



CITY OF ANAHEIM, CALIFORNIA

Public Utilities Department

November 26, 1990

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

Subject: Docket Nos. 50-206, 50-361, and 50-362  
10 CFR 50.33(k) (2); Report assuring the Availability  
of Funds for Decommissioning San Onofre Units 2 & 3

Dear Sir or Madam:

This letter is being submitted by the City of Anaheim, California as a licensee of San Onofre Nuclear Generating Station Units 2 and 3. Pursuant to the Participation Agreement executed on October 30, 1980 and as amended on March 15, 1982 the City owns 3.16 percent of San Onofre Units 2 and 3. In addition to the City of Anaheim, Southern California Edison, San Diego Gas and Electric, and the City of Riverside, California are owners and licensees of San Onofre Units 2 and 3.

The enclosed copies of the certification, sent to you on July 24, 1990, constitutes the Financial Assurance Certification and Oath of Affirmation required by United States Nuclear Regulatory Commission regulation 10 CFR 50.75(b).

Now enclosed, as part of the certification report, is a copy of the Trust Agreement with the Bank of California executed by the City of Anaheim on November 6, 1990 as required by 10 CFR 50.75(e).

If you have any questions regarding this certification please contact Michael Bell, Financial Services Manager, at (714) 999-5100 ext. 5539.

Sincerely,

Edward K. Aghjayan  
Public Utilities General Manager

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9011300144 901126  
PDR ADOCK 05000206  
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(714) 999-5100  
P. O. Box 3222, Anaheim, California 92803

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CITY OF ANAHEIM, CALIFORNIA 92803  
OFFICE OF THE CITY CLERK

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STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss.  
CITY OF ANAHEIM )

I, LEONORA N. SOHL, City Clerk of the City of Anaheim, do hereby certify that, upon motion duly made and seconded, the attached Agreement with the party(ies) named below was approved by the City Council of the City of Anaheim at a regular meeting of said City Council on the date listed below:

DATE OF APPROVAL: November 6, 1990

CONTRACTING PARTY(IES): The Bank of California

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Anaheim on the Date of Approval above set forth.

Original Signed By  
LEONORA N. SOHL  
City Clerk

\_\_\_\_\_  
CITY CLERK OF THE CITY OF ANAHEIM

(SEAL)

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DECOMMISSIONING TRUST FUND AGREEMENT

THIS DECOMMISSIONING TRUST FUND AGREEMENT (the Agreement) is entered into as of this 6th day of November, 1990, by and between the CITY OF ANAHEIM, a municipal corporation created pursuant to the laws of the State of California, herein referred to as "Grantor", and The Bank of California, 400 California Street, San Francisco, CA 94104, herein referred to as "Trustee".

R E C I T A L S:

WHEREAS, the United States Nuclear Regulatory Commission (NRC), an agency of the United States Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 50, which Regulations require that a holder of, or an applicant for a license issued pursuant to 10 CFR Part 50 provide assurance that funds will be available when needed for required decommissioning activities; and

WHEREAS, Grantor is an owner of an undivided 3.16 ownership interest in Units 2 and 3 at the San Onofre Nuclear Generating Station (SONGS 2 and 3); and

WHEREAS, the Grantor has elected to use a trust fund to provide all of such financial assurance for the facilities at SONGS 2 and 3; and

WHEREAS, the Grantor has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee.

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

1            **Section 1: Definitions.**    As used in this Agreement:

2            A.    The term "Grantor" means the City of Anaheim and its  
3 successors or assigns.

4            B.    The term "Trustee" means the Trustee who enters into this  
5 Agreement and any successor Trustee.

6            **Section 2: Costs of Decommissioning.**    This Agreement  
7 pertains to the costs of decommissioning the facility identified  
8 in License Numbers NPF-10 and NPF-15 issued pursuant to 10 CFR Part  
9 50 as shown in Schedule A attached hereto.

10           **Section 3: Establishment of Fund.**    The Grantor and  
11 Trustee hereby establish a trust fund (the Fund) for the benefit  
12 of NRC.    The Grantor and the Trustee intend that no third party  
13 shall have access to the Fund except as provided herein.

14           **Section 4: Payments Constituting the Fund.**    Payments  
15 made to the Trustee for the Fund shall consist of cash, securities,  
16 or other liquid assets acceptable to the Trustee.    The Fund is  
17 established initially as consisting of the property, which is  
18 acceptable to the Trustee, described in Schedule B attached hereto.  
19 Such property and any other property subsequently transferred to  
20 the Trustee are referred to as the "Fund", together with all  
21 earnings and profits thereon, less any payments or distributions  
22 made by the Trustee pursuant to this Agreement.    The Fund shall be  
23 held by the Trustee, IN TRUST, as hereinafter provided.    The  
24 Trustee shall not be responsible nor shall it undertake any  
25 responsibility for the amount of, or adequacy of the Fund, nor any  
26 duty to collect from the Grantor, any payments necessary to  
27 discharge any liabilities of the Grantor established by the NRC.

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1           **Section 5: Payment for Required Activities Specified in**  
2 **the Plan.** The Trustee shall make payments from the Fund to the  
3 Grantor upon presentation to the Trustee of the following:

4           A. A certificate duly executed by the City Clerk of the  
5 Grantor attesting to the occurrence of the events, and in the form  
6 set forth in the Specimen Certificate of Events attached as  
7 Schedule C; and

8           B. A certificate attesting to the following conditions:

- 9           1. That decommissioning is proceeding pursuant to an  
10           NRC-approved plan;
- 11           2. That the funds withdrawn will be expended for  
12           activities undertaken pursuant to that Plan; and
- 13           3. That the NRC has been given thirty (30) days prior  
14           notice of City of Anaheim's intent to withdraw funds  
15           from the escrow fund.

16           In the event of the Grantor's default or inability to direct  
17 decommissioning activities, the Trustee shall make payments from  
18 the Fund as the NRC shall direct, in writing, to provide for the  
19 payment of the costs of required activities covered by this  
20 Agreement. The Trustee shall reimburse the Grantor or other  
21 persons as specified by the NRC, from the Fund for expenditures for  
22 required activities in such amounts as the NRC shall direct in  
23 writing. In addition, the Trustee shall refund to the Grantor such  
24 amounts as the NRC specifies in writing. Upon refund, such funds  
25 shall no longer constitute part of the Fund as defined herein.

26           **Section 6: Trust Management.** The Trustee shall invest  
27 and reinvest the principal and income, with direction of the  
28 Grantor, of the Fund and keep the Fund invested as a single fund,

1 without distinction between principal and income, in accordance  
2 with general investment policies and guidelines which the Grantor  
3 may communicate in writing to the Trustee from time to time,  
4 subject, however, to the provisions of this Section. In investing,  
5 reinvesting, exchanging, selling, and managing the Fund, the  
6 Trustee shall discharge its duties with respect to the Fund solely  
7 in the interest of the beneficiary and with the care, skill,  
8 prudence, and diligence under the circumstances then prevailing  
9 which persons of prudence, acting in a like capacity and familiar  
10 with such matters, would sue in the conduct of an enterprise of a  
11 like character and with like aims; except that:

12 A. Securities or other obligations of the Grantor, or any  
13 other owner or operator of the facilities, or any of their  
14 affiliates as defined in the Investment Company Act of 1940, as  
15 amended (15 U.S.C. 80A-2(a)), shall not be acquired or held, unless  
16 they are securities or other obligations of the Federal or a State  
17 government;

18 B. The Trustee is authorized to invest the Fund in those  
19 investments authorized by law for Grantor, including, but not  
20 limited to, those referred to in Section 53631 (or its successor)  
21 of the California Government Code.

22 Section 7: Commingling and Investment. The Trustee is  
23 expressly authorized in its discretion:

24 A. Subject to the provisions of Section 6, to transfer from  
25 time to time any or all of the assets of the Fund to any common,  
26 commingled, or collective trust fund created by the Trustee in  
27 which the Fund is eligible to participate, subject to all of the  
28 provisions thereof, to be commingled with the assets of other

1           **Section 5:           Payment for Required Activities Specified in**  
2 **the Plan.** The Trustee shall make payments from the Fund to the  
3 Grantor upon presentation to the Trustee of the following:

4           A. A certificate duly executed by the City Clerk of the  
5 Grantor attesting to the occurrence of the events, and in the form  
6 set forth in the Specimen Certificate of Events attached as  
7 Schedule C; and

8           B. A certificate attesting to the following conditions:

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10           NRC-approved plan;
- 11           2. That the funds withdrawn will be expended for  
12           activities undertaken pursuant to that Plan; and
- 13           3. That the NRC has been given thirty (30) days prior  
14           notice of City of Anaheim's intent to withdraw funds  
15           from the escrow fund.

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17 decommissioning activities, the Trustee shall make payments from  
18 the Fund as the NRC shall direct, in writing, to provide for the  
19 payment of the costs of required activities covered by this  
20 Agreement. The Trustee shall reimburse the Grantor or other  
21 persons as specified by the NRC, from the Fund for expenditures for  
22 required activities in such amounts as the NRC shall direct in  
23 writing. In addition, the Trustee shall refund to the Grantor such  
24 amounts as the NRC specifies in writing. Upon refund, such funds  
25 shall no longer constitute part of the Fund as defined herein.

26           **Section 6:           Trust Management.** The Trustee shall invest  
27 and reinvest the principal and income, with direction of the  
28 Grantor, of the Fund and keep the Fund invested as a single fund,

1 without distinction between principal and income, in accordance  
2 with general investment policies and guidelines which the Grantor  
3 may communicate in writing to the Trustee from time to time,  
4 subject, however, to the provisions of this Section. In investing,  
5 reinvesting, exchanging, selling, and managing the Fund, the  
6 Trustee shall discharge its duties with respect to the Fund solely  
7 in the interest of the beneficiary and with the care, skill,  
8 prudence, and diligence under the circumstances then prevailing  
9 which persons of prudence, acting in a like capacity and familiar  
10 with such matters, would sue in the conduct of an enterprise of a  
11 like character and with like aims; except that:

12 A. Securities or other obligations of the Grantor, or any  
13 other owner or operator of the facilities, or any of their  
14 affiliates as defined in the Investment Company Act of 1940, as  
15 amended (15 U.S.C. 80A-2(a)), shall not be acquired or held, unless  
16 they are securities or other obligations of the Federal or a State  
17 government;

18 B. The Trustee is authorized to invest the Fund in those  
19 investments authorized by law for Grantor, including, but not  
20 limited to, those referred to in Section 53631 (or its successor)  
21 of the California Government Code.

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23 expressly authorized in its discretion:

24 A. Subject to the provisions of Section 6, to transfer from  
25 time to time any or all of the assets of the Fund to any common,  
26 commingled, or collective trust fund created by the Trustee in  
27 which the Fund is eligible to participate, subject to all of the  
28 provisions thereof, to be commingled with the assets of other



1 trusts participating therein.

2           Section 8: Express Powers of Trustee. Without in any  
3 way limiting the powers and discretion conferred upon the Trustee  
4 by the other provisions of this Agreement or by law, the Trustee  
5 is expressly authorized and empowered by direction of Grantor:

6           A. To sell, exchange, convey, transfer, or otherwise dispose  
7 of any property held by it, by public or private sale, as necessary  
8 for prudent management of the Fund;

9           B. To make, execute, acknowledge, and deliver any and all  
10 documents of transfer and conveyance and any and all other  
11 instruments that may be necessary or appropriate to carry out the  
12 powers herein granted;

13           C. To register any securities held in the Fund in its own  
14 name, or in the name of a nominee, and to hold any security in  
15 bearer form or in book entry, or to combine certificates  
16 representing such securities with certificates of the same issue  
17 held by the Trustee in other fiduciary capacities, to reinvest  
18 interest payments and funds from matured and redeemed instruments,  
19 to file proper forms concerning securities held in the Fund in a  
20 timely fashion with appropriate government agencies, or to deposit  
21 or arrange for the deposit of such securities in a qualified  
22 central depository even though, when so deposited, such securities  
23 may be merged and held in bulk in the name of the nominee or such  
24 depository with other securities deposited therein by another  
25 person, or to deposit or arrange for the deposit of any securities  
26 issued by the United States Government, or any agency or  
27 instrumentality thereof, with a Federal Reserve Bank, but the books  
28 and records of the Trustee shall at all times show that all such

1 securities are part of the Fund; and

2 D. To deposit any cash in the Fund in interest-bearing  
3 accounts maintained or savings certificates issued by the Trustee,  
4 in its separate corporate capacity, or in any other banking  
5 institution affiliated with the Trustee, to the extent insured by  
6 an agency of the Federal Government; and

7 E. To compromise or otherwise adjust all claims in favor of  
8 or against the Fund.

9 **Section 9: Taxes and Expenses.** All taxes of any kind that  
10 may be assessed or levied against or in respect of the Fund and all  
11 brokerage commissions incurred by the Fund shall be paid from the  
12 Fund. All other expenses incurred by the Trustee in connection  
13 with the administration of this Trust, including fees for legal  
14 services rendered to the Trustee, the compensation of the Trustee  
15 to the extent not paid directly by the Grantor, and all other  
16 proper charges and disbursements of the Trustee shall be paid from  
17 the Fund.

18 **Section 10: Annual Valuation.** After payment has been made  
19 into this trust fund, the Trustee shall annually, at least thirty  
20 (30) days before the anniversary date of receipt of payment into  
21 the trust fund, furnish to the Grantor and to the NRC a statement  
22 confirming the value of the Trust. Any securities in the Fund  
23 shall be valued at market value as of no more than sixty (60) days  
24 before the anniversary date of the establishment of the Fund. The  
25 failure of the Grantor to object in writing to the Trustee within  
26 ninety (90) days after the statement has been furnished to the  
27 Grantor and the NRC shall constitute a conclusively binding assent  
28 by the Grantor, barring the Grantor from asserting any claim or

1 liability against the Trustee with respect to the matters disclosed  
2 in the statement.

3 Section 11: Advice of Counsel. The Trustee may from time  
4 to time consult with counsel, who may be counsel to the Grantor,  
5 with respect to any question arising as to the construction of this  
6 Agreement or any action to be taken hereunder. The Trustee shall  
7 be fully protected, to the extent permitted by law, in acting on  
8 the advice of counsel.

9 Section 12: Trustee Compensation. The Trustee shall be  
10 entitled to reasonable compensation for its administrative services  
11 as agreed upon in writing from time to time with the Grantor.

12 Section 13: Successor Trustee. Upon ninety (90) days  
13 notice to the Grantor and the NRC, the Trustee may resign; upon  
14 ninety (90) days notice to the NRC and the Trustee, the Grantor may  
15 replace the Trustee; but such resignation or replacement shall not  
16 be effective until the Grantor has appointed a successor Trustee  
17 and this successor accepts the appointment. The successor Trustee  
18 shall have the same powers and duties as those conferred upon the  
19 Trustee hereunder. Upon the successor Trustee's acceptance of the  
20 appointment, the Trustee shall assign, transfer, and pay over to  
21 the successor Trustee the funds and properties then constituting  
22 the Fund. If for any reason the Grantor cannot or does not act in  
23 the event of the resignation of the Trustee, the Trustee may apply  
24 to a court of competent jurisdiction for the appointment of a  
25 successor Trustee or for instructions. The successor Trustee shall  
26 specify the date on which it assumes administration of the trust  
27 in a writing sent to the Grantor and the NRC and the present  
28 Trustee by certified mail ten (10) days before such change becomes

1 effective. Any expenses incurred by the Trustee as a result of any  
2 of the acts contemplated by this Section shall be paid as provided  
3 in Section 9.

4 **Section 14: Instructions to the Trustee.** All orders,  
5 requests, and instructions by the Grantor to the Trustee shall be  
6 in writing, signed by such persons as are signatories to this  
7 Agreement or such other designees as the Grantor may designate in  
8 writing. The Trustee shall be fully protected in acting without  
9 inquiry in accordance with the Grantor's orders, requests, and  
10 instructions. If the NRC issues orders, requests, or instructions  
11 to the Trustee they shall be in writing, signed by the NRC, or its  
12 designee, and the Trustee shall act and shall be fully protected  
13 in acting in accordance with such orders, requests and  
14 instructions. The Trustee shall have the right to assume, in the  
15 absence of written notice to the contrary, that no event  
16 constituting a change or a termination of the authority of any  
17 person to act on behalf of the Grantor or the NRC hereunder has  
18 occurred. The Trustee shall have no duty to act in the absence of  
19 such orders, requests and instructions from the Grantor or the NRC,  
20 except as provided for herein.

21 **Section 15: Amendment of Agreement.** This Agreement may be  
22 amended by an instrument in writing executed by the Grantor and the  
23 Trustee or by the Trustee and the NRC if the Grantor ceases to  
24 exist.

25 **Section 16: Irrevocability and Termination.** Subject to  
26 the right of the parties to amend this Agreement as provided in  
27 Section 15, this trust shall be irrevocable and shall continue  
28 until terminated at the written agreement of the Grantor, the

1 Trustee, and the NRC, or by the Trustee and the NRC, if the Grantor  
2 ceases to exist. Upon termination of the trust, all remaining  
3 trust property, less final trust administration expenses, shall be  
4 delivered to the Grantor or its successor.

5 Section 17: Immunity and Indemnification. The Trustee shall  
6 not incur personal liability of any nature in connection with any  
7 act or omission, made in good faith, in the administration of this  
8 trust, or in carrying out any directions by the Grantor or the NRC,  
9 issued in accordance with this Agreement. The Trustee shall be  
10 indemnified and saved harmless by the Grantor or from the trust  
11 fund, or both, from and against any personal liability to which the  
12 Trustee may be subjected by reason of any act or conduct in its  
13 official capacity, including all expenses reasonably incurred in  
14 its defense in the event the Grantor fails to provide such defense.

15 Section 18: This Agreement shall be administered, construed  
16 and enforced according to the laws of the State of California.

17 Section 19: Interpretation and Severability. As used in  
18 this Agreement, words in the singular include the plural and words  
19 in the plural include the singular.

20 The descriptive headings for each section of this Agreement  
21 shall not affect the interpretation or the legal efficacy of this  
22 Agreement. If any part of this Agreement is invalid, it shall not  
23 affect the remaining provisions which will remain valid and  
24 enforceable.

25 Section 20: Notices.

26 Any notice, demand, direction or request provided for in this  
27 Agreement, or served, given, or made in connection with this  
28 Agreement, shall be deemed properly served, or made if delivered

1 in person or sent by registered or certified mail, postage prepaid,  
2 to the persons specified below:

3 **City of Anaheim:**

4 City Clerk  
5 200 South Anaheim Boulevard  
6 Anaheim, CA 92805

7 With Copy to: Public Utilities General Manager  
8 200 South Anaheim Boulevard  
9 Anaheim, CA 92805

10 **The Bank of California:**

11 The Bank of California  
12 400 California Street  
13 San Francisco, CA 94104

14 Either Party may, from time to time, by written notice to the  
15 other Party, change the designation or address of the person so  
16 specified as the one to receive notices pursuant to this Agreement.

17 **Section 21: Other Bank Services.** Grantor may direct Bank  
18 to utilize other services or facilities provided by the BanCal Tri-  
19 State Corp. (BanCal), its subsidiaries or affiliates including  
20 Bank. Such services shall include, but not be limited to (1) the  
21 placing of orders for the purchase, sale, exchange, investment or  
22 reinvestment of securities through any brokerage service conducted  
23 by, or (2) the purchase of units of investment company managed or  
24 advised by Bank, BanCal or their subsidiaries or affiliates and/or  
25 for which Bank, BanCal or their subsidiaries or affiliates act as  
26 custodian or provide investment advice or other services for a fee,  
27 including, without limitation, the HighMark Group of mutual funds.  
28 Grantor hereby acknowledges that Bank, BanCal Tri-State Corporation  
or their subsidiaries or affiliates will receive fees for such  
services in addition to the fees payable under this Agreement. Fee  
schedules for such additional directed services shall be delivered

1 to Grantor or any other party with investment discretion over all  
2 or part of the Account.

3 **Section 22:** The Trustee shall neither question nor inquire  
4 about any action, direction, or failure to give directions of  
5 Grantor and shall not review the securities held in the Trust Fund,  
6 nor make any suggestions to the Grantor with respect to investment  
7 of, or disposition of investments in the Trust Fund. The Trustee  
8 shall not be liable for any act of the Grantor, or be under any  
9 obligation to invest or otherwise manage any asset of the Fund  
10 which is subject to the management of Grantor. The Trustee shall  
11 not be liable for loss due to action or inaction complying with or  
12 in the absence of the Grantor's directions.

13 **Section 23: Proxies and Disclosure.** Upon timely receipt,  
14 Bank shall, if applicable, sign and forward all proxies and  
15 accompanying materials received by the Account to the party with  
16 voting authority over Account unless directed in writing not to do  
17 so. Written instructions not to forward proxy materials must be  
18 received by Bank at least annually. Bank shall also forward any  
19 other corporate materials received by Account.

20 Unless the party with voting authority over the assets of  
21 Account directs the Bank in writing to the contrary, such party  
22 agrees that Bank may disclose the name and address of the party  
23 with the authority to vote the proxies of securities held in this  
24 Account as well as the number of shares held to any issuer of said  
25 securities or its agent upon the written request of such issuer or  
26 agent in conformity with the provision of applicable law.

27 **Section 24: HighMark.** If directed by the directing party,  
28 the Trustee shall purchase units of one of the funds of the

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HighMark Group with otherwise uninvested cash. If the Account is not eligible to invest in that Group or if the directing party fails to issue directions, the Trustee, in its discretion, may invest uninvested cash in any common trust fund maintained by the Trustee for which the Account is an eligible participant. If the Account is not eligible or if Trustee does not maintain such a fund, the Trustee shall deposit such cash in one or more interest-bearing accounts with a depository institution, including the Trustee or an affiliate of the Trustee.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by the respective officers duly authorized as of the date first written above.

CITY OF ANAHEIM

By *Fred Hoyle*  
Mayor

ATTEST:

*Leonora Wohl*

THE BANK OF CALIFORNIA

By *James H.*  
Signature of Representative  
Vice President and Trust Officer  
Title

By *B. B. Brown*  
Signature of Representative  
Vice President and Trust Officer  
Title

(A:\388B)  
10/29/90

APPROVED AS TO FORM:  
JACK L. WHITE, CITY ATTORNEY  
By *Selma Moss*  
11-1-90



SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimates for the following licensed activities:

<u>U.S. NUCLEAR REGULATORY COMMISSION LICENSE NO.</u>	<u>NAME AND ADDRESS OF LICENSEE</u>	<u>ADDRESS OF LICENSED ACTIVITY</u>	<u>COST ESTIMATES FOR REGULATORY ASSURANCES DEMONSTRATED BY THIS AGREEMENT</u>
NPF-10 (Unit 2)	City of Anaheim PO Box 3222 Anaheim, CA	San Onofre, San Diego County, CA	\$104.8 Million
NPF-15 (Unit 3)	City of Anaheim PO Box 3222 Anaheim, CA	San Onofre, San Diego County, CA	\$104.8 Million

The cost estimates listed here were last adjusted and approved by the NRC on July 27, 1990.

SCHEDULE B

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AMOUNT: \_\_\_\_\_

AS EVIDENCED BY: **Federal Wire Transfers**

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SCHEDULE C

SPECIMEN CERTIFICATE OF EVENTS

[Insert name and address of Trustee]

Attention: Trust Division

Gentlemen:

In accordance with the terms of the Agreement between the City of Anaheim and Bank of California, dated \_\_\_\_\_, I, \_\_\_\_\_, City Clerk of the City of Anaheim, hereby certify that the following events have occurred:

1. The City of Anaheim is required to commence the decommissioning of its facility located at San Onofre Nuclear Generating Station Units 2 and 3, San Diego County, California, (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on \_\_\_\_\_ (copy of approval attached).
3. The City Council of the City of Anaheim has adopted the attached Resolution authorizing the commencement of the decommissioning.
4. The Trustee is hereby instructed to pay to \_\_\_\_\_ (name of payee) the sum of \$\_\_\_\_\_.

\_\_\_\_\_  
City Clerk of the City of Anaheim

Date: \_\_\_\_\_



CITY OF ANAHEIM, CALIFORNIA

Public Utilities Department

July 24, 1990

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

Subject: Docket Nos. 50-206, 50-361, and 50-362  
10 CFR 50.33(k)(2); Report assuring the Availability  
of Funds for Decommissioning San Onofre Units 2&3.

Dear Sir or Madam:

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The enclosed certification constitutes the Financial Assurance Certification and Oath of Affirmation required by United States Nuclear Regulatory Commission regulation 10 CFR 50.75(b). Also enclosed, as part of the certification report, is a copy of the draft Trust and Investment Management Agreement as required by 10 CFR 50.75(e). The City of Anaheim Public Utilities Department is currently evaluating 7 bid proposals to provide trust and investment management services to the City. When the final agreement is approved by the Anaheim City Council the Department will forward executed copies of the trust instruments.

If you have any questions regarding this certification please contact Michael Bell, Financial Services Manager, at (714) 999-5100 ext. 5539.

Sincerely,

*Darrell L. Ament*  
Darrell L. Ament  
Acting Public Utilities General Manager

~~A 007270162~~  
1MB07230.MBE

(714) 999-5100

P. O. Box 3222, Anaheim, California 92803

5/10

ANAHEIM PUBLIC UTILITIES DEPARTMENT  
CERTIFICATE OF FINANCIAL ASSURANCE FOR  
DECOMMISSIONING SAN ONOFRE UNIT 2  
10 C.F.R. § 50.75 (b)

The Anaheim Public Utilities Department (Department) hereby certifies that financial assurance for decommissioning Anaheim's 3.16% interest in Unit 2 of the San Onofre Nuclear Generating Station will be provided in an amount which may be more but not less than 3.16% of the amount stated in 10 C.F.R. § 50.75(c)(1)(i), adjusted annually using a rate at least equal to that stated in 10 C.F.R. § 50.75(c)(2). Such amounts will be accumulated in accordance with 10 C.F.R. § 50.75(e), through the mechanism of an external sinking fund in which deposits are made at least annually, unless any such annual deposits have been prepaid.

The Department is currently evaluating 7 bid proposals to provide trust and investment management services to the Public Utilities Department. When these agreements are approved by the Anaheim City Council, the Department will forward executed copies of the trust instruments.

San Onofre Unit 2 is a Pressurized Water Reactor licensed to operate at a maximum reactor power of 3390 megawatts-thermal (Mwt). Therefore, San Onofre Unit 2 is subject to the 10 C.F.R. § 5.75(c)(1)(i) minimum funding requirements for a pressurized water reactor producing less than 3400 Mwt. Accordingly, the minimum value required in January 1986 dollars is equal to {75 million + [(0.0088) x 3390] million} or \$104.8 million. As required, this amount is adjusted annually at a rate which is at least equal to the rate determined by the formula stated in 10 C.F.R. § 50.75(c)(2) when the latest information available is used.

The Department further certifies that deposits will be made into the trust fund in an amount or amounts which are necessary to maintain a calendar year funding level at or above 3.16% of the multiplicative product of (A) and (B); where: (A) is the latest adjusted/escalated value for the required NRC minimum amount; and (B) is the fractional result obtained by dividing (C) by (D); where (C) is the number of years, and any portion thereof, between February 16, 1982 (issuance date of the License) and the end of the calendar year for which the amount is being calculated, and (D) is the number of years, and any portion thereof, between February 16, 1982 and October 18, 2013 (expiration date of the License).

Signed: Darrell L. Ament

Name: Darrell L. Ament  
Title: Acting Public Utilities General Manager  
Address: 200 S. Anaheim Blvd.  
City: Anaheim, California 92805  
Telephone No.: (714) 999-5177

ANAHEIM PUBLIC UTILITIES DEPARTMENT  
CERTIFICATE OF FINANCIAL ASSURANCE FOR  
DECOMMISSIONING SAN ONOFRE UNIT 3  
10 C.F.R. § 50.75 (b)

The Anaheim Public Utilities Department (Department) hereby certifies that financial assurance for decommissioning Anaheim's 3.16% interest in Unit 3 of the San Onofre Nuclear Generating Station will be provided in an amount which may be more but not less than 3.16% of the amount stated in 10 C.F.R. § 50.75(c)(1)(i), adjusted annually using a rate at least equal to that stated in 10 C.F.R. § 50.75(c)(2). Such amounts will be accumulated in accordance with 10 C.F.R. § 50.75(e), through the mechanism of an external sinking fund in which deposits are made at least annually, unless any such annual deposits have been prepaid.

The Department is currently evaluating 7 bid proposals to provide trust and investment management services to the Public Utilities Department. When these agreements are approved by the Anaheim City Council, the Department will forward executed copies of the trust instruments.

San Onofre Unit 3 is a Pressurized Water Reactor licensed to operate at a maximum reactor power of 3390 megawatts-thermal (Mwt). Therefore, San Onofre Unit 3 is subject to the 10 C.F.R. § 50.75(c)(1)(i) minimum funding requirements for a pressurized water reactor producing less than 3400 Mwt. Accordingly, the minimum value required in January 1986 dollars is equal to {75 million + [(0.0088) x 3390] million} or \$104.8 million. As required, this amount is adjusted annually at a rate which is at least equal to the rate determined by the formula stated in 10 C.F.R. § 50.75(c)(2) when the latest information available is used.

The Department further certifies that deposits will be made into the trust fund in an amount or amounts which are necessary to maintain a calendar year funding level at or above 3.16% of the multiplicative product of (A) and (B); where: (A) is the latest adjusted/escalated value for the required NRC minimum amount; and (B) is the fractional result obtained by dividing (C) by (D); where (C) is the number of years, and any portion thereof, between November 15, 1982 (issuance date of the License) and the end of the calendar year for which the amount is being calculated, and (D) is the number of years, and any portion thereof, between November 15, 1982 and October 18, 2013 (expiration date of the License).

Signed: Darrell L. Ament

Name: Darrell L. Ament  
Title: Acting Public Utilities General Manager  
Address: 200 S. Anaheim Blvd.  
City: Anaheim, California 92805  
Telephone No.: (714) 999-5177

STATE OF CALIFORNIA

COUNTY OF ORANGE

I, Darrell L. Ament, represent that I am Acting Public Utilities General Manager, that the foregoing certification regarding decommissioning funds for San Onofre Unit 2 has been signed by me on behalf of the City of Anaheim with full authority to do so, that I have read such certification and know its contents, and that to the best of my knowledge and belief, the statements made herein are true and correct.

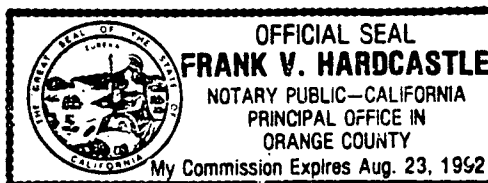
Darrell L. Ament  
Darrell L. Ament  
Acting Public Utilities  
General Manager

Sworn To Before Me This 25th Day of JULY, 1990.

Frank V. Hardcastle  
Notary Public

My Commission Expires

AUG. 23, 1992



STATE OF CALIFORNIA

COUNTY OF ORANGE

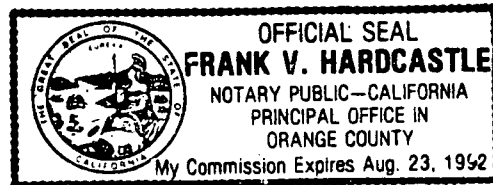
I, Darrell L. Ament, represent that I am Acting Public Utilities General Manager, that the foregoing certification regarding decommissioning funds for San Onofre Unit 3 has been signed by me on behalf of the City of Anaheim with full authority to do so, that I have read such certification and know its contents, and that to the best of my knowledge and belief, the statements made are true and correct.

Darrell L. Ament  
Darrell L. Ament  
Acting Public Utilities  
General Manager

Sworn To Before Me This 25th Day of JULY, 1990

Frank V. Hardcastle  
Notary Public

My Commission Expires  
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