

April 20, 1995

Mr. Edwin A. Guiles
Vice President
Engineering and Operations
San Diego Gas & Electric Company
101 Ash Street
San Diego, California 92112

SUBJECT: APPROVAL OF PROPOSED CORPORATE RESTRUCTURING OF SAN DIEGO GAS & ELECTRIC COMPANY (TAC NOS. M90913, M91260, AND M91261)

Dear Mr. Guiles:

Enclosed is the staff evaluation of the proposed corporate restructuring of San Diego Gas & Electric Company (SDG&E) as described in the November 15, 1994, letter from Richard A. Meserve of Covington & Burling (Counsel for SDG&E). Our evaluation also included the information provided in the March 24, 1995, letter from Edwin A. Guiles of SDG&E on the same subject. The staff has reviewed the information included in these letters, and has found the proposed restructuring of SDG&E to be acceptable. The findings of our antitrust review and financial analysis included in the evaluation provide the basis for our approval of the organizational and financial changes to SDG&E under the provisions of 10 CFR 50.80. Accordingly, the Commission hereby consents to the proposed restructuring of San Diego Gas & Electric Company.

If you have any questions regarding the staff's evaluation, please contact Mel Fields at (301) 415-3062.

Sincerely,
ORIGINAL SIGNED BY J. STONE FOR:
William H. Bateman, Director
Project Directorate IV-2
Division of Reactor Projects III\IV
Office of Nuclear Reactor Regulation

ORIGINAL SIGNED BY:
Seymour H. Weiss, Chief
Non-Power Reactors and Decommissioning
Project Directorate
Division of Project Support
Office of Nuclear Reactor Regulation

Docket Nos. 50-206, 50-361
and 50-362

Enclosure: Safety Evaluation

cc w/encl: See next page

DISTRIBUTION:
Docket File
PUBLIC
PDIV-2 Reading
EAdensam
JHannon
EPeyton
MFields
MWebb
OGC
BBeach, RIV
ACRS (4)
KPerkins, RIV/WCFO
WLambe
RWood
SNewberry

DOCUMENT NAME: SDG&E.LTR

OFC	PDIV-2/LA	PDIV-2/PM	NRR:ONBD	NRR:PDLR	OGC
NAME	EPeyton	MFields:pk	MWebb	SNewberry	S.Hom
DATE	4/11/95	4/11/95	4/12/95	4/12/95	4/19/95
OFC	NRR:ONDD	PDIV-2/D			
NAME	SWeiss	WBateman			
DATE	4/20/95	4/20/95			

NRC FILE CENTER COPY

9504250356 950420
PDR ADOCK 05000206
PDR

AL RECORD COPY

AA3

DF01

Handwritten initials

April 20, 1995

Mr. Edwin A. Guiles
Vice President
Engineering and Operations
San Diego Gas & Electric Company
101 Ash Street
San Diego, California 92112

SUBJECT: APPROVAL OF PROPOSED CORPORATE RESTRUCTURING OF SAN DIEGO GAS & ELECTRIC COMPANY (TAC NOS. M90913, M91260, AND M91261)

Dear Mr. Guiles:

Enclosed is the staff evaluation of the proposed corporate restructuring of San Diego Gas & Electric Company (SDG&E) as described in the November 15, 1994, letter from Richard A. Meserve of Covington & Burling (Counsel for SDG&E). Our evaluation also included the information provided in the March 24, 1995, letter from Edwin A. Guiles of SDG&E on the same subject. The staff has reviewed the information included in these letters, and has found the proposed restructuring of SDG&E to be acceptable. The findings of our antitrust review and financial analysis included in the evaluation provide the basis for our approval of the organizational and financial changes to SDG&E under the provisions of 10 CFR 50.80. Accordingly, the Commission hereby consents to the proposed restructuring of San Diego Gas & Electric Company.

If you have any questions regarding the staff's evaluation, please contact Mel Fields at (301) 415-3062.

Sincerely,

ORIGINAL SIGNED BY J. STONE FOR:
William H. Bateman, Director
Project Directorate IV-2
Division of Reactor Projects III\IV
Office of Nuclear Reactor Regulation

ORIGINAL SIGNED BY:
Seymour H. Weiss, Chief
Non-Power Reactors and Decommissioning
Project Directorate
Division of Project Support
Office of Nuclear Reactor Regulation

Docket Nos. 50-206, 50-361
and 50-362

Enclosure: Safety Evaluation

cc w/encl: See next page

DISTRIBUTION:

Docket File
PUBLIC
PDIV-2 Reading
EAdensam
JHannon
EPeyton
MFields
MWebb
OGC
BBeach, RIV
ACRS (4)
KPerkins, RIV/WCFO
WLambe
RWood
SNewberry

DOCUMENT NAME: SDG&E.LTR

OFC	PDIV-2/LA	PDIV-2/PM	NRR:ONBD	NRR:PDLR	OGC
NAME	EPeyton	MFields:pk	MWebb ^{mw}	SNewberry	S.Hem
DATE	4/11/95	4/11/95	4/12/95	4/12/95	4/19/95

OFC	NRR:ONDD	PDIV-2/D
NAME	SWeiss	WBateman
DATE	4/20/95	4/20/95

OFFICIAL RECORD COPY

Mr. Edward A. Guiles

- 2 -

cc:

Mr. R. W. Krieger, Vice President
Southern California Edison Company
San Onofre Nuclear Generating Station
P. O. Box 128
San Clemente, California 92674-0128

Chairman, Board of Supervisors
County of San Diego
1600 Pacific Highway, Room 335
San Diego, California 92101

Alan R. Watts, Esq.
Rourke & Woodruff
701 S. Parker St. No. 7000
Orange, California 92668-4702

Mr. Sherwin Harris
Resource Project Manager
Public Utilities Department
City of Riverside
3900 Main Street
Riverside, California 92522

Dr. Harvey Collins, Chief
Division of Drinking Water
and Environmental Management
California Department of Health Services
P. O. Box 942732
Sacramento, California 94234-7320

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
Harris Tower & Pavilion
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-8064

Mr. Richard Krumvieda
Manager, Nuclear Department
San Diego Gas & Electric Company
P. O. Box 1831
San Diego, California 92111

Mr. Steve Hsu
Radiologic Health Branch
State Department of Health Services
Post Office Box 942732
Sacramento, California 94234

Resident Inspector/San Onofre NPS
c/o U.S. Nuclear Regulatory Commission
Post Office Box 4329
San Clemente, California 92674

Mayor
City of San Clemente
100 Avenida Presidio
San Clemente, California 92672

Mr. Harold B. Ray
Senior Vice President
Southern California Edison Co.
Irvine Operations Center
23 Parker Street
Irvine, California 92718