



Mark Morgan
Regulatory Affairs

May 24, 2017

10 CFR 140.21

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

**Subject: Annual Report of Guarantee of Payment of Deferred Premium
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**

Dear Sir or Madam:

10 CFR 140.21 requires Southern California Edison (SCE), as agent for the participants 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 2016 Internal Cash Flow Statement which is from the consolidated financial statements included in SCE's 2016 Annual Report.

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

Should you have any questions or require additional information, please contact me at (949) 368-6745.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Morgan".

Enclosure: 2016 Internal Cash Flow Statement

cc: K. Kennedy, Regional Administrator, NRC Region IV
M. G. Vaaler, NRC Project Manager, SONGS Units 1, 2 and 3

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NRR

Enclosure

2016 Internal Cash Flow Statement

SOUTHERN CALIFORNIA EDISON COMPANY

2016 Internal Cash Flow
(Dollars in Millions)

	<u>2016</u> <u>Actual</u>
Net Income After Taxes	\$1,499
Dividends Paid	<u>(\$824)</u>
Retained Earnings	\$675
Adjustments:	
Depreciation & Decommissioning	\$2,085
Net Deferred Taxes & ITC	\$88
Allowance for Funds Used During Construction	<u>(\$97)</u>
Total Adjustments	\$2,076
Internal Cash Flow	\$2,751
Average Quarterly Cash Flow	\$688
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Percentage Participation in All Nuclear Units:	
San Onofre Nuclear Generating Station Units 2 & 3	
Southern California Edison Company	75.7419%
San Diego Gas & Electric Company	20.0000%
City of Anaheim	2.4681%
City of Riverside	1.7900%
Percentage Ownership in All Nuclear Units:	
Palo Verde Nuclear Generating Station Units 1, 2 & 3	
Southern California Edison Company	15.8000%
Maximum Total Contingent Liability:	
San Onofre Nuclear Generating Station Unit 2	
Southern California Edison Company	\$ 14.363
San Diego Gas & Electric Company	\$ 3.793
City of Anaheim	\$ 0.468
City of Riverside	<u>\$ 0.339</u>
TOTAL	\$ 18.963 ⁽¹⁾
San Onofre Nuclear Generating Station Unit 3	
Southern California Edison Company	\$ 14.363
San Diego Gas & Electric Company	\$ 3.793
City of Anaheim	\$ 0.468
City of Riverside	<u>\$ 0.339</u>
TOTAL	\$ 18.963 ⁽¹⁾

Palo Verde Nuclear Generating Station Unit 1	
Southern California Edison Company	\$ 2.996 ⁽²⁾
Other Co-Owners	<u>\$ 15.967</u>
TOTAL	\$ 18.963
Palo Verde Nuclear Generating Station Unit 2	
Southern California Edison Company	\$ 2.996 ⁽²⁾
Other Co-Owners	<u>\$ 15.967</u>
TOTAL	\$ 18.963
Palo Verde Nuclear Generating Station Unit 3	
Southern California Edison Company	\$ 2.996 ⁽²⁾
Other Co-Owners	<u>\$ 15.967</u>
TOTAL	\$ 18.963
Total Southern California Edison Company Contingent Liability	\$ 37.714

- (1) The value represents 100% of the San Onofre Annual Per Incident Contingent Liability. The Maximum Total Contingent Liability was increased to \$18.963 (Dollars in Millions) per reactor, as announced in the Federal Register, Volume 78, No.134: Friday July 12, 2013, Pages 41835 – 36 and became effective on September 10, 2013.
- (2) The value represents 15.8% (SCE's Share) of the Palo Verde Annual Per Incident Contingent Liability.