

June 2, 2015

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

**San Onofre Nuclear Generating Station Units 2 and 3
Docket Nos. 50-361, 50-362
Palo Verde Nuclear Generating Station Units 1, 2, and 3
Docket Nos. 50-528, 50-529, and 50-530**

Subject: Annual Report of Guarantee of Payment of Deferred Premium

Dear Sir or Madam:

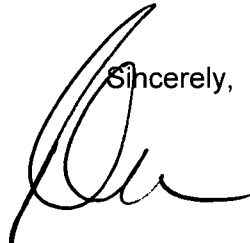
10 CFR 140.21 requires Southern California Edison (SCE), as agent for the owners of the San Onofre Nuclear Generating Station Units 2 and 3 and SCE's 15.8% ownership share of Palo Verde Units 1, 2, and 3, to provide evidence that it maintains a guarantee of payment of deferred premium in an amount of \$18.963 million for each reactor SCE is licensed to operate. In accordance with option (e) of 10 CFR 140.21 and with 10 CFR 50.71(b), SCE has provided its quarterly Form 10-Q report to the Securities and Exchange Commission in lieu of an annual certified financial statement.

SCE is providing the enclosed 2014 Internal Cash Flow Statement which is from the consolidated financial statements included in SCE's 2014 Annual Report.

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

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

Sincerely,



Enclosure: 2014 Internal Cash Flow Statement

cc: M. Dapas, Regional Administrator, NRC Region IV
T. J. Wengert, NRC Project Manager, San Onofre Units 2 and 3
M. G. Vaaler, NRC Project Manager, SONGS Unit 1
R. L. Kellar, Region IV, Branch Chief, Repository and Spent Fuel Safety

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Enclosure

2014 Internal Cash Flow Statement

SOUTHERN CALIFORNIA EDISON COMPANY

2014 Internal Cash Flow (Dollars in Millions)

	<u>2014 Actual</u>
Net Income After Taxes	\$1,565
Dividends Paid	<u>(\$489)</u>
Retained Earnings	\$1,076
Adjustments:	
Depreciation & Decommissioning	\$1,810
Net Deferred Taxes & ITC	\$462
Allowance for Funds Used During Construction	<u>(\$90)</u>
Total Adjustments	\$2,182
Internal Cash Flow	\$3,258
Average Quarterly Cash Flow	\$815

Percentage Ownership in All Nuclear Units:

San Onofre Nuclear Generating Station Units 2 & 3	
o Southern California Edison Company	75.7419%
o San Diego Gas & Electric Company	20.0000%
o City of Anaheim	2.4681%
o City of Riverside	1.7900%
Palo Verde Nuclear Generating Station Units 1, 2 & 3	15.8000%

Maximum Total Contingent Liability:

San Onofre Nuclear Generating Station Unit 2	\$18.963 ⁽¹⁾
San Onofre Nuclear Generating Station Unit 3	\$18.963 ⁽¹⁾
Palo Verde Nuclear Generating Station Unit 1	\$3.000 ⁽²⁾
Palo Verde Nuclear Generating Station Unit 2	\$3.000 ⁽²⁾
Palo Verde Nuclear Generating Station Unit 3	<u>\$3.000</u> ⁽²⁾
Total	\$46.91

(1) The value represents 100% of the SONGS Annual Per Incident Contingent Liability.

(2) The value represents 15.8% (SCE's Share) of the Palo Verde Annual Per Incident Contingent Liability.