

10 CFR 50.75

March 31, 2011

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

Subject: **Docket No. 50-206**
10 CFR 50.75(f)(1) Decommissioning Funding Report
San Onofre Nuclear Generating Station Unit 1

Dear Sir or Madam:

As required by 10 CFR 50.75(f)(1), this letter provides the status of the decommissioning funding for San Onofre Nuclear Generating Station (SONGS) Unit 1 as of December 31, 2010. The required information is provided in the enclosure for Southern California Edison and San Diego Gas & Electric. Based on the requirements in 10 CFR 50.75(f)(1), this information is reported on an annual basis for SONGS Unit 1 since the plant was permanently shut down before the end of its licensed life and is currently being decommissioned.

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

If you have any questions regarding this matter, please contact Ms. Linda T. Conklin at 949-368-9443.

Sincerely,



Enclosure: SONGS Unit 1 Decommissioning Funding Status Report

cc: E. E. Collins, Regional Administrator, NRC Region IV
J. E. Whitten, NRC Region IV, San Onofre Unit 1
J. C. Shepherd, NRC Project Manager, San Onofre Unit 1
G. G. Warnick, NRC Senior Resident Inspector, San Onofre Units 2 & 3

San Onofre Nuclear Generating Station Unit 1 Decommissioning Funding Status Report

Provided below is the information required by 10 CFR 50.75(f)(1) for San Onofre Unit 1. This information is reported every year for San Onofre Unit 1 because it was permanently shut down before the end of its licensed life and is currently being decommissioned.

All dollar amounts are in 2010 dollars, and the owners are reported as follows:

Southern California Edison (SCE)	80 %
San Diego Gas & Electric (SDG&E)	20 %

- 1) The decommissioning fund estimated to be required pursuant to 10 CFR 50.75(b) and (c) is the following:
 - a) The minimum amount calculated by the method prescribed by 10 CFR 50.75(c) is \$389.6 million.
 - b) The San Onofre Unit 1 site-specific estimate ⁽¹⁾ for decommissioning includes the following radiological decommissioning costs associated with terminating the site license:

	<u>San Onofre Unit 1</u>
Estimate of Radiological Costs	\$ 567.4 million
Actual Radiological Costs through 12/31/2010	<u>\$ 473.8 million</u>
To Go Costs	\$ 93.7 million

The To Go Costs reflect the remaining obligation for the radiological costs associated with terminating the site license.

- 2) The Decommissioning Trust Fund amount remaining at the end of calendar year 2010 (net of estimated capital gains taxes) is:

Owner	<u>San Onofre Unit 1</u>
SCE	\$ 168.8 million
SDG&E ⁽²⁾	<u>\$ 85.6 million</u>
TOTAL	\$ 254.4 million

- 3) The decommissioning fund for San Onofre Unit 1 is sufficient to provide for the estimated decommissioning costs, and as of June 1999, decommissioning funds are no longer collected.
- 4) The composite escalation rate for San Onofre Unit 1 Decommissioning is 2.49%.

- 5) The after-tax composite investment rate of return for the San Onofre Unit 1 Decommissioning is 4.32%. The composite investment rate of return less the composite escalation rate yields a composite real earnings rate less than the 2.0% real rate of return allowed under 10 CFR 50.75(e)(1)(ii).
- 6) None of the owners of San Onofre Unit 1 are relying on any contracts for the purposes of providing decommissioning funding pursuant to 10 CFR 50.75(e)(1)(v). There have been no modifications to the method of providing financial assurance and no material changes to the trust agreements since the March 29, 2010 Decommissioning Funding Report for San Onofre Unit 1.

Notes: (1) The site-specific decommissioning cost estimate for San Onofre Unit 1 that was provided to the California Public Utilities Commission (CPUC) on April 3, 2009, includes the remaining radiological costs associated with terminating the site license; used fuel storage costs, and non-radiological costs which include the costs to excavate and dispose of all remaining structures, appurtenances, and foundations from the onshore site, and to perform site restoration, as required under the current site lease contract(s) with the U.S. Department of the Navy, and to disposition the Unit 1 offshore circulating water conduits as required under the current amendment to the easement-lease granted by the California State Lands Commission. The CPUC approved the Unit 1 Decommissioning cost estimate on July 29, 2010.

- (2) SCE is submitting information with respect to its co-owner, SDG&E. SDG&E is responsible for the completeness and accuracy of their information.