

10 CFR 50.75
10 CFR 50.82

March 31, 2015

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

Subject: **Docket No. 50-206**
10 CFR 50.75(f)(1) and 10 CFR 50.82(a)(8)(v-vii)
Decommissioning Funding Status Report
San Onofre Nuclear Generating Station Unit 1

Dear Sir or Madam:

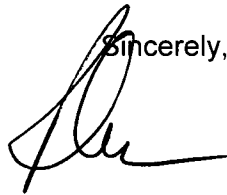
As required by 10 CFR 50.75(f)(1), and 10 CFR 50.82(a)(8)(v)-(vii), this letter provides the status of the decommissioning funding for San Onofre Nuclear Generating Station (SONGS) Unit 1 as of December 31, 2014. The required information is provided in the enclosure for Southern California Edison and San Diego Gas & Electric.

Based on the requirements in 10 CFR 50.75(f)(1), this information is reported on an annual basis for SONGS Unit 1 because the plant was permanently shut down before the end of its licensed life. SONGS Unit 1 is currently being decommissioned.

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

If you have any questions regarding this matter, please contact Ms. Andrea Sterdis at (949) 368-9985.

Sincerely,



Enclosure: SONGS Unit 1 Decommissioning Funding Status Report For Calendar Year 2014

cc: M. Dapas, Regional Administrator, NRC Region IV
R. L. Kellar, Region IV, Branch Chief, Repository and Spent Fuel Safety
J. E. Whitten, NRC Region IV, San Onofre Unit 1
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Enclosure 1

**San Onofre Nuclear Generating Station Unit 1
Decommissioning Funding Status Report
For Calendar Year 2014**

**San Onofre Nuclear Generating Station Unit 1
Decommissioning Funding Status Report
For Calendar Year 2014**

San Onofre Unit 1 was a pressurized water reactor (PWR) rated at 1347 MWt. Provided below is the information required by 10 CFR 50.75(f)(1) and 10 CFR 50.82(v)(8)(v-vii) for San Onofre Unit 1. This information is reported every year for San Onofre Unit 1 because it closed before the end of its licensed life and is currently being decommissioned.

The San Onofre Unit 1 owners are reported as follows:

Southern California Edison (SCE)	80 %
San Diego Gas & Electric (SDG&E)	<u>20 %</u>
	100 %

All dollar amounts are reported in 100% share, 2014 dollars.

- 1) The decommissioning fund estimated to be required pursuant to 10 CFR 50.75(b) and (c) is the following:
 - a) The minimum amount calculated by the method prescribed by 10 CFR 50.75(c)⁽¹⁾ is \$437.0 million.
 - b) The San Onofre Unit 1 site-specific estimate for decommissioning includes the following radiological decommissioning costs associated with terminating the site license, non-radiological site restoration costs, and spent fuel storage costs.⁽²⁾

	<u>San Onofre Unit 1</u>
Estimate of Radiological Costs	\$ 653.9 million
Less: Actual Radiological Costs through 12/31/2014	<u>\$ 538.4 million</u>
“To Go” Radiological Costs	\$ 115.5 million
Estimate of Site Restoration Costs	\$ 244.9 million
Less: Actual Site Restoration Costs through 12/31/2014	<u>\$ 167.7 million</u>
“To Go” Site Restoration Costs	\$ 77.2 million
Estimate of Fuel Storage Costs	\$ 91.8 million
Less: Actual Fuel Storage Costs through 12/31/2014	<u>\$ 85.3 million</u>
“To Go” Fuel Storage Costs	\$ 6.5 million
Total “To Go” Costs as of 1/1/2015	\$ 199.2 million

- 2) The Decommissioning Trust Fund amounts remaining at the end of calendar year 2014 (net of estimated capital gains taxes) are:

<u>Owner</u>	<u>San Onofre Unit 1</u>
SCE	\$ 230.1 million
<u>SDG&E</u> ⁽³⁾	<u>\$ 131.4 million</u>
TOTAL	\$ 361.5 million

- 3) The decommissioning fund for San Onofre Unit 1 is sufficient to provide for the estimated decommissioning costs, and as of June 1999, decommissioning funds are no longer collected.
- 4) The amounts spent on San Onofre Unit 1 decommissioning work performed during 2014 are summarized below:

<u>Cost Category</u>	<u>San Onofre Unit 1</u>
License Termination	\$ 140,795
Site Restoration	\$ 4,589,413
Spent Fuel Storage	\$ 0
TOTAL	\$ 4,730,208

- 5) The composite escalation rate for San Onofre Unit 1 Decommissioning is 3.54%.
- 6) The after-tax composite investment rate of return for the San Onofre Unit 1 Decommissioning is 3.62%.

The composite investment rate of return (3.62%) less the composite escalation rate (3.54%) yields a composite real earnings rate less than the 2.0% real rate of return allowed under 10 CFR 50.75(e)(1)(ii).

- 7) None of the owners of San Onofre Unit 1 are relying on any contracts for the purposes of providing decommissioning funding pursuant to 10 CFR 50.75(e)(1)(v). There have been no modifications to the method of providing financial assurance and no material changes to the trust agreements since the March 30, 2014 Decommissioning Funding Report for San Onofre Unit 1.

8) The amount of decommissioning funds available as of December 31, 2014 for the costs to manage SONGS 1 irradiated fuel, is shown in the table below:

SONGS 1	Estimated "To Go" Decommissioning Cost	Cost Ratios in Cost Estimate	12/31/2014 Trust Balance
License Termination Costs	\$ 115.5 million	58.0%	\$ 209.5 million
Site Restoration Costs	\$ 77.2 million	38.8%	\$ 140.2 million
Spent Fuel Management Costs	\$ <u>6.5 million</u>	<u>3.2%</u>	\$ <u>11.8 million</u>
TOTAL	\$ 199.2 million	100.0%	\$ 361.5 million

Notes: (1) The NRC formulas in 10 CFR 50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The costs for dismantling or demolishing non-radiological systems and structures, and the costs of managing and storing used fuel onsite until it is transferred to the Department of Energy are not included in the NRC decommissioning cost formulas.

(2) The site-specific decommissioning cost estimate for San Onofre Unit 1 that was provided to the California Public Utilities Commission (CPUC) on December 21, 2012, includes the remaining radiological costs associated with terminating the site license; non-radiological costs which include the costs to excavate and dispose of all remaining structures, appurtenances, and foundations from the onshore site, and to perform site restoration, as required under the current site lease contract(s) with the U.S. Department of the Navy, and to disposition the Unit 1 offshore circulating water conduits as required under the current amendment to the easement-lease granted by the California State Lands Commission, and spent fuel storage costs. The CPUC approved the Unit 1 decommissioning cost estimate on December 18, 2014.

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