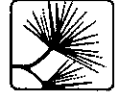




# City of Del Mar



October 23, 2012

Sent Via Email: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

Attn: CPUC Public Advisor Karen Miller  
505 Van Ness Avenue, Room 2108  
San Francisco, CA 94102

Dear CPUC Public Advisor Karen Miller,

The City of Del Mar supports a full New Order Instituting Investigation of the costs associated with the prolonged shutdown of the San Onofre Nuclear Generating Station as well as the cost overruns associated with the installation of faulty steam generators. We urge the CPUC to oppose the restart of Unit 2 until the costs of reduced power generation can be investigated.

The OII should consider the cost-effectiveness of Edison's proposal to restart only the Unit 2 reactor in light of Commission Decision (D.) 05-12-040's Finding of Fact 153 that "the split shutdown scenario is more costly than shutting both units down".

The plan to restart Unit 2 at 70% power for 5 months is a clear sign that SCE acknowledges the faulty design of the steam generators that led to the failure in Unit 3, and imposes unreasonable costs (and risks) to California ratepayers and local residents for little benefit in power produced or grid support.

On September 24, 2012, the City Council adopted Resolution No. 2012-57. A copy of the resolution is included for your reference.

We appreciate your attention to our concerns, and we trust that this letter, and the enclosed resolution, will be entered into the record at the CPUC Public Meeting in Irvine on October 25<sup>th</sup>.

Sincerely,

  
Carl Hilliard, Mayor

Enclosure: Resolution No. 2012-57

cc: City Council Members

RESOLUTION 2012-57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR, CALIFORNIA REGARDING THE SAN ONOFRE NUCLEAR GENERATING STATION (SONGS).

WHEREAS Southern California Edison's (Edison) four replacement steam generators manufactured by Mitsubishi for the two nuclear reactors at their San Onofre site were shut down after one of their tubes failed and released radiation in January 2012, after less than two years of operation, while the original equipment operated for 28 years; and

WHEREAS Edison informed the Nuclear Regulatory Commission (NRC) that the replacement steam generators would be "like for like" or "in kind," that is, fabricated to the same design specifications as the original San Onofre Combustion Engineering steam generators, but in fact, the replacement generators have significant design changes from the original steam generators; and

WHEREAS the NRC has reported that design flaws and erroneous model calculations have led to the malfunction of the new steam generators; and

WHEREAS the replacement steam generators in San Onofre Unit 2 and Unit 3 are identical and are both showing excessive, early tube wear that the NRC confirms poses a serious safety problem; and

WHEREAS a thorough NRC licensing amendment process would have provided greater opportunity to bring attention to the replacement steam generator design problems, thus increasing the likelihood of preventing use of the faulty designs and the ultimate shutdown of the San Onofre nuclear facility; and

WHEREAS failing again now to subject the replacement steam generators at San Onofre to the rigorous and transparent review of the NRC licensing amendment process risks repeating dangerous errors; and

WHEREAS the consequences of regulators inadequately ensuring nuclear reactor safety are potentially severe; and

WHEREAS in a decision filed on December 15, 2005, the CPUC allocated \$680 million dollars to be paid by ratepayers for four replacement steam generators manufactured by Mitsubishi at Southern California Edison's (Edison) San Onofre Nuclear Generating Station (\$569 million for replacement steam generator installation, and \$111 million for removal and disposal of the original

steam generators), with a reasonableness review required for expenses beyond this amount and a maximum ratepayer collection cap of \$782 million; and

WHEREAS ratepayers are at risk of paying not only for the crippled replacement steam generators, but also potentially for costs associated with the outage and with the equipment repair or replacement; and

WHEREAS the California Public Utilities Commission Division of Ratepayer Advocates reports that SCE customers are paying about \$54 million a month for operating and maintenance costs of the San Onofre Nuclear Generating Station while the facility is not producing any power, and recommends removing the San Onofre facility from rate to prevent this from continuing; and

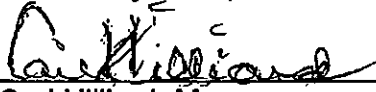
WHEREAS an Order of Investigation (OI) by the California Public Utility Commission is needed to determine, in a transparent, public process, which parties are responsible for paying for the costs associated with the faulty replacement generators, including the costs incurred during the shutdown (for example, replacement power, inspections, monitoring) and the cost of any repairs; and

WHEREAS it is therefore critical to create and implement strong contingency plans for alternative power sources to San Onofre, especially those deriving from conservation, energy efficiency and renewable resources, per the State of California's Loading Order, state mandated targets, and Governor Brown's Clean Energy Plan; and

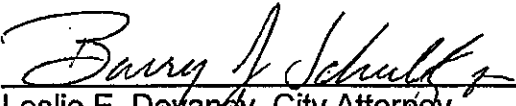
NOW, THEREFORE, BE IT RESOLVED, that the City of Del Mar urges the U.S. Nuclear Regulatory Commission to require that Edison undergo a public, transparent license amendment hearing regarding the replacement steam generators, before the San Onofre Nuclear Generating Station is allowed to restart; and

BE IT FURTHER RESOLVED, that the City of Del Mar strongly supports the California Public Utilities Commission in: 1) expeditiously initiating and completing an Order Instituting Investigation regarding the costs and reliability of the San Onofre Nuclear Generating Station, and 2) comparing the reliability and costs of the San Onofre facility to a future based on alternatives, including efficiency, load management, demand response, renewable energy, and energy storage.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Del Mar, California, at a Regular Meeting held the 24<sup>th</sup> day of September 2012.

  
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Carl Hilliard, Mayor  
City of Del Mar

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Leslie E. Devaney, City Attorney  
City of Del Mar

ATTEST AND CERTIFICATION:

STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO  
CITY OF DEL MAR

I, MERCEDES MARTIN, City Clerk of the City of Del Mar, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2012-57 adopted by the City Council of the City of Del Mar, California, at a Regular Meeting held the 24<sup>th</sup> of September 2012, by the following vote:

AYES: Mayor Hilliard, Deputy Mayor Sinnott; Council Members Haydu, Filanc, and Mosier

NOES: None

ABSTAIN: None

ABSENT: None

  
\_\_\_\_\_  
Mercedes Martin, City Clerk  
City of Del Mar