

REPORT OF INDEPENDENT ACCOUNTANTS

May 21, 2000

Union Oil Company of California
2141 Rosecrans Avenue, Suite 4000
El Segundo, California 90245

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Union Oil Company of California and its subsidiaries (the "Company") as of December 31, 2000, and the related consolidated statements of earnings, cash flows and shareholder's equity and comprehensive income for the year then ended, and have issued our report thereon dated February 14, 2001.

The Company has prepared documents to demonstrate its financial responsibility under the Nuclear Regulatory Commission's (NRC) financial assurance regulation, 10 C.F.R. Part 30, Appendix A.

In connection with our audit, no matters came to our attention that caused us to believe that the Company failed to comply with the accounting provisions of 10 C.F.R. Part 30, Appendix A. However, our audit was not directed primarily toward obtaining knowledge of such non-compliance.

This report is intended solely for the information and use of the boards of directors and management of the Company, and its parent, Unocal Corporation, and Nuclear Regulatory Commission and should not be used for any other purpose.

Very truly yours,

PricewaterhouseCoopers LLP