

10 CFR 140.21

May 13, 2019

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

**Subject: Annual Report of Guarantee of Payment of Deferred Premium
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 a minority owner of a 15.8% share of Palo Verde Units 1, 2, and 3, provide evidence that it maintains a guarantee of payment of its share of deferred premium in an amount of \$20.496 million for each reactor SCE is licensed to own.

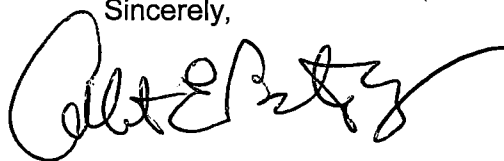
In accordance with option (e) of 10 CFR 140.21 and with 10 CFR 50.71(b), SCE is not required to submit its annual financial report or certified financial statement because SCE has provided its quarterly Form 10-Q report to the Securities and Exchange Commission. SCE is providing the enclosed 2018 Internal Cash Flow Statement which is derived from the consolidated financial statements included in SCE's 2018 Annual Report.

With an annual internal cash flow of \$133 million during 2018, SCE certifies that it would be able to generate sufficient funds for payment of total retrospective premiums of \$9.715 million during calendar year 2019.

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) 368-6945.

Sincerely,



Enclosure: 2018 Internal Cash Flow Statement

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

4004
NRR

Enclosure

2018 Internal Cash Flow Statement

SOUTHERN CALIFORNIA EDISON COMPANY

2018 Internal Cash Flow
(Dollars in Millions)

	<u>2018</u> <u>Actual</u>
Net Income After Taxes	(\$189)
Dividends Paid	<u>(\$909)</u>
Retained Earnings	(\$1,098)
Adjustments:	
Depreciation & Decommissioning	\$1,931
Net Deferred Taxes & ITC	(\$552)
Allowance for Funds Used During Construction	<u>(\$148)</u>
Total Adjustments	\$1,231
Internal Cash Flow	\$133
Average Quarterly Cash Flow	\$33
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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:	
Palo Verde Nuclear Generating Station Unit 1	
Southern California Edison Company	\$ 3.238 (1)
<i>Other Co-Owners</i>	<u>\$ 17.258</u>
TOTAL	\$ 20.496
 Palo Verde Nuclear Generating Station Unit 2	
Southern California Edison Company	\$ 3.238 (1)
<i>Other Co-Owners</i>	<u>\$ 17.258</u>
TOTAL	\$ 20.496
 Palo Verde Nuclear Generating Station Unit 3	
Southern California Edison Company	\$ 3.238 (1)
<i>Other Co-Owners</i>	<u>\$ 17.258</u>
TOTAL	\$ 20.496
Total Southern California Edison Company Contingent Liability	\$ 9.715

(1) The value represents 100% of the Palo Verde Annual Per Incident Contingent Liability. The Maximum Total Contingent Liability was increased to \$20.496 (Dollars in Millions) per reactor, as announced in the Federal Register, Volume 83, No. 185; Monday September 24, 2018, Pages 48202-3 and became effective on November 1, 2018