;robert adler/sce/eix@sce;jim.scilacci@edisonintl.com;ronald litzinger/sce/eix@sce  
**CC:**  
**Subject:** My notes  
**Attachments:** SEP notes.docx

**Importance:** Low  
**Priority:** Normal  
**Sensitivity:** None

Here is a typed-up version of my notes from our conversation this morning.

**Redacted - AC**

### Elements of a SONGS Deal

1. Recover pre-RSG investment on a "SONGS 1" basis through 2022 (i.e., with a debt level return).
2. Disallow RSG investment entirely ("out of rate base retroactively").

Note: not clear whether the post-leak investment that is not directly related to the RSG's is included (e.g., the new heads, HP turbine, etc.)

3. Customers responsible for all replacement power costs (no disallowance).
4. Any NEIL proceeds go to customers.
5. MHI recovery: to SCE to the extent of any disallowance, then to customers, with some as yet undefined incentive mechanism to encourage SCE to go after MHI to the maximum extent possible for as long as it takes (thinking about the energy crisis settlement as a model).
6. O&M:
  - a. Already approved GRC amounts to shutdown plus some reasonable period beyond (+/- 6 months)
  - b. Ramp down to shutdown level of O&M thereafter.
  - c. Use a subsequent phase of the OII or a separate proceeding to determine the level of ongoing shutdown O&M.
  - d. Shutdown O&M to include "reasonable but generous" severance for affected SONGS employees.
7. Environmental offset: SCE to pay \$5-10 million per year for the remaining life of SONGS (i.e. through 2022) to an agreed upon GHG, climate, or environmental research fund or academic institution. Structured as a charitable donation.
8. Decommissioning to continue to be collected in rates as before through 2022, with reviews as before in triennial CPUC proceedings.

9. Process:

- a. Settlement agreement approved in OII.
- b. Balance of OII closed (except possibly a subsequent phase to determine level of ongoing shutdown O&M).

10. Other notes:

- a. Players in deal: Geesman (A4NR), FOE, TURN.
- b. Protecting labor brings TURN along (Carl Wood chair of TURN board).
- c. Privately stated complaints of SDG&E.
- d. Ron Olson involvement per energy crisis.

# EXHIBIT 8

**From:** russell worden/sce/eix;nsf;russell.worden@sce.com;smtp  
**Sent:** Thu Apr 04 2013 12:26:17 PDT  
**To:** stephen e pickett/sce/eix@sce  
**CC:** megan scott-kakures/sce/eix@sce  
**Subject:** Re: Next steps  
**Attachments:**

**Importance:** Low  
**Priority:** Normal  
**Sensitivity:** None

*The following message body may have embedded images.*

I'm on it. I have the SONGS 1 Settlement and will get it to you.

CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGED AND/OR ATTORNEY WORK PRODUCT  
PROTECTED

From: Stephen E Pickett/SCE/EIX  
To: Megan Scott-Kakures/SCE/EIX@SCE, Russell Worden/SCE/EIX@SCE,  
Date: 04/04/2013 11:48 AM  
Subject: Next steps

FOR INTERNAL USE ONLY

In addition to coming up with the financial analysis of the settlement framework we discussed yesterday, I think we need to develop two documents that will help us guide the process along.

First, we should take my notes and turn it into a simple term sheet we could use to help guide the negotiations. Second, we should take the SONGS 1 settlement agreement and the energy crisis settlement agreement as models and produce the shell of a settlement agreement we can use for this purpose. The energy crisis settlement is attached below. Do either of you have a copy of the SONGS 1 settlement agreement? If so, would you please send me a copy.

After thinking about it overnight, it seems to me that the obvious place for us to start is to include the non-RSG CWIP in the "SONGS 1 treatment" portion of the investment (although our financial analysis should identify it separately so we can have an appreciation for the the risks around it. Similarly, we should include the fuel in the "SONGS 1" portion also, amortizing it in the same way we did for in the SONGS 1 agreement (but, again, separately identifying it in the financial analysis for risk assessment purposes). It seems to me that the fewer things we call out for separate treatment the better off we'll be. On the MHI recovery, let's start by using the energy crisis settlement model, and structure it so that we get 100% of the MHI recovery to the point that we have recovered the disallowance, and then split the remaining recovery 90% customer, 10% shareholder. I know that won't fly, but it seems like a reasonable place to start.

SCE-CPUC-00000041

I haven't got my head completely around what we do if we get U2 restarted, but Russ' idea yesterday of doing it on some sort of incremental basis was intriguing. Can we somehow flesh that out and put some parameters around how we might deal with that?

On timing, I'm in San Francisco tomorrow for a meeting with Peevey on L.A. Basin reliability. Ron is going to want to pull a subset of the INMG together sometime next week to discuss this, so if we could have something on paper by Tuesday or so it would be great.

[attachment "SCE vs. Lynch Settlement Agmt.pdf" deleted by Russell Worden/SCE/EIX]

# EXHIBIT 9

**From:** michael hoover/sce/eix  
**Sent:** Wed May 29 2013 19:22:50 PDT  
**To:** les starck/sce/eix@sce  
**CC:**  
**Subject:** Re: SONGS Press Release: SCE Exercised Responsible Oversight for Replacement Steam Generators at the San Onofre Nuclear Plant

**Attachments:**

**Importance:** Low  
**Priority:** Normal  
**Sensitivity:** None

In talking with Carol, she indicated that Pickett was well prepared in Poland with specifics, but then nothing has happened. Not making a decision is a decision not to move forward. Mike also told me that Pickett is very frustrated....

From: Les Starck  
Sent: 05/29/2013 07:08 PM PDT  
To: Michael Hoover  
Subject: Re: SONGS Press Release: SCE Exercised Responsible Oversight for Replacement Steam Generators at the San Onofre Nuclear Plant

We need to talk with Pickett ASAP to let him know about your discussions with Peevey. Time is running out. I also have no idea if Ron and Ted are even thinking this way.

Sent from my iPhone

On May 29, 2013, at 6:43 PM, "Michael Hoover" <Michael.Hoover@sce.com> wrote:

We have a small window of opportunity to work with parties to implement a shutdown in exchange for getting our money back. That window will close soon and we will loose a very good opportunity.

From: Les Starck  
Sent: 05/29/2013 03:03 PM PDT  
To: Michael Hoover  
Subject: Re: SONGS Press Release: SCE Exercised Responsible Oversight for Replacement Steam Generators at the San Onofre Nuclear Plant

Boxer has come unhinged...she's done this before to SCE back in the days of the energy crisis. I just heard that she said she would "disembowel" the NRC if they allow restart. What we need is someone with courage at the NRC to stand up to her and do the right thing. We'll see, but my hope is fading.

# EXHIBIT 10

From: ted craver/sce/cix;nsf,ted.craver@edisonintl.com;smtp  
Sent: Thu Jun 06 2013 20:00:50 PDT  
To: bf@...;brett.white@Redacted;dickschlosberg@Redacted;france@Redacted;jetsbindra@Redacted;lnogales@Redacted;peter.taylor@Redacted;ron.olson@mto.com;toms  
CC: robert.adler/sce/cix@sce  
Subject: Brown-Feinstein-Peevey phone calls  
Attachments:

Importance: Low  
Priority: Normal  
Sensitivity: None

Wanted to give you a quick report on my phone calls with Governor Brown, Senator Feinstein and Mike Peevey. They all were quite positive and constructive.

Governor Brown--about 10 minutes (was in Rancho Mirage with Pres. Obama, Chinese). Appreciated call. Asked some questions about decommissioning and number of employees. He said what we were doing seemed right under the circumstances, good to reduce uncertainty, and took a little swipe at NRC bungling the process which was going to cause harm to CA. Fished for whether we were going to blast NRC or Boxer; I said "no, I didn't see any mileage in that. We were taking the high road and focusing on the future and insuring system reliability for our customers." He said he agreed that was best approach. I indicated that I imagined his office would get media calls tomorrow about this and would be looking for his reaction; I indicated that if he was so moved, it would help if he could indicate we had talked and that he thought the company was acting responsibly and focused on the right things. He indicated a willingness to do that.

Senator Feinstein--about 15 minutes. She was incredibly warm, understanding and supportive. Asked several questions about employee impacts, decommissioning process, spent fuel storage. Never specifically mentioned Boxer, but recognized how "tough this must have been for us". Thanked me for all the briefings; said she knew we had worked this issue very hard, trying to do the right thing, been very deliberate, etc, etc. Told me she was going to issue a statement after our call tomorrow complimenting the company and me for doing the right thing for customers and CA, etc. I told her providing the press with positive comments about Edison would be greatly appreciated as a counter-balance to some of the recent jabs to our reputation, and that her offer meant a great deal to me.

President Peevey--actually two calls, as the first one was interrupted by the Governor's call. Constructive, positive. Glad to get this uncertainty over with and focused on their ratemaking OII. Said he was going out with a statement after our investor call; his statement will focus on "urging the parties to meet and see if they could come up with a settlement to submit to the CPUC" and that he was going to convene a task force of sorts including the two utilities and various state agencies to work on insuring reliability. We talked about my call with the Governor, and I asked him to see if he could get the Governor to say something supportive about our handling of the situation and looking forward.

If any of you are dying to get up early and listen to the investor call at 5:30 am Pacific, the details are 1-800-369-2198; passcode "Edison". You may have to give your name to the operator and your company (just say ELX director).

Thanks again for your time today.

From: ted craver (Edison Chairman, President, CEO)

Sent: Thu June 6, 2013 20:00 PDT

To: brett white; dick schlosberg; france cardova; jagjeet bindra; luis nogales; peter taylor; ron olson; thomas Sutton (Edison Board of Directors)

CC: Robert Adler

Subject Brown-Feinstein-Peevey phone calls

Wanted to give you a quick report on my phone calls with Governor Brown, Senator Feinstein and Mike Peevey. They all were quite positive.

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Thanks again for you time today.

# EXHIBIT 11

June 12, 2013

Peter T. Dietrich  
Senior Vice President & Chief Nuclear Officer

10 CFR 50.82(a)(1)(i)

U. S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, D. C. 20555

Subject: **Docket Nos. 50-361 and 50-362**  
**Certification of Permanent Cessation of Power Operations**  
**San Onofre Nuclear Generating Station Units 2 and 3**

Dear Sir or Madam:

Pursuant to 10 CFR 50.82 (a) (1) (i), Southern California Edison (SCE) hereby certifies that it has permanently ceased power operation of the San Onofre Nuclear Generating Station, Units 2 and 3 effective June 7, 2013.

On that date, SCE publicly announced its decision to permanently shut down both Unit 2 and Unit 3 and filed its announcement with Securities and Exchange Commission on Form 8-K, pursuant to the requirements of the Securities Exchange Act of 1934.

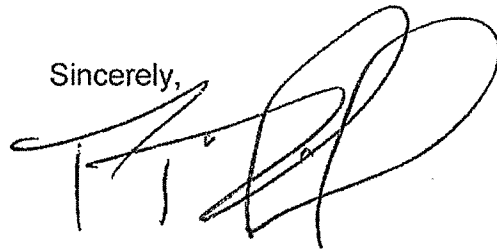
There are no new commitments contained in this letter.

If you have any questions regarding this matter, please feel free to contact Mr. Mark E. Morgan, Licensing Lead, at 949-368-6745.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on JUNE 12, 2013.  
(Date)

Sincerely,



cc: A. T. Howell III, Regional Administrator, NRC Region IV  
R. Hall, NRC Project Manager, San Onofre Units 2 and 3  
B. Benney, NRC Project Manager, San Onofre Units 2 and 3  
G. G. Warnick, NRC Senior Resident Inspector, San Onofre Units 2 and 3

# EXHIBIT 12

Message

**From:** Brown, Carol A. [carol.brown@cpuc.ca.gov]  
**Sent:** 6/8/2013 6:30:04 AM  
**To:** 'Laura.Genao@sce.com' [Laura.Genao@sce.com]; Stevens, Brian [brian.stevens@cpuc.ca.gov]  
**CC:** Ikle, Judith [judith.ikle@cpuc.ca.gov]; Randolph, Edward F. [edward.randolph@cpuc.ca.gov]; Sterkel, Merideth "Molly" [MeridethMolly.Sterkel@cpuc.ca.gov]; Lee, Audrey [audrey.lee@cpuc.ca.gov]; Murtishaw, Scott [scott.murtishaw@cpuc.ca.gov]; Evans, Mary Claire E. (Intern) [MaryClaire.Evans@cpuc.ca.gov]; Clay, Christopher [christopher.clay@cpuc.ca.gov]; Khosrowjah, Sepideh [sepideh.khosrowjah@cpuc.ca.gov]  
**Subject:** Re: SONGS Next Steps

And if you could schedule it late on 6/11 or after that - I will be back and would love to attend. If not - my team will bring me up-to-date

Thanks  
Carol

**From:** Laura.Genao@sce.com [mailto:Laura.Genao@sce.com]  
**Sent:** Friday, June 07, 2013 03:11 PM Pacific Standard Time  
**To:** Stevens, Brian  
**Cc:** Ikle, Judith; Randolph, Edward F.; Sterkel, Merideth "Molly"; Brown, Carol A.; Lee, Audrey; Murtishaw, Scott; Evans, Mary Claire E. (Intern); Clay, Christopher; Khosrowjah, Sepideh  
**Subject:** Re: SONGS Next Steps

I'll see what I can pull together for you.

**From:** "Stevens, Brian" [brian.stevens@cpuc.ca.gov]  
**Sent:** 06/07/2013 10:09 PM GMT  
**To:** Laura Genao  
**Cc:** "Ikle, Judith" <judith.ikle@cpuc.ca.gov>; "Randolph, Edward F." <edward.randolph@cpuc.ca.gov>; "Sterkel, Merideth \"Molly\"" <MeridethMolly.Sterkel@cpuc.ca.gov>; "Brown, Carol A." <carol.brown@cpuc.ca.gov>; "Lee, Audrey" <audrey.lee@cpuc.ca.gov>; "Murtishaw, Scott" <scott.murtishaw@cpuc.ca.gov>; "Evans, Mary Claire E. (Intern)" <MaryClaire.Evans@cpuc.ca.gov>; "Clay, Christopher" <christopher.clay@cpuc.ca.gov>; "Khosrowjah, Sepideh" <sepideh.khosrowjah@cpuc.ca.gov>  
**Subject:** SONGS Next Steps

Hi Laura:

Thank you for the information on the check-in today.

With the announcement by EIX, can we schedule a meeting to discuss the current status and next steps? I request it for early next week. I also request that SCE management involved intimately with this issue be involved at least by phone.

There are BK issues with inviting other offices (I believe my office can invite Florio's office), so the target audience should be ED, Legal, CPUC management, my office, and maybe folks from Florio's Office. I request it be 1-2 hours in duration.

I will invite others from the CPUC to help me propose questions.

Thanks,

# EXHIBIT 13

**From:** les starck/sce/eix;nsf;les.starck@sce.com;smtp  
**Sent:** Fri Jun 07 2013 11:58:13 PDT  
**To:** stephen e pickett/sce/eix@sce  
**CC:**  
**Subject:** Fw: SONGS Conversations At the CPUC  
**Attachments:**

**Importance:** Low  
**Priority:** Normal  
**Sensitivity:** None

*The following message body may have embedded images.*

See Mike's note below about his discussions with Florio's chief of staff. They're encouraging us to get "out front" early on settling this with the parties and to do everything we can to keep this out of the Commission's hands. They've learned much from the San Bruno effort (i.e. claims that the commission is in the "pockets" of the utilities) and want to avoid a repeat as much as they can.

Who will have the lead in formulating our strategy for settlement?

Les Starck  
Senior Vice President  
Regulatory Policy & Affairs  
Southern California Edison  
Office: 415-929-5512  
Cell: Redacted--Privacy

----- Forwarded by Les Starck/SCE/EIX on 06/07/2013 11:55 AM -----

**From:** Michael Hoover/SCE/EIX  
**To:** Catherine Hackney/SCE/EIX@SCE, Laura Genao/SCE/EIX@SCE, Connor J Flanigan/SCE/EIX@SCE, Les Starck/SCE/EIX@SCE, Gary Stern/SCE/EIX@SCE, Megan Scott-Kakures/SCE/EIX@SCE, Russell Worden/SCE/EIX@SCE, Caroline Choi/SCE/EIX@SCE, Gary Schoonyan/SCE/EIX@SCE,  
**Date:** 06/07/2013 11:51 AM  
**Subject:** SONGS Conversations At the CPUC

FOR INTERNAL USE ONLY

I'm sure you-all are thinking along the same lines, but it is really important that we stay in touch on SONGS and what the various agencies are doing saying, etc.

I've touched base with all of the chiefs of staff at the CPUC - most of the Commissioners are out but have already talked to Ted - and they all ask the same question: Is the timing of the decision significant? I tell them that with no decision looming at the NRC, the economics of the plant just don't add up and its time to get on with life - delaying the inevitable hurts our customers, our investors, and our employees.

Sepideh of Florio's office was fairly forthright. She said we need to move quickly to address cost recovery and other shutdown issues going forward. We discussed how to do that in a manner that is inclusive of the parties

SCE-CPUC-00000191

and avoids the type of animosity toward the CPUC that has plagued the PG&E San Bruno proceeding. Ideas to consider are filing a motion for Alternate Dispute Resolution at the CPUC, outreach to the leaders of the key stakeholder groups involved in the Songs proceeding to initiate discussions quickly. We agreed that it would be best if SCE got out in front in terms of trying to put a process in place that would result in resolution of the issues in a manner that does not rely on protracted hearings etc. Delay only hurts everyone.

We discussed some of the reliability issues as well. Sepideh has been approached by the water board and they have indicated a willingness to make available all of the pumping load for water projects as Demand Response whenever needed and to re-evaluate their OTC policy. We need to work cooperatively with all of these folks.

Thanks

Michael R. Hoover  
Director, Regulatory Affairs  
(415) 929 - 5541  
San Francisco Office

# EXHIBIT 14

Message

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**From:** Peevey, Michael R. [michael.peevey@cpuc.ca.gov]  
**Sent:** 9/21/2013 7:46:21 PM  
**To:** Stephen.Pickett@sce.com  
**Subject:** RE: Still in the UK next Monday?

sure. We are staying at the Stafford Hotel in St. James. Ring us, leave a message, etc.

---

**From:** Stephen.Pickett@sce.com [Stephen.Pickett@sce.com]  
**Sent:** Saturday, September 21, 2013 9:50 AM  
**To:** Peevey, Michael R.  
**Subject:** Still in the UK next Monday?

Hi Mike,

Pat Mason told me that you and Carol were going to be in London this week. I'm passing through next Monday (9/30) on the way home from CFEE. If you're still there and not otherwise occupied would you like to meet for a drink Monday evening?  
Sent from my Blackberry

# EXHIBIT 15

Message

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**From:** Brown, Carol A. [carol.brown@cpuc.ca.gov]  
**Sent:** 1/3/2014 9:49:26 PM  
**To:** Michael.Hoover@sce.com  
**Subject:** Happy New Year

Bunch of little things

1. Need contact for the LEAPS person
2. What about the California Advanced Lighting Controls Training Program – Peevey asked me to look into it in November – he might remember and ask again
3. SONGS – do we really want to fiddlefart around with this Phase I decision and trying to reduce the amount in light of the NRC's latest pronouncement about SCE????

Thanks a bunch and talk with you next week

# EXHIBIT 16

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 27, 2014

Commission File Number	Exact Name of Registrant as specified in its charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
1-9936	EDISON INTERNATIONAL	California	95-4137452
1-2313	SOUTHERN CALIFORNIA EDISON COMPANY	California	95-1240335



2244 Walnut Grove Avenue

(P.O. Box 976)

Rosemead, California 91770

(Address of principal executive offices)

(626) 302-2222

(Registrant's telephone number, including area code)



2244 Walnut Grove Avenue

(P.O. Box 800)

Rosemead, California 91770

(Address of principal executive offices)

(626) 302-1212

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

*This current report and its exhibit include forward-looking statements. Edison International and Southern California Edison Company ("SCE") based these forward-looking statements on their current expectations and projections about future events in light of its knowledge of facts as of the date of this current report and its assumptions about future circumstances. These forward-looking statements are subject to various risks and uncertainties that may be outside the control of Edison International and SCE. Edison International and SCE have no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events, or otherwise. This current report should be read with Edison International's and SCE's Joint Annual Report on Form 10-K for the year ended December 31, 2013.*

**Item 1.01 Entry Into A Material Definitive Agreement**

**Item 2.06 Material Impairment**

*Entry Into Settlement Agreement*

On March 27, 2014, SCE entered into a Settlement Agreement with The Utility Reform Network ("TURN"), the Office of Ratepayer Advocates ("ORA") of the California Public Utilities Commission ("CPUC") and San Diego Gas & Electric Company ("SDG&E"). If implemented, the Settlement Agreement will constitute a complete and final resolution of the CPUC's Order Instituting Investigation ("OII") and related proceedings regarding the Steam Generator Replacement Project ("SGRP") at the San Onofre Nuclear Generating Station ("San Onofre") and the related outage and subsequent shutdown of San Onofre. The Settlement Agreement does not affect proceedings before the Nuclear Regulatory Commission or proceedings related to recoveries from third parties described below. The Settlement Agreement was signed following an all-party settlement conference in the OII, which was required under CPUC rules as a condition to a settlement.

Implementation of the terms of the Settlement Agreement is subject to the prior approval of the CPUC, as to which there is no assurance. The parties to the Settlement Agreement ("Settling Parties") have agreed to exercise their best efforts to obtain CPUC approval. The Settlement Agreement is subject to termination by any of the Settling Parties if the CPUC has not approved it within six months of submission, but there can be no certainty of when or what the CPUC will actually decide.

The following summary of the Settlement Agreement is qualified in its entirety by reference to the complete text of the Settlement Agreement, which is filed as Exhibit 10.1 to this Current Report.

*Disallowances, Refunds and Rate Recoveries*

If the Settlement Agreement is approved, SCE will not be allowed to recover in rates its capitalized costs for the SGRP as of February 1, 2012 or a return on such investment after such date. As of February 1, 2012, SCE's net book value in the SGRP was approximately \$597 million. Additionally, SCE will not be allowed to recover in rates approximately \$99 million of incremental inspection and repair costs incurred for the replacement steam generators ("RSGs") in 2012 that were in excess of CPUC authorized operations and maintenance ("O&M") expense. These costs, net of invoices paid, were previously expensed in SCE's 2012 financial results, although they remain subject to recovery from the supplier of the RSGs. See "Third Party Recoveries" below. Neither will SCE be allowed to recover in rates provisionally authorized O&M expense in 2013 that exceeds amounts included in recorded O&M expense (including severance and incremental repair and inspection costs); such excess had not been recognized in 2013 earnings. Subject to the foregoing, SCE will be authorized to recover in rates its remaining investment in San Onofre, including base plant, materials and supplies, nuclear fuel inventory and contracts and construction work in progress ("CWIP") generally over a ten-year period commencing February 1, 2012. Additionally, SCE will be authorized to recover in rates its provisionally authorized O&M expenses for 2012, recorded costs for the 2012 refueling outage of Unit 2, recorded O&M expenses for 2013, and recorded O&M expenses for 2014 subject to customary prudence review. Finally, SCE will also be authorized to recover in rates through its fuel and purchased power balancing account ("ERRA") all costs incurred to purchase electric power in the market related to the outage and shutdown of San Onofre, and to recover by December 31, 2015 any San Onofre-related ERRA undercollections. Estimated market power costs through June 6, 2013 (the date of San Onofre's retirement) were approximately \$680 million using the methodology followed in the OII (and an additional approximately \$333 million through December 31, 2013). To the extent that amounts otherwise recoverable in rates under the Settlement

Agreement are recovered from SCE's Decommissioning Trust as a decommissioning cost, the amounts otherwise recoverable in rates will be reduced with no impact on earnings.

The portion of SCE's San Onofre investment in base plant, CWIP and materials and supplies which SCE is entitled to recover from February 1, 2012 will earn a return equal to the weighted average of SCE's authorized return on debt and 50% of its authorized return on preferred equity, prorated to the percentage of the investment that equals SCE's percentage of debt and preferred equity in its authorized capital structure. SCE will not earn a return on common equity on its amortizable San Onofre investment. Accordingly, SCE will be allowed to earn a rate of return of 2.95% in 2012, 2.62% for the period 2013-14 and a rate that will float during the amortization period thereafter with changes in SCE's authorized return on debt and preferred equity. SCE's investment in nuclear fuel will earn a return equal to commercial paper rates that SCE pays from time to time. Under the Settlement Agreement, the unamortized portion of SCE's investment other than nuclear fuel may, at SCE's option, be excluded from SCE's capital structure for purposes of determining regulatory capital requirements. Were such exclusion elected as of March 31, 2014, SCE estimates that its common equity requirement would be reduced by more than \$300 million.

A 5% incentive is provided for SCE to realize savings for ratepayers by selling materials and supplies and nuclear fuel, as well as reducing in nuclear fuel investment by contract cancellations. This incentive allows SCE to retain 5% of sales proceeds and to recover 5% of the excess of cancelled contract obligations over cancellation costs. The balance of sale proceeds and cancellation benefits is credited to ratepayers.

### *Third Party Recoveries*

The Settlement Agreement also addresses how potential recoveries from third parties will be allocated between ratepayers and SCE.

As has been previously disclosed, San Onofre carries accidental property damage and carried accidental outage insurance issued by Nuclear Electric Insurance Limited ("NEIL") and has placed NEIL on notice of claims under both policies. The NEIL policies have a number of exclusions and limitations that NEIL may assert to reduce or eliminate coverage and SCE may choose to challenge NEIL's application of any such exclusions and limitations. SCE's share of estimated claims under the accidental outage insurance through December 31, 2013 is approximately \$320 million. Accidental outage policy benefits are reduced by 90% for the periods following announcement of the permanent retirement of San Onofre. SCE has not submitted a proof of loss under the accidental property damage insurance.

Under the Settlement Agreement, recoveries from NEIL, if any, will first be applied on and after December 31, 2014 to reimburse costs incurred in pursuing such recoveries, including litigation costs. To the extent SCE's share of recoveries from NEIL exceed such costs, recoveries will be allocated 82.5% to ratepayers and 17.5% to SCE. SCE ratepayers' portion of amounts recovered from NEIL would be distributed to SCE ratepayers via a credit to SCE's ERRRA account.

SCE is also pursuing claims against Mitsubishi Heavy Industries, Ltd. and related companies ("MHI"), which designed and supplied the RSGs. MHI warranted the RSGs for an initial period of 20 years from acceptance and is contractually obligated to repair or replace defective items with dispatch and to pay specified damages for certain repairs. MHI's liability under the purchase agreement is limited to \$138 million and excludes consequential damages, defined to include "the cost of replacement power"; however, limitations in the contract are subject to applicable exceptions both in the contract and under law. SCE has advised MHI that it believes one or more of such exceptions apply and MHI's liability is not limited to \$138 million, and MHI has advised SCE that it disagrees. In October 2013, after a prescribed waiting period, SCE sent MHI a formal request for arbitration under the auspices of the International Chamber of Commerce seeking at least \$4 billion of damages for all losses on behalf of itself and its ratepayers and in its capacity as Operating Agent for San Onofre. MHI has denied any liability and has asserted counterclaims for \$41 million, for which SCE has denied any liability.

SCE, on behalf of itself and the other San Onofre co-owners has also submitted seven invoices to MHI totaling \$149 million for inspection and repair costs through April 30, 2013. MHI paid the first invoice of \$45 million while reserving rights to challenge it and subsequently rejected a portion of the invoice and has not paid further invoices,

claiming further documentation is required, which SCE disputes. SCE recorded its share of the invoice paid (approximately \$35 million) as a reduction of repair and inspection costs in 2012.

Under the Settlement Agreement, recoveries from MHI (including amounts paid by MHI under the first invoice), if any, will first be applied on and after December 31, 2014 to reimburse costs incurred in pursuing such recoveries, including litigation costs. To the extent SCE's share of recoveries from MHI exceed such costs, they will be allocated as follows: (1) 85% of the first \$100 million to SCE, and 15% to ratepayers; (2) 66.67% of the next \$800 million to SCE, and 33.33% to ratepayers; and (3) 25% of any additional recoveries to SCE, and 75% to ratepayers. The first \$282 million of SCE's ratepayers' portion of such recoveries will be distributed to ratepayers via a credit to a sub-account of SCE's Base Revenue Requirement Balancing Account ("BRRBA"), thus reducing revenue requirements from ratepayers. Amounts in excess of the first \$282 million distributable to SCE ratepayers will reduce SCE's regulatory asset represented by the unamortized balance of investment in San Onofre base plant, thereby reducing the revenue requirement needed to amortize such investment. The amortization period, however, will be unaffected. Additional amounts, if any, will first reduce the unamortized balance of remaining investment to zero and then be applied to the BRRBA.

The Settlement Agreement provides the utilities with the discretion to resolve the NEIL and MHI disputes without CPUC approval or review, but the utilities are obligated to use their best efforts to inform the CPUC of any settlement or other resolution of these disputes to the extent this is possible without compromising any aspect of the resolution.

There is no assurance that there will be any recoveries from NEIL or MHI or that if there are recoveries, that they will exceed the costs incurred to pursue them. Were there to be recoveries, SCE cannot speculate when they would be received. SCE's current expectation is that NEIL will make a coverage determination by the end of the second quarter of 2014.

#### *Accounting and Financial Impacts*

As a result of the decision to early retire San Onofre Units 2 and 3, generally accepted accounting principles ("GAAP") required reclassification of the amounts recorded in property, plant and equipment and related tangible operating assets to a regulatory asset to the extent that management concluded it was probable of recovery through future rates. Regulatory assets may also be recorded to the extent management concludes it is probable that direct and indirect costs incurred to retire Units 2 and 3 as of each reporting date are recoverable through future rates.

In accordance with these requirements and as a result of its decision to retire San Onofre Units 2 and 3, SCE reclassified \$1,521 million of its total investment in San Onofre at May 31, 2013 to a regulatory asset ("San Onofre Regulatory Asset") and recorded an impairment charge of \$575 million (\$365 million after tax) in the second quarter of 2013. As of December 31, 2013, SCE recorded a net regulatory asset of approximately \$1.3 billion, comprised of \$1.56 billion of property, plant and equipment, less \$266 million for estimated refunds of authorized revenue recorded in excess of SCE's costs of service.

As a result of execution of the Settlement Agreement by the Settling Parties, SCE has concluded that the outcome of the OII that is more likely than any other outcome is approval and implementation of the Settlement Agreement, although a favorable decision by the CPUC remains uncertain. As a result, SCE expects to record in the first quarter of 2014 an additional pre-tax impairment charge of approximately \$155 million (approximately \$100 million after-tax). After adjustment for the Settlement Agreement, the total impairment recorded for the San Onofre Regulatory Asset, including amounts previously recorded in 2013, will be approximately \$730 million (approximately \$465 million after tax). The total pre-tax impairment charge is primarily due to:

- the disallowance of the SGRP investment (\$542 million as of May 31, 2013),
- refund of revenues related to the SGRP previously recognized from February 1, 2012 through May 31, 2013 of \$153 million, and
- implementation of the other terms of the Settlement Agreement, including refund of the authorized return in excess of the return allowed for non-SGRP investments.

The San Onofre Regulatory Asset at March 31, 2014 is estimated to be approximately \$1.3 billion and a separate regulatory liability for refunds of revenues of approximately \$256 million. Such amounts are estimates and subject to revision in connection with the preparation of SCE's first quarter financial statements.

Assuming the Settlement Agreement is approved, SCE does not expect implementation of rate recoveries and rate refunds contemplated by the Settlement Agreement will have a material impact on future net income. Such amounts do not reflect any recoveries from third parties by SCE.

#### *Rate Impacts*

To the extent that SCE collects in rates amounts that are in excess of the amounts recoverable under the Settlement Agreement, such amounts will be credited to SCE's ERRRA account, thereby reducing the undercollected balance otherwise subject to rate recovery. SCE estimates that if the settlement were implemented on March 31, 2014, the refund of revenues related to the SGRP, the refund of the difference between authorized and recorded O&M expenses for 2013 and the first quarter of 2014, the refund from the reduction of returns on the balance of its San Onofre investment and the other elements of the settlement would have resulted in a refund to ratepayers of approximately \$256 million. SCE's ERRRA undercollection at December 31, 2013 was approximately \$1 billion.

As a result of the disallowances, refunds and reduced returns contemplated by the Settlement Agreement, SCE ratepayers will also have a reduction from the current level of authorized revenues set forth in SCE's 2012 General Rate Case. Calculation of the reduction of revenue requirement over any meaningful period of time is subject to a number of estimates and assumptions which may prove to be inaccurate. Subject to such uncertainty, SCE estimates that the present value of the revenue requirement that will be collected in rates under the Settlement Agreement will be more than \$1 billion below the present value (using a 10% discount rate) of the revenue requirement that SCE had been seeking in the OII before the settlement.

#### *Procedure*

Under the Settlement Agreement, the Settling Parties are required to use their best efforts to obtain CPUC approval and expect to file a motion shortly requesting the CPUC to approve the Settlement Agreement without change, find the Settlement Agreement reasonable and expedite consideration of the Settlement Agreement in order to provide the benefits of it as soon as possible. The Settling Parties will also urge the CPUC to withdraw the November 19, 2013 Proposed Decision on Phase 1 and Phase 1A issues in the OII. During the pendency of proceedings regarding the Settlement Agreement, the Settling Parties are further bound to support and mutually defend the Settlement Agreement in its entirety, oppose any modifications proposed by any non-settling party to the OII unless all Settling Parties agree, and cooperate reasonably on all submissions. The Settling Parties further agree to review any CPUC orders regarding the Settlement Agreement to determine if the CPUC has changed or modified it, deleted a term or imposed a new term. If any Settling Party is unwilling to accept any such change, modification, deletion or addition of a new term, then the Settling Parties will negotiate in good faith to seek a resolution acceptable to all Settling Parties. If they are unable to resolve the matter to the satisfaction of all Settling Parties or to obtain prompt CPUC approval of an agreed upon resolution, then any Settling Party can terminate the Settlement Agreement upon prompt notice.

Under CPUC rules, parties in the OII will have an opportunity to comment on the Settlement Agreement, and if there are objections raising factual issues, then the CPUC's review may include evidentiary proceedings. CPUC rules do not provide for any fixed time period for the CPUC to act on the Settlement Agreement. Pursuant to the CPUC's rules, no settlement becomes binding on the parties to it unless the CPUC approves the settlement based on a finding that it is reasonable in light of the whole record, consistent with law, and in the public interest. The CPUC has discretion to approve or disapprove a settlement, or to condition its approval on changes to the settlement, which the parties may accept or reject.

Accordingly, there can be no assurance regarding the timing of any CPUC decision or that the CPUC will approve the Settlement Agreement or refrain from making changes to it that are not acceptable to all the Settling Parties. Thus, there can be no assurance that the OII proceeding will provide for recoveries as currently estimated by SCE in accordance with the Settlement Agreement, including the recovery of costs recorded as a regulatory asset, or that the CPUC does not order refunds to customers above those contemplated by the Settlement Agreement. Therefore, the amount recorded for the San Onofre Regulatory Asset is subject to further change based upon future developments and the application of SCE's judgment to those events.

**Item 7.01 Regulation FD**

Members of Edison International and SCE management will use the information in the presentation attached hereto as Exhibit 99.1 in an investor teleconference to be held on March 27, 2014. The attached presentation will also be posted on Edison International's website.

Certain documents distributed at the settlement conference prior to signing the Settlement Agreement are attached hereto as Exhibit 99.2.

**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits**

See the Exhibit Index below.

*Limitation on Incorporation by Reference*

The information furnished in Item 7.01 and the Exhibits 99.1 and 99.2 attached hereto shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended. Registration statements or other documents filed with the U.S. Securities and Exchange Commission shall not incorporate the information in Item 7.01 or the Exhibits by reference, except as otherwise expressly stated in such filing. The information furnished in Item 7.01 of this Current Report on Form 8-K will not be deemed an admission as to the materiality of any information in Item 7.01 that is required to be disclosed solely by Regulation FD.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**EDISON INTERNATIONAL**  
(Registrant)

/s/ Mark C. Clarke

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Mark C. Clarke  
Vice President and Controller

Date: March 27, 2014

**SOUTHERN CALIFORNIA EDISON COMPANY**  
(Registrant)

/s/ Mark C. Clarke


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Mark C. Clarke  
Vice President and Controller

Date: March 27, 2014

# EXHIBIT 17

# TURN Statement on SONGS Back Room Deal

 [turn.org/press-room/press-releases/item/848-turn-statement-on-songs-back-room-deal.html](http://turn.org/press-room/press-releases/item/848-turn-statement-on-songs-back-room-deal.html)

April 17, 2015, San Francisco--Recent revelations of back door dealings between former CPUC President Michael Peevey and former SCE General Counsel Steve Pickett raise concerns about Edison's good faith participation in the San Onofre settlement. TURN was a good faith participant in the settlement negotiations, and was not aware of the Warsaw note, the private meeting, or any agreement between CPUC President Peevey and SCE, at any time before or during the extended settlement negotiations that led to the proposed settlement.

In accordance with the rules, TURN did not discuss the proposed settlement with any CPUC Commissioners or staff. TURN's decision to settle this case was based on its own independently developed litigation positions, its assessment of potential outcomes based on past CPUC decisions, and close coordination with the Office of Ratepayer Advocates. Had the case been fully litigated and decided under the tenure of Mr. Peevey, consumers would likely have been forced to pay a much larger share of the costs for the shutdown nuclear plant.

The approved settlement terms were favorable to customers given existing precedents. However, the settlement was a compromise. TURN and ORA took aggressive litigation positions that, if adopted, would require shareholders to pay at least \$600 million more than what was included in the final settlement. If the case is reopened, TURN remains ready to litigate the factual and legal issues in pursuit of the best possible outcome for consumers.

The settlement was executed and submitted for CPUC approval on April 3, 2014. Afterwards, President Peevey's office contacted TURN and asked for an *ex parte* meeting. On April 10<sup>th</sup>, TURN attended this meeting and articulated our support for the settlement. After TURN's presentation, Mr. Peevey stated that he had met with Steven Pickett about San Onofre over a year earlier and waved several papers he claimed were notes from that meeting. He did not allow TURN to examine the notes. President Peevey then said he wanted a change to the settlement to require SCE and SDG&E shareholders to contribute to climate change research at the University of California. TURN complied with the CPUC's *ex parte* rules and filed a notice of the meeting one day after it occurred.

TURN was disturbed to hear that Mr. Peevey had engaged in backroom talks with SCE executives. But TURN was not surprised given that Mr. Peevey routinely had private, unreported contacts with utility executives on a wide array of pending CPUC issues, in blatant violation of his own Commission's rules. Such meetings were a hallmark of President Peevey's leadership style.

TURN attempted to disqualify President Peevey in other cases due to his private dealings with utilities. In every case, TURN was unsuccessful despite having substantial evidence of Peevey's improper conduct. In the SONGS proceeding, TURN did not have access to the notes or any other specific evidence to demonstrate, in the event of denials by Mr. Peevey, that the Warsaw meeting had actually occurred.

TURN did not have an opportunity to read the notes until they were recently provided by the Attorney General's office. The approved settlement is far better for customers than the terms described in Mr. Peevey's notes. A summary of these differences is being released today by TURN and the Office of Ratepayer Advocates and shows that the settlement saves customers between \$780 million and \$1.06 billion compared to the notes. The table below summarizes the differences.

"The Warsaw meeting was a flagrant violation of CPUC rules governing *ex parte* contacts," said TURN staff attorney Matt Freedman. "The CPUC has properly ordered SCE to turn over all documents relating to communications with CPUC decisionmakers about the possible settlement of SONGS. Based on the responses to this ruling, TURN may seek a reopening of the case. At a minimum, TURN will urge the CPUC to assess the maximum sanction on SCE for its *ex parte* violations and apply any financial penalties toward reducing customer rates."

These revelations demonstrate the urgent need for CPUC reforms including prohibitions on *ex parte* meetings, harsh sanctions for non-compliance, and a meaningful process to disqualify Commissioners who engage in private dealmaking. "TURN is urging the Legislature to enact new laws that would crack down on backroom dealing between the CPUC and utilities", Freedman said. "TURN will also urge the Legislature to change current laws to ensure that utility shareholders are held fully responsible for the cost of failed power plants."

#### SUMMARY OF DIFFERENCES BETWEEN SETTLEMENT AND PEEVEY NOTE (full analysis attached)

<b>COST CATEGORY</b>	<b>RATEPAYER SAVINGS UNDER SETTLEMENT</b>
Base plant	>\$200 million
Nuclear fuel	≤\$65 million
Replacement steam generators	\$0 - \$189 million
O&M costs	\$80.9 million
Use of decommissioning trust funds	≥ \$434 million
Greenhouse gas research	\$0 - \$90 million