

November 12, 1998

Andrew Barnsdale, Project Manager  
c/o Environmental Science Associates  
225 Bush Street, Suite 1700  
San Francisco, CA 94104

Re: Mitigated Negative Declaration And Initial Study Of The  
California Public Utilities Commission On San Diego Gas  
& Electric Company's Application No. 97-12-030 –  
Proposal For Divestiture

Dear Mr. Barnsdale:

[Begin B1]

Southern California Edison Company (SCE) is operating agent of San Onofre Nuclear Generating Station Unit Nos. 1, 2, and 3 (SONGS). SCE is 80% owner of SONG 1 and 75.05% owner of SONGS 2&3. As such, SCE has an interest in assuring that the description of San Diego Gas & Electric Company's (SDG&E) 20% share of SONGS in the Mitigated Negative Declaration is accurate.

[End B1]

[Begin B2]

At page 2-39 of the Mitigated Negative Declaration, it states that SCE "is solely responsible for operating and maintaining the SONGS facility, for conducting required capital improvements, arranging for nuclear fuel, and refueling of the units" At p. 2-43 of the Mitigated Negative Declaration, it states that "SDG&E does not now manage or control the operations of SONGS . . ." These descriptions are not entirely accurate. the duties and responsibilities of SCE, as operating agent, and the other co-owners, including SDG&E, are set forth in the SONGS Ownership Agreement, dated October 5, 1967, San Onofre Units 2&3 Participation Agreement, dated November 1, 1997, and the Second Amended San Onofre Operating Agreement, dated February 26, 1987 (SONGS Agreements). SDG&E, as a co-owner, has certain responsibilities related to operating and maintaining the SONGS facility as described in the SONGS Agreements.

[End B2]

[Begin B3]

SCE also notes that on pages 2-36 and 2-39 the Mitigated Negative Declaration refers to the net generating capacity of SONGS 2&3, combined, by unit, and by SDG&E's share. In each place, the Mitigated Negative Declaration does not state that the amount of capacity noted is the rated capacity. Specifically, on page 2-39, the Mitigated Negative Declaration states: "SDG&E's share of SONGS' maximum output is a total of 214 MW from Unit 2 and 216 MW from Unit 3, or a combined output of 430 MW." In fact, these amounts are SDG&E's share of SONG'S rated output. The maximum output of SONGS on any given day varies due to ambient temperature and other operating conditions and can exceed or be lower than the rated output.

[End B3]

[Begin B4]

The Mitigated Negative Declaration at page 2-36 states: "Unit 1 had a net generating capacity of 436 MW and has since been decommissioned." In fact, Unit 1 has not yet been decommissioned, but has been permanently shutdown. SCE and SDG&E are currently planning to submit a request in December of this year to commence decommissioning of SONGS 1.

[End B4]

[Begin B5]

Finally, the Mitigated Negative Declaration states, on page 2-36: "Units 2&3 were constructed in 1983 and 1984, respectively." In fact, Units 2&3 were constructed over a much longer period than just the years 1983 and 1984. However, Units 2&3 were placed in commercial operation in 1983 and 1984, respectively.

[End B5]

SCE respectfully submits these comments on the Mitigated Negative Declaration. Any questions with regard to these comments may be directed to me at (626) 302-1337.

Very truly yours,

/s/

Carol A. Schmid-Frazee

B. SOUTHERN CALIFORNIA EDISON

B1 Comment noted.

B2 To reflect the additional information provided by the commenter, the first paragraph on page 2-3 of the Initial Study is hereby revised as follows:

...SDG&E's ownership interest in SONGS and the long-term power supply contracts are intangible assets in that the primary discretionary operational control of these generating assets does not reside with SDG&E and in that SDG&E holds no ownership interest in the QFs or out-of-state utilities that produce electricity under the power supply contracts and only a passive ownership interest in SONGS. (SDG&E and the other SONGS co-owners sit on an owners committee that periodically meets for discussion and review of operational issues, but SDG&E and the Cities of Riverside and Anaheim are not involved in day-to-day decisions concerning SONGS operations.) ...

The first full paragraph on page 2-39 of the Initial Study is hereby amended as follows:

Under the SONGS Agreements, Edison has been designated the Operating Agent. As such, Edison is primarily ~~solely~~ responsible for operating and maintaining the SONGS facility, for conducting required capital improvements, arranging for nuclear fuel, and refueling of the units. Edison's responsibilities also include managing SONGS personnel, personnel training, procurement, quality assurance, ensuring that adequate support resources are available, and settling claims. The specific duties and responsibilities of Edison, as the Operating Agent, and the other co-owners, including SDG&E, are set forth in the SONGS Ownership Agreement, dated October 5, 1967, the San Onofre Units 2 and 3 Participation Agreement, dated November 1, 1997, and the Second Amended San Onofre Operating Agreement, dated February 26, 1987. SDG&E, as a co-owner, has certain responsibilities related to operating and maintaining the SONGS facility as described in the SONGS Agreements.

The sentence that starts on the bottom of page 2-42 and finishes on the top of page 2-43 of the Initial Study is hereby revised as follows:

Again, the sale of the power contracts and the interest in SONGS would not change the underlying operations of the electricity generating facilities involved since they would not be primarily controlled by the new owner.

In addition, the second sentence of the second full paragraph on page 2-43 is hereby amended as follows:

SDG&E does not now manage or control the daily operations of SONGS or of the electricity generating facilities that produce the power covered by the power supply contracts.

B3 See response to Comment A34.

B4 See response to Comment A34.

B5 See response to Comment A34.