

10 CFR 140.21

June 1, 2010

ATTN: Document Control Desk  
U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

**San Onofre Nuclear Generating Station Units 2 and 3  
Docket Nos. 50-361, 50-362  
Palo Verde Nuclear Generating Station Units 1, 2, and 3  
Docket Nos. 50-528, 50-529, and 50-530**

**Subject: Annual Report of Guarantee of Payment of Deferred Premium**

Dear Sir or Madam:

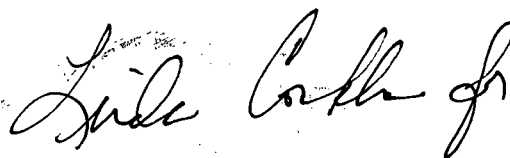
10 CFR 140.21 requires Southern California Edison (SCE), as agent for the owners of the San Onofre Nuclear Generating Station Units 2 and 3 and SCE's 15.8% ownership share of Palo Verde Units 1, 2, and 3, to provide evidence that it maintains a guarantee of payment of deferred premium in an amount of \$17.5 million for each reactor SCE is licensed to operate. In accordance with option (e) of 10 CFR 140.21 and with 10 CFR 50.71(b), SCE has provided its quarterly Form 10-Q report to the Securities and Exchange Commission in lieu of an annual certified financial statement.

SCE is providing the enclosed 2009 Internal Cash Flow statement which is from the consolidated financial statements included in SCE's 2009 annual report.

There are no commitments contained in this letter or its enclosure.

Should you have any questions or require additional information, please contact Ms. Linda T. Conklin at 949-368-9443.

Sincerely,



Enclosure

cc: E. E. Collins, Regional Administrator, NRC Region IV  
R. Hall, NRC Project Manager, San Onofre Units 2 and 3  
G. G. Warnick, NRC Senior Resident Inspector, San Onofre Units 2 and 3

# SOUTHERN CALIFORNIA EDISON COMPANY

## 2009 Internal Cash Flow (Dollars in Millions)

	<u>2009</u> <u>Actual</u>
Net Income After Taxes	\$1,277
Dividends Paid	<u>(\$351)</u>
Retained Earnings	\$926
<b>Adjustments:</b>	
Depreciation & Decommissioning	\$1,145
Net Deferred Taxes & ITC	\$574
Allowance for Funds Used During Construction	<u>(\$148)</u>
Total Adjustments	\$1,571
 Internal Cash Flow	 \$2,497
 Average Quarterly Cash Flow	 \$624

**Percentage Ownership in All Nuclear Units:**

San Onofre Nuclear Generating Station Units 2 & 3		
o Southern California Edison Company		78.21%
o San Diego Gas & Electric Company		20.00%
o City of Riverside		1.79%
 Palo Verde Nuclear Generating Station Units 1, 2 & 3		 15.80%

**Maximum Total Contingent Liability:**

San Onofre Nuclear Generating Station Unit 2	\$17.50	(1)
San Onofre Nuclear Generating Station Unit 3	\$17.50	(1)
Palo Verde Nuclear Generating Station Unit 1	\$2.77	(2)
Palo Verde Nuclear Generating Station Unit 2	\$2.77	(2)
Palo Verde Nuclear Generating Station Unit 3	\$2.77	(2)
Total	\$43.30	

<sup>(1)</sup> The value represents 100% of the SONGS Annual Per Incident Contingent Liability. The Maximum Total Contingent Liability was increased to \$17.50 (Dollars in Millions) per reactor, as announced in the Federal Register, Volume 73, No. 189, Monday, September 29, 2008, Page 56,451, and became effective on October 29, 2008.

<sup>(2)</sup> The value represents 15.8% (SCE's Share) of the Palo Verde Annual Per Incident Contingent Liability