

October 10, 2013

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

Subject: **Docket Nos. 50-361 and 50-362**
Response to Request for Additional Information –
Units 2 and 3 Decommissioning Funding
San Onofre Nuclear Generating Station, Units 2 and 3

- References: (1) Letter from Brian Benny (NRC) to P. T. Dietrich Onge (SCE), Subject: "San Onofre Nuclear Generating Station, Units 2 and 3 - Request for Additional Information Regarding 2013 Decommissioning Funding Status Reports (TAC Nos. MF 2243 and MF 2244), dated July September 12, 2013
- (2) Letter R. J. St. Onge (SCE) to Document Control Desk (NRC), Subject: "Docket Nos. 50-361 and 50-362 10 CFR 50.75(f)(1) Decommissioning Funding Report, San Onofre Nuclear Generating Station Units 2 and 3", dated March 27, 2013

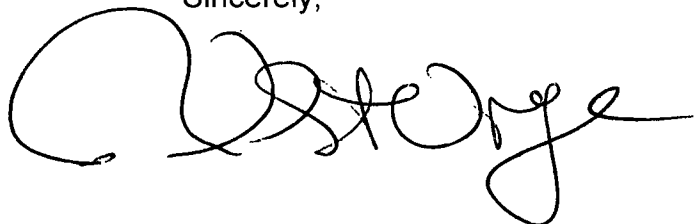
Dear Sir or Madam:

By letter dated September 12, 2013 the Nuclear Regulatory Commission (NRC) issued a Request for Additional Information (Reference 1) regarding San Onofre Nuclear Generating Station Units 2 and 3 Decommissioning Funding. Enclosure 1 provides Southern California Edison's (SCE's) response.

There are no new regulatory commitments contained in this letter.

If you have any questions or require additional information, please contact Mr. Mark Morgan, at (949) 368-6745.

Sincerely,



- Enclosures:
1. Response to Request for Additional Information – Units 2 and 3 Decommissioning Funding
 2. Amendment 3 to SCE's SONGS Nuclear Decommissioning Master Trust Agreements
 3. Amendment 6 to SDG&E's SONGS Nonqualified Decommissioning Master Trust Agreement and Amendment 8 to SDG&E's SONGS Qualified Decommissioning Master Trust Agreement

cc: S. A. Reynolds, 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

Enclosure 1

Response to Request for Additional Information - Units 2 and 3 Decommissioning Funding

RAI #1: Reporting Requirements

Please confirm that the dollar amounts accumulated in the decommissioning trust fund (\$1,666,100,000 for SONGS 2 and \$1,890,800,000 for SONGS 3) are exclusively for radiological decommissioning. Specify if any of the accumulated fund balance is for non-radiological decommissioning costs such as spent fuel management or other non-radiological decommissioning activities.

SCE Response:

Southern California Edison (SCE) does not reserve specific dollar amounts exclusively for estimated radiological decommissioning costs.

Under CA Public Utilities Code Sections 8321-30, the California Public Utilities Commission (CPUC) has authority to oversee the development of decommissioning cost estimates for nuclear facilities owned by utilities within its jurisdiction, and to authorize customer contributions to their corresponding decommissioning trusts. These decommissioning estimates address the entire scope of the utilities' decommissioning obligations, including: (1) radiological decommissioning and NRC license termination costs, (2) spent fuel storage costs, and (3) non-radiological decommissioning and site restoration costs. The CPUC also oversees the use of decommissioning trust funds.

The dollar amounts accumulated in the decommissioning trusts as of December 31, 2012, as shown in the March 27, 2013 letter, include the funds accumulated by SCE and the other San Onofre Nuclear Generating Station (SONGS) owners, including San Diego Gas & Electric Company (SDG&E), the City of Anaheim, and the City of Riverside. These funds are available to discharge the entire SONGS decommissioning liability, which includes all three categories of decommissioning costs. The amount of costs allocated to each of the various categories has varied over time based upon periodic updates to site-specific cost estimates that have been conducted by independent experts and then reviewed by the CPUC. However, the CPUC has never provided for any specific allocation of the existing trust funds among the three cost categories. Rather, the CPUC conducts oversight of both the collection of funds from ratepayers for the trusts and the use of the trust funds to pay for decommissioning expenses as required under California law.

On June 12, 2013, SCE certified that it has permanently ceased power operation of SONGS 2 & 3 (Reference 1). Subsequently, the CPUC ordered SCE to update the SONGS 2 & 3 decommissioning cost estimate that was pending before the CPUC as of December 2012 but not yet approved, based on the 2013 shutdown. SCE submitted the updated estimate (Reference 2) to the CPUC in July 2013, and this estimate is under review by the CPUC.

In addition, SCE has recognized that it may be appropriate for the CPUC to designate the allocation of trust balances among the cost categories, given the changed circumstances and near-term need to use trust funds for these various purposes. This issue is the subject to ongoing review by the CPUC. However, based upon the most recent updated estimate submitted to the CPUC in July 2013, the allocation would be as follows:

	Cost Ratios in Proposed 2013 Cost Estimate	12/31/2012 Trust Balance	07/31/2013 Trust Balance
SONGS 2		\$ 1,666,100,000	\$ 1,769,512,651
License Termination (Radiological Decommissioning) Costs	43%	\$ 717,558,597	\$ 762,096,522
Site Restoration (Non-Radiological Decommissioning) Costs	22%	\$ 368,873,974	\$ 391,769,500
Spent Fuel Management Costs	<u>35%</u>	<u>\$ 579,667,428</u>	<u>\$ 615,646,629</u>
TOTAL	100%	\$ 1,666,100,000	\$ 1,769,512,651
SONGS 3		\$ 1,890,800,000	\$ 2,001,275,073
License Termination (Radiological Decommissioning) Costs	38%	\$ 725,837,304	\$ 768,246,300
Site Restoration (Non-Radiological Decommissioning) Costs	28%	\$ 530,873,764	\$ 561,891,491
Spent Fuel Management Costs	<u>34%</u>	<u>\$ 634,088,000</u>	<u>\$ 671,137,282</u>
TOTAL	100%	\$ 1,890,800,000	\$ 2,001,275,073

It should be noted that the funds currently available for the estimated radiological decommissioning costs are substantially higher than the \$521.5 million minimum amount (per unit) calculated by the method prescribed in 10 C.F.R. § 50.75(c) as provided in the March 27, 2013 submittal (Reference 3).

- References:
1. Letter from P. T. Dietrich (SCE) to the U. S. Nuclear Regulatory Commission (NRC) dated June 12, 2013; Subject: Certification of Permanent Cessation of Power Operations San Onofre Nuclear Generating Station, Units 2 and 3
 2. Southern California Edison to the California Public Utilities Commission dated July 22, 2013 Subject: San Onofre Nuclear Generating Station Units 2 & 3 Decommissioning Cost Estimate 2013 Scenario
 3. Letter R. J. St. Onge (SCE) to Document Control Desk (NRC), Subject: "Docket Nos. 50-361 and 50-362 10 CFR 50.75(f)(1) Decommissioning Funding Report, San Onofre Nuclear Generating Station Units 2 and 3", dated March 27, 2013

RAI #2 Reporting Requirements

Please indicate whether there have been any material changes to the trust agreements from the previous submittal dated March 30, 2011 (ADAMS Accession No. ML110900660).

SCE Response:

During the fall of 2011, SCE and SDG&E amended their respective master trust agreements to allow for the transfer of funds from their nonqualified trusts into their qualified trusts. The amendments to their master trust agreements are provided as Enclosures 2 and 3 to this response. The Cities of Anaheim and Riverside have confirmed that there have not been any material changes to their trust agreements from the previous submittal dated March 30, 2011.

Enclosure 2

**Amendment 3 to SCE's SONGS Nuclear Decommissioning
Master Trust Agreements**

October 13, 2011

ADVICE 2639-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Amendment of the Southern California Edison Company
Qualified and Nonqualified Nuclear Decommissioning Trust
Agreements to Reflect Special Transfer Permitted by the
Internal Revenue Code

Southern California Edison Company (SCE), on behalf of its Nuclear Facilities Decommissioning Master Trust Committee (Committee), hereby submits Amendments No. 3 of both the Qualified and Nonqualified Decommissioning Trust Agreements (Amendments)^{1/} for approval pursuant to Section 2.12 of the Qualified Trust Agreement and Section 2.10 of the Nonqualified Trust Agreement.

PURPOSE

This advice filing requests the California Public Utilities Commission (Commission or CPUC) to approve the Amendments and to authorize the Executive Director to sign the Amendments on behalf of the Commission. The Amendments revise SCE's decommissioning trust agreements (SCE Trust Agreements) to allow for a special transfer of assets from the Nonqualified Trust to the Qualified Trust as permitted by the Internal Revenue Service (IRS).

BACKGROUND

In Order Instituting Investigation No. 86 (OII 86), the Commission conducted an extensive investigation, on its own motion, into alternative methods of financing the

^{1/} Proposed Amendment No. 3 of the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust Agreement For San Onofre and Palo Verde Nuclear Generating Stations and proposed Amendment No. 3 of the Southern California Edison Company Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust Agreement For San Onofre and Palo Verde Nuclear Generating Stations are attached as Exhibit A.

ultimate cost of decommissioning the nuclear power plants owned by California utilities.^{2/} In Decision (D.)87-05-062, the Commission adopted externally managed trust funds as the investment vehicles for accruing funds for the ultimate decommissioning of the nuclear power plants owned by California utilities.^{3/} In that decision, the Commission also established guidelines for preparing these trust agreements.^{4/}

In response to D.87-05-062, SCE established two trusts for its nuclear decommissioning costs. The Qualified Trust was established as the vehicle to hold the decommissioning funds for contributions that qualify for an income tax deduction under Section 468A of the Internal Revenue Code, and the Nonqualified Trust was designed to hold the remaining funds. On November 25, 1987, the Commission approved the SCE Trust Agreements by Resolution E-3057. The Trusts were initially funded on February 2, 1988 and the SCE Trust Agreements have been amended and restated from time-to-time thereafter with Commission approval. The proposed amendments of the SCE Trust Agreements incorporate changes intended to enable the transfer of assets from the Nonqualified Trust to the Qualified Trust, which is taxed at a lower federal tax rate. The Amendments were approved by the Committee on October 11, 2011.

In Application 09-04-009, the Commission's Division of Ratepayer Advocates (DRA) recommended that SCE transfer funds from its Nonqualified Trust to its Qualified Trust. SCE opposed the recommendation on the grounds that state income tax law was inconsistent with federal income tax law with respect to such transfers. Due to this inconsistency, SCE believed that making such transfers could jeopardize the tax preferences enjoyed by its Qualified Trust for state tax purposes. In D.10-07-047, the Commission agreed with SCE (see Finding of Fact 25, at page 54 of the printed decision). Since that time, the State Legislature has passed tax reconciliation legislation conforming state and federal income tax provisions related to the transfer of funds from Nonqualified Decommissioning Trusts to Qualified Decommissioning Trusts. (See 2010 Senate Bill 401, Section 4, and California Revenue and Taxation Code Sections 17024.5(a)(1)(O) and 23051.5.) Pursuant to these changes, SCE now agrees with DRA that it is appropriate to amend the Trust Agreements to make it possible to complete the fund transfers DRA had recommended and with which SCE had agreed in principle. Doing so will be beneficial to ratepayers by maximizing the tax benefits available to SCE under state and federal tax laws and, in turn, by reducing the revenue requirements associated with assuring the adequacy of decommissioning funding. The Amendments proposed in this advice letter are necessary to facilitate the fund transfers contemplated and are therefore in the public interest.

The IRS has granted SCE 90 days to complete the special transfer of assets from the Nonqualified Trust to the Qualified Trust from the dates of receipt of its rulings. SCE received the rulings on August 24, 2011 and August 26, 2011, which results in a

^{2/} Oll 86, January 21, 1981, p. 3.

^{3/} D.87-05-062, May 29, 1987, Ordering Paragraph No. 2, pp. 37-38.

^{4/} Id. Conclusions of Law 5 and 6, p. 37.

deadline to complete the first transfer on November 22, 2011. Therefore, SCE requests that the Amendments be approved no later than November 12, 2011, 30 days from today's date, in order to allow sufficient time to implement the special transfer.

If the transfer is approved, SCE plans to continue using the investment managers for the Nonqualified Trust in the interim, operating under its currently-effective management agreements but making necessary revisions to account for the transfer of the funds to the Qualified Trust.

PROCEDURAL INFORMATION

Amendment of the SCE Trust Agreements requires Commission approval. The Committee is authorized to amend the SCE Trust Agreements thirty (30) days after filing a copy of the proposed amendments with the Commission provided no written objections are filed within that period. The relevant text of the two sections is identical, and states in part:

“The Committee may also amend this agreement thirty days after filing a copy of the proposed amendment with the CPUC. No proposed amendment may be made if written objections to a proposed amendment are filed within the thirty-day period. Any party making written objections to a proposed amendment shall serve the written objections with a certificate of service on the Company, the Committee, the Trustee, and the CPUC Staff on the same day the written objections are filed with the CPUC.”^{5/}

The Amendments were approved by the Committee on October 11, 2011. Copies are attached as Exhibit A.

No cost information is required for this advice filing.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

^{5/} See, §2.12, p. 11 of the *Qualified Trust as restated November 1, 2002*, and §2.10, p. 10 of the *Nonqualified Trust as restated November 1, 2002*.

EFFECTIVE DATE

The Amendments are proposed to be executed by the Company and the trustee upon approval of the Commission. SCE respectfully requests that the Commission approve the Amendments and authorize the Executive Director to sign the amendments on behalf of the Commission at its earliest convenience or no later than November 12, 2011.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Leslie E. Starck
Senior Vice President
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B service list. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-2930. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters>.

For questions, please contact Gregory Henry at (626) 302-1457 or by electronic mail at Gregory.Henry@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:gh:sq
Enclosures

EXHIBIT A

**AMENDMENTS TO THE
SOUTHERN CALIFORNIA EDISON COMPANY
NUCLEAR FACILITIES DECOMMISSIONING MASTER
TRUST AGREEMENTS**

AMENDMENT NO. 3
TO THE
SOUTHERN CALIFORNIA EDISON COMPANY
NUCLEAR FACILITIES QUALIFIED
CPUC DECOMMISSIONING MASTER TRUST AGREEMENT
FOR
SAN ONOFRE AND PALO VERDE NUCLEAR GENERATING STATIONS

This Amendment No. 3 made this ____ day of _____, 2011, by and between Southern California Edison Company (“Company”), The Bank of New York Mellon, a New York state bank, successor by operation of law to Mellon Bank, N.A (“Trustee”), and the California Public Utilities Commission (“CPUC”).

WHEREAS, pursuant to Section 2.12 of the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust Agreement for San Onofre and Palo Verde Nuclear Generating Stations as amended and restated November 1, 2002, as amended (“Agreement”) between the Company, the Trustee and the CPUC, the parties specifically reserve the right to amend the Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Section 2.02 of the Agreement is hereby deleted in its entirety and restated to read as follows:

“Additions to Master Trust. From time to time after the initial contribution to the Master Trust and prior to the termination of this Master Trust, the Company may make, and the Trustee shall accept, additional contributions to the Master Trust of money and/or securities, to the extent permitted under Section 468A of the Code, to satisfy the purpose of this Master Trust as set forth in Section 1.03, which contributions may be made to the applicable Fund Account(s). With respect to amounts received as a transfer from the Southern California Edison Company Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations (the “Nonqualified Master Trust”) to this Master Trust, such amounts attributable to a particular Unit or Fund under the Non-Qualified Master Trust shall be allocated to the same Unit or Fund under this Master Trust.”

2. Section 2.03 of the Agreement is hereby deleted in its entirety and restated to read as follows:

“Adjustments for Excess Contributions. The Trustee and the Company understand and agree that the contributions made by the Company to any of the Funds from time to time may exceed the amount permitted to be paid into such funds(s) pursuant to

Section 468A of the Code and any regulations thereunder based upon changes in estimates, subsequent developments, or any other event or occurrence which could not reasonably have been foreseen by the Company at the time such contribution was made (Excess Contribution). With respect to any Excess Contribution, the Trustee shall make (i) transfers from the Master Trust to the Nonqualified Master Trust, or (ii) withdrawals from the Master Trust to the Company, as the case may be, upon a presentation of a certificate substantially in the form of Exhibit E, instructing the Trustee to make such payment from the Master Trust to the Nonqualified Master Trust, or substantially in the form of Exhibit F, instructing the Trustee to make such payment from the Master Trust to the Company. The Trustee shall be fully protected in relying upon such certificate.”

3. Section 2.04 of the Agreement is amended by adding the following language to the end thereof:

“Notwithstanding the preceding sentence or anything else in this Master Trust to the contrary, monies or securities can be transferred from the Master Trust to the Nonqualified Master Trust to the extent permitted by Section 468A of the Code and directed by the Company upon presentation of a certificate substantially in the form of Exhibit E.”

4. Each Party hereby represents and warrants to the others that it has full authority to enter into this Amendment No. 3 upon the terms and conditions hereof and that the individual executing this Amendment No. 3 on its behalf has the requisite authority to bind that Party.

[Signatures to follow]

IN WITNESS WHEREOF, the Company, the Trustee, and the CPUC have set their hands and seals in agreement to these amendments effective as provided above.

SOUTHERN CALIFORNIA EDISON COMPANY

By: _____

Date: _____

Attest: _____

THE BANK OF NEW YORK MELLON

By: _____

Date: _____

Attest: _____

CALIFORNIA PUBLIC UTILITIES COMMISSION

By: _____

Date: _____

Attest: _____

Exhibit E

**CERTIFICATE FOR TRANSFER FROM THE QUALIFIED FUND
TO THE NONQUALIFIED FUND**

**The Bank of New York Mellon, as Trustee
[Address]**

This Certificate is submitted pursuant to Section 2.03 and Section 2.04 of the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations (“Master Trust”), as amended and restated November 1, 2002, as amended. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Master Trust.

In your capacity as Trustee, you are hereby authorized and instructed to pay \$ _____ in cash and the securities identified on the schedule attached hereto from the [Unit name’s] qualified fund to that Unit’s nonqualified fund.

With respect to such payment, the undersigned, each being an Authorized Representative of Southern California Edison Company (“Company”), a California corporation, and, in such capacity, being authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations, pursuant to Section 2.03 and Section 2.04 of the Master Trust, that any amount stated herein to be paid from the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations to the Southern California Edison Company Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations is an Excess Contribution as set forth in Section 2.03 of the Master Trust.

IN WITNESS WHEREOF, each of the undersigned have executed this Certificate in the capacity as shown below as of _____, _____.

By:

Authorized Representative

By:

Authorized Representative

Exhibit F

CERTIFICATE FOR WITHDRAWAL OF EXCESS CONTRIBUTION

The Bank of New York Mellon, as Trustee
[Address]

This Certificate is submitted pursuant to Section 2.03 of the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations ("Master Trust"), as amended and restated November 1, 2002, as amended. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Master Trust. In your capacity as Trustee, you are hereby authorized and instructed to pay \$ _____ in cash and the securities identified on the schedule attached hereto to the Company from the Master Trust.

With respect to such payment, the undersigned, each being an Authorized Representative of Southern California Edison Company ("Company"), a California corporation, and, in such capacity, being authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations, pursuant to Section 2.03 of the Master Trust, that withdrawal pursuant to Section 2.03 of the Master Trust is appropriate and that \$ _____ and securities constitutes an Excess Contribution pursuant to Section 2.03 of the Master Trust.

IN WITNESS WHEREOF, each of the undersigned have executed this Certificate in the capacity as shown below as of _____, _____.

By:

Authorized Representative

By:

Authorized Representative

AMENDMENT NO. 3
TO THE
SOUTHERN CALIFORNIA EDISON COMPANY
NUCLEAR FACILITIES NONQUALIFIED
CPUC DECOMMISSIONING MASTER TRUST AGREEMENT
FOR
SAN ONOFRE AND PALO VERDE NUCLEAR GENERATING STATIONS

This Amendment No. 3 is made this ____ day of _____, 2011, by and between Southern California Edison Company (“Company”), The Bank of New York Mellon, a New York state bank, successor by operation of law to Mellon Bank, N.A (“Trustee”) and the California Public Utilities Commission (“CPUC”).

WHEREAS, pursuant to Section 2.10 of the Southern California Edison Company Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust Agreement for San Onofre and Palo Verde Nuclear Generating Stations as amended and restated November 1, 2002, as amended (“Agreement”) between the Company, the Trustee and the CPUC, the parties specifically reserve the right to amend the Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Section 2.02 of the Agreement is hereby amended by adding the following language to the end thereof:

“With respect to amounts received as an Excess Contribution (as such term is defined in Section 2.03 of the Qualified Master Trust (defined below)) from the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations (the “Qualified Master Trust”) to this Master Trust, such amounts attributable to a particular Unit or Fund under the Qualified Master Trust shall be allocated to the same Unit or Fund under this Master Trust.”

2. Section 2.03 of the Agreement is hereby amended by adding the following language to the end thereof:

“Notwithstanding the preceding sentence or anything else in this Master Trust to the contrary, monies or securities can be transferred from the Master Trust to the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for the San Onofre and Palo Verde Nuclear Generating Stations to the extent permitted by Section 468A of the Code and directed by the Company upon presentation of a certificate substantially in the form of Exhibit E. The Trustee shall be fully protected in relying upon such certificate.”

3. Each Party hereby represents and warrants to the others that it has full authority to enter into this Amendment No. 3 upon the terms and conditions hereof and that the individual executing this Amendment No. 3 on its behalf has the requisite authority to bind that Party.

IN WITNESS WHEREOF, the Company, the Trustee, and the CPUC have set their hands and seals in agreement to these amendments effective as provided above.

SOUTHERN CALIFORNIA EDISON COMPANY

By: _____

Date: _____

Attest: _____

THE BANK OF NEW YORK MELLON

By: _____

Date: _____

Attest: _____

CALIFORNIA PUBLIC UTILITIES COMMISSION

By: _____

Date: _____

Attest: _____

Exhibit E

**CERTIFICATE FOR TRANSFER FROM THE NONQUALIFIED FUND
TO THE QUALIFIED FUND**

The Bank of New York Mellon, as Trustee
[Address]

This Certificate is submitted pursuant to Section 2.03 of the Southern California Edison Company Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations (“Master Trust”), as amended and restated November 1, 2002, as amended. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Master Trust.

In your capacity as Trustee, you are hereby authorized and instructed to pay \$ _____ in cash and the securities identified on the schedule attached hereto from the [Unit name’s] nonqualified fund to that Unit’s qualified fund; or

With respect to such payment, the undersigned, each being an Authorized Representative of Southern California Edison Company (“Company”), a California corporation, and, in such capacity, being authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the Southern California Edison Company Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust for San Onofre and Palo Verde Nuclear Generating Stations, pursuant to Section 2.03 of the Master Trust, that any amount stated herein to be paid from the Southern California Edison Company Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust to the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust is in accordance with the rules of section 468A of the Code and the regulations thereunder.

[Signature to follow]

IN WITNESS WHEREOF, each of the undersigned have executed this Certificate in the capacity as shown below as of _____, _____.

By:

Authorized Representative

By:

Authorized Representative

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)	
Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)	
Utility type: <input checked="" type="checkbox"/> ELC <input type="checkbox"/> GAS <input type="checkbox"/> PLC <input type="checkbox"/> HEAT <input type="checkbox"/> WATER	Contact Person: James Yee Phone #: (626) 302-2509 E-mail: James.Yee@sce.com E-mail Disposition Notice to: AdviceTariffManager@sce.com
EXPLANATION OF UTILITY TYPE	(Date Filed/ Received Stamp by CPUC)
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water	
Advice Letter (AL) #: <u>2639-E</u>	Tier Designation: <u>2</u>
Subject of AL: <u>Amendment of the Southern California Edison Company Qualified and Nonqualified Nuclear Decommissioning Trust Agreements to Reflect Special Transfer Permitted by the Internal Revenue Code</u>	
Keywords (choose from CPUC listing): <u>Nuclear, Taxes</u>	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> One-Time <input type="checkbox"/> Other _____	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:	
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____	
Summarize differences between the AL and the prior withdrawn or rejected AL ¹ : _____	
Confidential treatment requested? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If yes, specification of confidential information: Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/access to confidential information:	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: <u>10/12/11</u>	No. of tariff sheets: <u>-0-</u>
Estimated system annual revenue effect (%): _____	
Estimated system average rate effect (%): _____	
When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).	
Tariff schedules affected: <u>None</u>	
Service affected and changes proposed ¹ : _____	
Pending advice letters that revise the same tariff sheets: _____	

¹ Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
inj@cpuc.ca.gov and mas@cpuc.ca.gov

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Leslie E. Starck
Senior Vice President
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

Enclosure 3

**Amendment 6 to SDG&E's SONGS Nonqualified
Decommissioning Master Trust Agreement
and
Amendment 8 to SDG&E's SONGS Qualified
Decommissioning Master Trust Agreement**

STATE OF CALIFORNIA

Edmund G. Brown Jr., Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



October 28, 2011

Advice Letter 2288-E

Clay Faber, Director
Regulatory Affairs
San Diego Gas and Electric
8330 Century Park Court, CP32C
San Diego, CA 92123-1548

**Subject: Amendment to the Qualified and Non-Qualified Nuclear
Decommissioning Trust Agreements to Reflect New
Nuclear Regulatory Commission Regulations**

Dear Mr. Faber:

Advice Letter 2288-E is effective October 20, 2011.

Sincerely,

A handwritten signature in cursive script, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Clay Faber - Director
Regulatory Affairs
8330 Century Park Court
San Diego, CA 92123-1548

Tel: 858.654.3563
Fax: 858.654.1788
cfaber@semprautilities.com

September 20, 2011

ADVICE LETTER 2288-E
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: AMENDMENT TO THE QUALIFIED AND NONQUALIFIED NUCLEAR
DECOMMISSIONING TRUST AGREEMENTS TO REFLECT NEW NUCLEAR
REGULATORY COMMISSION REGULATIONS**

San Diego Gas & Electric Company (SDG&E), on behalf of its Nuclear Facilities Decommissioning Master Trust Committee (Committee), hereby submits Amendment No. 8 of the Qualified Decommissioning Trust Agreement and Amendment No. 6 of the Nonqualified Decommissioning Trust Agreement (Amendments)¹ for approval pursuant to Section 2.12 of the Qualified Trust Agreement and Section 2.10 of the Nonqualified Trust Agreement.

PURPOSE

This Advice Letter requests the California Public Utilities Commission (CPUC or Commission) to approve the Amendments and to authorize the Executive Director to sign the amendments on behalf of the Commission. The Amendments revise SDG&E's decommissioning trust agreements (SDG&E Trust Agreements) to allow for a special transfer of assets from the Non-Qualified Trust to the Qualified Trust as permitted by the IRS.

BACKGROUND

In Order Instituting Investigation No. 86 (OII 86), the Commission conducted an extensive investigation, on its own motion, into alternative methods of financing the ultimate cost of decommissioning the nuclear power plants owned by California utilities. In Commission Decision (D.) 87-05-062, the Commission adopted externally managed trust funds as the investment vehicles for accruing funds for the ultimate decommissioning of the nuclear power plants owned by California utilities. In that decision, the Commission also established guidelines for preparing these trust agreements.

In response to D.87-05-062, SDG&E established two trusts for its nuclear decommissioning

¹ Proposed Amendment No. 7 of the SDG&E Nuclear Facilities Qualified CPUC Decommissioning Master Trust Agreement for San Onofre Nuclear Generating Stations and proposed Amendment No. 5 of the SDG&E Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust Agreement for San Onofre Nuclear Generating Stations are attached to Exhibit A.

costs. The Qualified Trust was established as the vehicle to hold the decommissioning funds for contributions that qualify for an income tax deduction under Section 468A of the Internal Revenue Code, and the Nonqualified Trust was designed to hold the remaining funds. On November 25, 1987, the Commission approved the SDG&E Trust Agreements by Resolution E-3060. The Qualified Trust was initially funded on December 2, 1987, and the Nonqualified Trust was initially funded on February 1, 1998. SDG&E Trust Agreements have been amended and restated from time-to-time thereafter with Commission approval.

The proposed amendments of the SDG&E Trust Agreements attached to Exhibit A incorporate changes intended to enable the transfer of assets from the Non-Qualified Trust to the Qualified Trust, which is taxed at a lower federal tax rate. These amendments were approved at the September 20, 2011 meeting of the Committee.

In Application 09-04-009, the Commission Division of Ratepayer Advocates recommended that SDG&E transfer funds from its non-qualifying trusts to its qualifying trusts. SDG&E opposed the recommendation on the grounds that state income tax law was inconsistent with federal income tax law with respect to such transfers; due to this inconsistency, SDG&E believed that making such transfers could jeopardize the tax preferences enjoyed by its qualified trusts for state tax purposes. In Decision 10-07-047, the Commission agreed with SDG&E (see Finding of Fact 25, at page 54 of the printed decision). Since that time, the State Legislature has passed tax-reconciliation legislation conforming state and federal income tax provisions related to the transfer of funds from nonqualified decommissioning trusts to qualified decommissioning trusts. (See 2010 Senate Bill 401, Section 4, and California Revenue and Taxation Code Sections 17024.5(a)(1)(O) and 23051.5.) Pursuant to these changes, SDG&E now agrees with the DRA that it is appropriate to make the fund transfers DRA had recommended and with which SDG&E had agreed in principle. Doing so will be beneficial to ratepayers by maximizing the tax benefits available to SDG&E under state and federal tax law and, in turn, by reducing the revenue requirements associated with assuring the adequacy of decommissioning funding. The amendments to SDG&E's Master Trust Agreement as proposed in this Advice Letter are necessary to facilitate the fund transfers contemplated and are therefore in the public interest.

The IRS has granted SDG&E 90 days to complete the special transfer of assets from the Non-Qualified Trust to the Qualified Trust from the date of receipt of its rulings, which is August 18th, 2011. Additionally, the Trustee has expressed its preference that such a transfer be completed at month end. Therefore, SDG&E requests that these Amendments be approved no later than October 20, 2011, 30 days from today's date, in order to allow sufficient time to implement the special transfer.

PROCEDURAL INFORMATION

Amendment of the SDG&E Trust Agreements requires Commission approval. The Committee is authorized to amend the SDG&E Trust Agreements thirty days after filing a copy of the proposed amendments with the Commission provided no written objections are filed within that period. The relevant text of the two sections is identical, and states in part:

The Committee may also amend this agreement thirty days after filing a copy of the proposed amendment with the CPUC. No proposed amendment may be made if written objections to a proposed amendment are filed within the thirty-day period. Any party making written objections to a proposed amendment shall

serve the written objections with a certificate of service on the Company, the Committee, the Trustee, and the CPUC Staff on the same day the written objections are filed with the CPUC.²

These amendments were approved by the Committee at its September 20, 2011 meeting.

EFFECTIVE DATE

SDG&E believes that this Advice Letter is subject to Energy Division disposition and should be classified as a Tier 2 or at the discretion of the Commission pursuant to GO 96-B. SDG&E respectfully requests that the Commission approve the amendments and authorize the Executive Director to sign the amendments on behalf of the Commission at its earliest convenience or no later than October 20, 2011.

PROTEST

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impacts, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the CPUC, or October 10, 2011. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Honesto Gatchalian (hnj@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1879
E-mail: mcaulson@semprautilities.com

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties to service lists R.10-05-004 et al either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

² See Section 2.12, p. 22 of the Qualified Trust as restated June 29, 1992, and Section 2.10, p. 20 of the Nonqualified Trust as restated June 29, 1992.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1879 or by e-mail at SDG&ETariffs@semprautilities.com.

CLAY FABER
Director – Regulatory Affairs

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Aurora Carrillo

Phone #: (858) 654-1542

E-mail: acarrillo@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2288-E

Subject of AL: Amendment to the Qualified and Nonqualified Nuclear Decommissioning Trust Agreements to Reflect New Nuclear Regulatory Commission Regulations

Keywords (choose from CPUC listing): Agreements, Nuclear Decommissioning

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation:

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: October 20, 2011

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

San Diego Gas & Electric

Attention: Megan Caulson

8330 Century Park Ct, Room 32C

San Diego, CA 92123

mcaulson@semprautilities.com

¹ Discuss in AL if more space is needed.

General Order No. 96-B
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

S. Cauchois
R. Pocta
W. Scott

Energy Division

P. Clanon
S. Gallagher
H. Gatchalian
D. Lafrenz
M. Salinas

CA Energy Commission

F. DeLeon
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

CCSE

S. Freedman
J. Porter

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill
J. Pau

Dept. of General Services

H. Nanjo
M. Clark

Douglass & Liddell

D. Douglass
D. Liddell
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg
J. Heather Patrick
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark

M. Huffman
S. Lawrie

E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

School Project for Utility Rate
Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander
K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties In:

R.10-05-004

AMENDMENT NO. 8
TO THE
SAN DIEGO GAS & ELECTRIC COMPANY
NUCLEAR FACILITIES QUALIFIED CPUC DECOMMISSIONING
MASTER TRUST AGREEMENT
FOR
SAN ONOFRE NUCLEAR GENERATING STATIONS

This Amendment No. 8 made this _____ day of _____, 2011, by and between San Diego Gas & Electric Company ("Company") and The Bank of New York Mellon, a New York state bank, successor by operation of law to Mellon Bank, N.A ("Trustee").

WHEREAS, pursuant to Section 2.12 of the Nuclear Facilities Qualified Decommissioning Master Trust for San Onofre Nuclear Generating Stations dated as of June 29, 1992, as amended ("Agreement") between the Company and the Trustee, the parties specifically reserve the right to amend the Agreement;

NOW, THEREFORE, the Company and the Trustee agree as follows:

1. Section 2.02 of the Agreement is hereby deleted in its entirety and restated to read as follows:

"Additions to Master Trust. From time to time after the initial contribution to the Master Trust and prior to the termination of this Master Trust, the Company may make, and the Trustee shall accept, additional contributions to the Master Trust of money and/or securities, to the extent permitted under Section 468A of the Code, to satisfy the purpose of this Master Trust as set forth in Section 1.03, which contributions may be made to the applicable Fund Account(s). With respect to amounts received as a transfer from the San Diego Gas & Electric Company Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust for San Onofre Nuclear Generating Stations (the "Non-Qualified Master Trust") to this Master Trust, such amounts attributable to a particular Unit or Fund under the Non-Qualified Master Trust shall be allocated to the same Unit or Fund under this Master Trust."

2. Section 2.03 of the Agreement is hereby deleted in its entirety and restated to read as follows:

"Adjustments for Excess Contributions. The Trustee and the Company understand and agree that the contributions made by the Company to any of the Funds from time to time may exceed the amount permitted to be paid into such funds(s) pursuant to Section 468A of the Code and any regulations thereunder based upon changes in estimates, subsequent developments, or any other event or occurrence which could not reasonably have been foreseen by the Company at the time such contribution was made (Excess Contribution). With respect to any Excess Contribution, the Trustee shall make (i) transfers from the Master Trust to the San Diego Gas & Electric

Company Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust for the San Onofre Nuclear Generating Stations or (ii) withdrawals from the Master Trust to the Company, as the case may be, upon a presentation of a certificate substantially in the form of Exhibit E, instructing the Trustee to make such payment from the Master Trust to the San Diego Gas & Electric Company Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust for the San Onofre Nuclear Generating Stations, or substantially in the form of Exhibit F, instructing the Trustee to make such payment from the Master Trust to the Company. The Trustee shall be fully protected in relying upon such certificate."

3. Section 2.04 of the Agreement is amended by adding the following language to the end thereof:

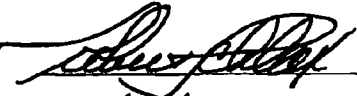
"Notwithstanding the preceding sentence or anything else in this Master Trust to the contrary, monies or securities can be transferred from the Master Trust to the San Diego Gas & Electric Company Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust for the San Onofre Nuclear Generating Stations to the extent permitted by Section 468A of the Code and directed by the Company upon presentation of a certificate substantially in the form of Exhibit E."

4. Each Party hereby represents and warrants to the others that it has full authority to enter into this Amendment No. 8 upon the terms and conditions hereof and that the individual executing this Amendment No. 8 on its behalf has the requisite authority to bind that Party.

[Signatures to follow]

IN WITNESS WHEREOF, the Company, the Trustee, and the California Public Utilities Commission have set their hands and seals in agreement to these amendments effective as provided above.

SAN DIEGO GAS & ELECTRIC COMPANY

By: 
Date: 9/20/11
Attest: Carina E. Coleman

THE BANK OF NEW YORK MELLON

By: Paul Dring
Date: 9/19/11
Attest: Thomas Ordona

CALIFORNIA PUBLIC UTILITIES COMMISSION

By: Paul Clanton
Date: 10-12-11
Attest: PAUL CLANTON

Exhibit E

**CERTIFICATE FOR TRANSFER FROM THE QUALIFIED FUND
TO THE NON-QUALIFIED FUND**

The Bank of New York Mellon, as Trustee
[Address]

This Certificate is submitted pursuant to Section 2.03 and Section 2.04 of the San Diego Gas & Electric Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre Nuclear Generating Stations, dated _____. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Master Trust. In your capacity as Trustee, you are hereby authorized and instructed as follows (complete one):

To pay \$ _____ in cash and the securities identified on the schedule attached hereto from the [Unit name's] qualified fund to that Unit's nonqualified fund.

With respect to such payment, the undersigned, being an Authorized Representative of San Diego Gas & Electric Company ("Company"), a California corporation, and, in such capacity, being authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustees of the San Diego Gas & Electric Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre Nuclear Generating Stations, pursuant to Section 2.03 and Section 2.04 of the Master Trust, as follows:

1. Any amount stated herein to be paid from the San Diego Gas & Electric Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust to the San Diego Gas & Electric Company Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust is an Excess Contribution as set forth in Section 2.03 of the Master Trust.

[Signature to follow]

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity as shown below as of _____, _____.

By:

Authorized Representative

Exhibit F

CERTIFICATE FOR WITHDRAWAL OF EXCESS CONTRIBUTION

The Bank of New York Mellon, as Trustee
[Address]

This Certificate is submitted pursuant to Section 2.03 of the San Diego Gas & Electric Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre Nuclear Generating Stations, dated _____. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Master Trust. In your capacity as Trustee, you are hereby authorized and instructed to pay \$_____ in cash and the securities identified on the schedule attached hereto to the Company from the Master Trust.

With respect to such payment, the undersigned, being an Authorized Representative of San Diego Gas & Electric Company ("Company"), a California corporation, and, in such capacity, being authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the San Diego Gas & Electric Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for San Onofre Nuclear Generating Stations, pursuant to Section 2.03 of the Master Trust, that withdrawal pursuant to Section 2.03 of the Master Trust is appropriate and that \$_____ and securities constitutes an Excess Contribution pursuant to Section 2.03 of the Master Trust.

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity as shown below as of _____.

By:

Authorized Representative

AMENDMENT NO. 6
TO THE
SAN DIEGO GAS & ELECTRIC COMPANY
NUCLEAR FACILITIES NON-QUALIFIED CPUC DECOMMISSIONING
MASTER TRUST AGREEMENT
FOR
SAN ONOFRE NUCLEAR GENERATING STATIONS

This Amendment No. 6 made this _____ day of _____, 2011, by and between San Diego Gas & Electric Company ("Company") and The Bank of New York Mellon, a New York state bank, successor by operation of law to Mellon Bank, N.A ("Trustee").

WHEREAS, pursuant to Section 2.10 of the Nuclear Facilities Non-Qualified Decommissioning Master Trust for San Onofre Nuclear Generating Stations dated as of June 29, 1992, as amended ("Agreement") between the Company and the Trustee, the parties specifically reserve the right to amend the Agreement;

NOW, THEREFORE, the Company and the Trustee agree as follows:

1. Section 2.03 of the Agreement is hereby amended by adding the following language to the end thereof:

"Notwithstanding the preceding sentence or anything else in this Master Trust to the contrary, monies or securities can be transferred from the Master Trust to the San Diego Gas & Electric Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust for the San Onofre Nuclear Generating Stations to the extent permitted by Section 468A of the Code and directed by the Company upon a presentation of a certificate substantially in the form of Exhibit E. The Trustee shall be fully protected in relying upon such certificate."

2. Each Party hereby represents and warrants to the others that it has full authority to enter into this Amendment No. 6 upon the terms and conditions hereof and that the individual executing this Amendment No. 6 on its behalf has the requisite authority to bind that Party.

[Signatures to follow]

IN WITNESS WHEREOF, the Company, the Trustee, and the California Public Utilities Commission have set their hands and seals in agreement to these amendments effective as provided above.

SAN DIEGO GAS & ELECTRIC COMPANY

By: 

Date: 9/20/11

Attest: Carina E. Coleman

THE BANK OF NEW YORK MELLON

By: Paul Durig

Date: 9/19/11

Attest: Thomas Ardona

CALIFORNIA PUBLIC UTILITIES COMMISSION

By: Paul Clanon

Date: 10.12.11

Attest: PAUL CLANON

Exhibit E

**CERTIFICATE FOR TRANSFER FROM THE NON-QUALIFIED FUND
TO THE QUALIFIED FUND**

The Bank of New York Mellon, as Trustee

[Address]

This Certificate is submitted pursuant to Section 2.03 of the San Diego Gas & Electric Company Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust for San Onofre Nuclear Generating Stations, dated _____. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Master Trust. In your capacity as Trustee, you are hereby authorized and instructed as follows (complete one):

To pay \$_____ in cash and the securities identified on the schedule attached hereto from the [Unit name's] nonqualified fund to that Unit's qualified fund; or

With respect to such payment, the undersigned, being an Authorized Representative of San Diego Gas & Electric Company ("Company"), a California corporation, and, in such capacity, being authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the San Diego Gas & Electric Company Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust for San Onofre Nuclear Generating Stations, pursuant to Section 2.03 of the Master Trust, as follows:

1. Any amount stated herein to be paid from the San Diego Gas & Electric Company Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust to the San Diego Gas & Electric Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust is in accordance with the rules of section 468A of the Code and the regulations thereunder.

[Signature to follow]

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity as shown below as of _____, _____.

By:

Authorized Representative