

Application No: A.24-12-____
Exhibit No.: SDGE-03
Witnesses: Tracy M. Dalu
Charles D. Ladd
Juan C. Fernandez

PREPARED DIRECT TESTIMONY
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY
(2024 SCE SONGS 1 and SONGS 2&3 DCE)



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

December 6, 2024

TABLE OF CONTENTS

I.	INTRODUCTION (T. DALU)	1
II.	SDG&E’S REVIEW OF THE SCE 2024 SONGS 1 AND 2024 SONGS 2&3 DCE (T. DALU)	2
III.	ESTIMATE OF SCE 2024 SONGS 1 DCE (T. DALU)	2
	A. Distributed Projects (C. Ladd)	4
	1. Other Distributed Projects.....	4
	a. Prepare License Termination Plan.....	5
	b. ISFSI Aging Management	6
	c. Substructure Removal Contractor Procurement	7
	d. Construction Debris Area Assessment	8
	e. Equipment Storage.....	9
	B. Undistributed Activities (T. Dalu)	9
	1. Non-Labor.....	9
	2. Labor-Staffing.....	13
IV.	ESTIMATE OF 2024 SONGS 2&3 DCE (T. DALU)	13
	A. Distributed Projects (C. Ladd)	15
	1. Decontamination, Demolition, and Disposal	15
	2. License Termination	17
	3. GTCC Waste Storage.....	18
	4. Other Projects.....	19
	a. Mesa Post Release Work Activities.....	20
	b. Drainage Dissipator Removal	21
	c. CDP Amendment.....	21
	d. Equipment Storage.....	22
	e. Plant Easement Termination.....	23
	5. ISFSI Aging Management	23
	6. Substructure Removal.....	24
	7. ISFSI Demolition	26
	8. Plant Easements/Lease Renewals	26
	B. Undistributed Activities (T. Dalu)	27
	1. All Other Non-Labor.....	27
	2. Labor-Staffing.....	32
	3. Service Level Agreements/Administrative & General Expenses	33
V.	ESTIMATE OF FUTURE SDG&E-ONLY COSTS IS REASONABLE (J. FERNANDEZ).....	34

A.	Allocations of Estimated SDG&E-Only Costs Between SONGS 1 and SONGS 2&3	35
B.	SDG&E Labor	36
C.	Other/Non-Labor.....	37
D.	Contingency	39
E.	Escalation	40
F.	Undistributed Costs by Cost Categorization Guidelines	40

Attachment A – SDG&E-only Cost Estimate

Attachment B – Declaration of Tracy M. Dalu Regarding Confidentiality of Certain Data/Documents Pursuant to D.17-09-023

**PREPARED DIRECT TESTIMONY
ON BEHALF OF SDG&E**

I. INTRODUCTION (T. DALU)

The purpose of this testimony is to demonstrate the reasonableness of the Southern California Edison Company (“SCE”) 2024 San Onofre Nuclear Generating Station (“SONGS”) Unit 1 (“SONGS 1”) Decommissioning Cost Estimate (“DCE”) and 2024 SONGS Units 2&3 (“SONGS 2&3”) DCE¹ (collectively, the “SONGS DCEs” or “DCEs”)² and San Diego Gas & Electric Company’s (“SDG&E”) forecast of its SDG&E-only costs for SONGS 1 and SONGS 2&3. This testimony provides support for the California Public Utilities Commission (“CPUC” or “Commission”) to:

- (1) Approve the joint request by SCE and SDG&E to find the SCE 2024 SONGS 1 DCE to be reasonable;³
- (2) Approve the joint request by SCE and SDG&E to find the 2024 SONGS 2&3 DCE to be reasonable;⁴ and
- (3) Approve the request by SDG&E that its forecast for future SDG&E-only costs of \$18.6 million (SDG&E share, 2014\$) is reasonable.

¹ SDG&E is presenting and requesting approval of the SONGS 2&3 DCE’s Operational Scenario as discussed further in Exhibit (“Ex.”) SCE-04 pages 1-2.

² The 2024 SONGS DCE dated August 5, 2024 is provided as Appendix B to Ex. SCE-04 to the Joint Application.

³ The updated SCE 2024 SONGS 1 DCE, using methodologies consistent with the 2020 SONGS 1 DCE, identifies a \$215.0 million (100% share, 2014\$) total cost for the remaining activities. If the SCE 2024 SONGS 1 DCE is adopted by the Commission, SDG&E’s twenty percent (20%) ratable share of decommissioning costs for SONGS 1 would be \$43.0 million (SDG&E share, 2014\$). This excludes future SDG&E-only costs.

⁴ The updated 2024 SONGS 2&3 DCE, using methodologies consistent with the 2020 SONGS 2&3 DCE, identifies a \$4,709.4 million (100% share, 2014\$) total cost for the decommissioning activities to be undertaken. If the 2024 SONGS 2&3 DCE is adopted by the Commission, SDG&E’s twenty percent (20%) ratable share of decommissioning costs for SONGS 2&3 would be \$941.9 million (SDG&E share, 2014\$). This excludes future SDG&E-only costs.

1 This volume of testimony is organized as follows: Chapter II discusses SDG&E’s efforts
2 to review the SCE 2024 SONGS 1 and SONGS 2&3 DCEs. Chapter III discusses the 2024
3 SONGS 1 DCE. Chapter IV discusses the 2024 SONGS 2&3 DCE. Chapter V describes
4 SDG&E’s estimate for its future “SDG&E-only” costs.

5 **II. SDG&E’S REVIEW OF THE SCE 2024 SONGS 1 AND 2024 SONGS 2&3 DCE**
6 **(T. DALU)**

7 As a 20% minority owner in SONGS, SDG&E recognizes the need to perform its due
8 diligence in reviewing for reasonableness the SONGS 1 and SONGS 2&3 DCEs. SDG&E
9 reviewed drafts of the DCEs, workpapers and other supporting documentation.

10 For each category of cost in the DCEs, SDG&E obtained workpapers and supporting
11 documentation from HKA Global, LLC (“HKA”) and performed a detailed review to determine
12 whether the cost estimate was reasonable. SDG&E reviewed each distributed project and
13 undistributed activity. The review included a comparison and variance explanation between the
14 current DCE and the previous DCE. In addition, the review focused on the basis for the
15 estimate. Questions, concerns, and feedback were documented for SDG&E and all questions,
16 concerns, and feedback were adequately addressed by HKA and SCE.

17 **III. ESTIMATE OF SCE 2024 SONGS 1 DCE (T. DALU)**

18 The SCE 2024 SONGS 1 DCE estimates that the total cost to complete the remaining
19 decommissioning of SONGS 1 will be \$215.0 million (100% share, 2014\$).⁵ The SCE 2020
20 SONGS 1 DCE, forecasted \$217.8 million (100% share, 2014\$) for costs incurred 2024 to 2053,
21 resulting in the SCE 2024 SONGS 1 DCE being \$2.8M (100% share, 2014\$) less than the 2020
22 SONGS 1 DCE.

⁵ The SCE 2024 SONGS 1 DCE includes estimated costs of \$215.0 million (100% share, 2014\$) to be incurred 2024 to 2056. The 2020 SONGS 1 DCE assumed decommissioning completion for SONGS.

The decrease between the SCE SONGS 1 2024 DCE and the SCE SONGS 1 2020 DCE can be attributed primarily to lower than anticipated conduit lease payments that were negotiated with the California State Lands Commission (“CSLC”).

Table 1
SCE 2024 SONGS 1 DCE
100% Share, 2014\$ in Millions

Line No.	Description	2024 DCE Total (2014\$)	2020 DCE Total (2014\$)	Variance (2014\$)
1	Distributed Projects			
2	Other Projects			\$3.1
3	Substructure Removal & Final Site Restoration	\$34.3	\$34.5	(\$0.2)
4	Offshore Conduits Removal	\$33.9	\$34.1	(\$0.2)
5	License Termination for Final Site Restoration	\$6.9	\$6.9	(\$0.0)
6	ISFSI Demolition	\$3.3	\$3.3	(\$0.0)
7	Transportation and Disposal of Reactor Vessel			\$0.0
8	Distributed Subtotal	\$138.5	\$135.8	\$2.7
9				
10	Undistributed Activities			
11	Non-Labor	\$42.4	\$48.9	(\$6.5)
12	Labor-Staffing	\$18.1	\$17.0	\$1.1
13	Substructure Contractor Staffing	\$9.6	\$9.7	(\$0.1)
14	Service Level Agreements	\$6.4	\$6.4	\$0.0
15	Undistributed Subtotal	\$76.5	\$82.0	(\$5.5)
16				
17	Total	\$215.0	\$217.8	(\$2.8)

General Notes:

*The 2020 DCE included \$0.4 million associated with completed projects and \$7.6 million in 2021-2023 estimated distributed costs for a total 2020 DCE of \$225.8 million (2014\$)

*The 2024 DCE includes 2016 through 2023 recorded costs of \$43.9 (2014\$) million for ongoing projects including: Transportation and Disposal of Reactor Vessel, ISFSI Aging Management (Other Projects), DCE Updates (Other Projects), Prepare License Termination Plan (Other Projects), Construction Debris Area Assessment (Other Projects), and GTCC Licensing (Other Projects).

1 **A. Distributed Projects⁶ (C. Ladd)**

2 The SCE 2020 SONGS 1 DCE totaled \$135.8 million (100% share 2014\$). The 2024
3 SCE SONGS 1 DCE for the remaining decommissioning work totals \$138.5 million (100% share
4 2014\$). This reflects an increase of approximately \$2.7 million from the 2020 DCE. The SCE
5 2024 SONGS 1 DCE forecast for Prepare License Termination Plan is [REDACTED] million (100% share
6 2014\$). The SCE 2020 SONGS 1 DCE assumed LTP costs in phase II were 100% SONGS
7 2&3; therefore, there was no SONGS 1 Prepare LTP DCE line item. This is the largest part of
8 the cost variance. *See* Other Distributed Projects, Table 2.

9 **1. Other Distributed Projects**

10 Performing other projects is required to comply with federal and state regulations and the
11 terms of SCE's real estate authorizations with the Navy. These other projects are generally
12 smaller projects, in the \$1-to-5-million-dollar range, and are discussed below in more detail.

13 SDG&E reviewed the supporting documentation for the eight Other Distributed Projects
14 and considers the associated SCE 2024 SONGS 1 DCE forecast amounts to be reasonable and
15 appropriate.

16

⁶ For the SCE SONGS 1 DCE, for distributed projects, SDG&E is providing variance explanations for those projects with decreases of more than 10% and for all projects with increases.

Table 2
SCE 2024 SONGS 1 DCE, OTHER PROJECTS
100% Share, 2014\$ in Millions

Line No.	Description	2024 DCE Total (2014\$)	2020 DCE Total (2014\$)	Variance (2014\$)
1	Other Projects			
2	Prepare License Termination Plan			
3	ISFSI Aging Management	\$2.4	\$3.7	(\$1.3)
4	Substructure Removal Contractor Procurement	\$0.8	-	\$0.8
5	Construction Debris Area Assessment	\$0.2	\$0.6	(\$0.4)
6	Equipment Storage	\$0.2	-	\$0.2
7	DCE Updates	\$0.5	\$0.5	\$0.0
8	GTCC Disposal	\$2.0	\$2.0	(\$0.0)
9	GTCC Licensing			
10	Other Projects Total			\$3.1

Note:

*The 2024 DCE includes 2016 through 2023 recorded costs of \$2.9 million for ongoing projects which includes: ISFSI Aging Management, Construction Debris Area Assessment, DCE Updates, Prepare License Termination Plan, and GTCC Licensing.

a. Prepare License Termination Plan

SDS is responsible for the development of the license termination plan (“LTP”) in accordance with 10 C.F.R. § 20.1402 site release criteria, as specified in the contract with the decommissioning general contractor. The LTP covers all three units and therefore the associated costs are allocated between all three units.⁷ The SCE 2020 SONGS 1 DCE assumed that partial site release would occur at the end of Phase II and that the license would be reduced to the ISFSI only area. Costs associated with the license termination were assigned to the ISFSI area only and are included in the ISFSI demolition estimate. Since the SCE 2024 SONGS 1 DCE no longer assumes a partial release, a new project for Prepare License Termination Plan has been added.

⁷ The associated Units 2 and 3 costs are included within the “Decontamination, Demolition, and Disposal” estimate.

1 A contingency rate of [REDACTED] (middle of Class 2 estimate) is used. The contingency rate is
2 consistent with other D&D work performed by SDS. The SCE 2024 SONGS 1 DCE forecast for
3 Prepare License Termination Plan is [REDACTED] million (100% share 2014\$). The SCE 2020 SONGS 1
4 DCE assumed LTP costs in phase II were 100% SONGS 2&3, and therefore, there was no
5 SONGS 1 Prepare LTP DCE line item.

6 **b. ISFSI Aging Management**

7 The independent spent fuel storage installation (“ISFSI”) Aging Management project was
8 established to develop an inspection and maintenance program for the Holtec dry spent fuel
9 storage system. This is a requirement of the California Coastal Commission per the ISFSI
10 Coastal Development Permit. Additionally, an Aging Management program for the Orano⁸
11 (formerly Areva TN) spent fuel dry storage system this is required by the NRC as part of
12 renewing the system’s Certificate of Compliance (“CoC”), once the Orano system had been in
13 service for 20 years.⁹ The Aging Management program for the Orano spent fuel dry storage
14 system will also address inspection and maintenance requirements imposed by the CCC per the
15 ISFSI CDP that was renewed in 2022. Also included are initial cask testing, inspection
16 equipment and licensing costs for dry cask NRC CoC renewals, and Safety Analysis Report
17 (“SAR”) updates. Ongoing required annual maintenance and inspections of the spent fuel dry
18 storage systems (*i.e.*, ongoing implementation of the Aging Management programs) are included
19 in the undistributed non-labor Aging Management category. The Orano Aging Management

⁸ In 2017 Areva reorganized into three separate companies. Orano is the new company that handles fuel cycle operations including management of spent nuclear fuel.

⁹ The “Aging Management” distributed project and undistributed category in the DCE refers generally to both the Inspection and Maintenance and Aging Management programs. The Inspection and Maintenance program is a requirement of the CCC. The Aging Management program is a requirement of the NRC in order to renew CoC, which is triggered after the original CoC has been in place for 20 years.

1 costs are allocated to SONGS 1 based on the proportion of SONGS 1 fuel assemblies (relative to
2 SONGS 2&3) that are stored in the Orano ISFSI system.

3 A contingency rate of 10% was utilized (low end of class 3 estimate) on the remaining
4 cost. Contingency is for variation in contract support costs. Contingency does not cover new
5 permitting and regulatory requirements, delays to the DOE spent fuel pick up schedule, which
6 could require an additional renewal of the Orano CoC, substantial changes to the ISFSI required
7 by the California Coastal Commission as part of the CDP process or degradation of canisters
8 requiring corrective action is not assumed in the estimate.

9 The SCE 2024 SONGS 1 DCE forecast for ISFSI Aging Management is \$2.4 million
10 (100% share 2014\$). The SCE 2020 SONGS 1 DCE forecast for ISFSI Aging Management was
11 \$3.7 million (100% share 2014\$). The \$1.3 million (100% share, 2014\$) cost decrease was due
12 to recorded costs being lower than the estimated as a result of improvements in the cannister
13 inspection process.

14 **c. Substructure Removal Contractor Procurement**

15 The SCE 2024 SONGS 1 DCE assumes that there will be two competitive bidding
16 processes to evaluate responses to requests for proposals (“RFP”). The first RFP is for a
17 contractor to remove SONGS 2&3 substructure and place permanent backfill. The second RFP
18 is to demolish the ISFSI, remove SONGS 1 substructures and perform site restoration activities.
19 This is all in accordance with the 2021 NDCTP settlement agreement. It is assumed that the cost
20 for both procurements will be approximately 60% of the cost that was needed to procure the
21 decommissioning general contractor for the major demolition work.

22 The contingency rate applied to this project is 15% and will cover variations in labor
23 hours and pricing, and contract support costs. The SCE 2024 SONGS 1 DCE forecast for
24 Substructure Removal Contractor Procurement project is \$0.8 million (100% share 2014\$). The

1 SCE 2020 SONGS 1 DCE did not include this cost for Substructure Removal Contractor
2 Procurement project. The \$0.8 million (100% share, 2014\$) cost increase was due to
3 inadvertently not including this cost in SCE SONGS 1 DCE.

4 **d. Construction Debris Area Assessment**

5 The SONGS 1 spherical steel enclosure and diesel generator buildings did not have steel
6 reinforced concrete buildings surrounding them as original equipment when the plant became
7 operational. Later, in 1976 and 1977, these protective structures were built. As part of the
8 construction project the areas surrounding the spherical enclosure and diesel buildings needed to
9 be excavated to facilitate placement of the foundations. The excavated soil was disposed of in an
10 area known as the construction debris area (“CDA”) as directed by the Navy. The CDA is
11 located on the east side of Interstate 5 on the leased land referred to as the Mesa. SCE was
12 required by the Navy in 2020 to determine if any radiological and non-radiological
13 contamination existed in the CDA. Any contamination found would need to be remediated by
14 SCE. Satisfactory proof of adequate remediation would be by the Department of Toxic
15 Substance Controls providing a “No Further Action Letter” that designates that the CDA is
16 available for unrestricted use.

17 The estimate is recorded costs to date associated with the project. While no costs are
18 anticipated in 2024, the project will be completed after the Navy receives approval from Federal
19 Facilities Agreement (“FFA”) agencies of a Comprehensive Environmental Response,
20 Compensation, and Liability Act (“CERCLA”) Record of Decision (“ROD”), which is
21 anticipated in 2024.

22 The contingency rate applied to this project is 0% since it is substantially complete.

23 The 2024 SCE SONGS 1 DCE includes \$0.2 million (100% share, 2014 \$) for a CDA
24 Assessment. The 2020 SCE SONGS 1 DCE included \$0.6 million (100% share, 2014 \$) for a

1 CDA Assessment. The \$0.4 million (100% share, 2014 \$) price decrease was due to 2024 DCE
2 recorded costs being lower than estimated.

3 **e. Equipment Storage**

4 A storage facility will be constructed to contain the Orano and Holtec equipment and
5 tooling used for ISFSI related work. This storage facility will be constructed to contain the
6 Orano and Holtec equipment and tooling used for ISFSI related work. The estimate is based on
7 engineering, procurement, and construction for an 8,000 square foot warehouse. Costs are
8 assumed to be incurred between 2024 and 2025. Equipment Storage costs are allocated to
9 SONGS 1 based on the proportion of SONGS 1 fuel assemblies that are stored on the ISFSI.

10 The contingency rate applied to this project is 20% and will cover variations in contract
11 support costs and material costs.

12 The SCE 2024 SONGS 1 DCE includes \$0.2 million (100% share, 2014\$) to design,
13 procure, and construct a Class C storage warehouse for ISFSI equipment storage. The SCE 2020
14 SONGS 1 DCE did not include this cost since it had not been identified as a requirement.

15 **B. Undistributed Activities (T. Dalu)**

16 The SCE 2024 SONGS 1 DCE estimates remaining costs for the undistributed activities
17 to be \$76.5 million (100% share, 2014\$). The undistributed activities major categories are
18 described below.

19 **1. Non-Labor**

20 Non-labor costs include costs for a wide range of decommissioning activities and
21 obligations. In the SCE 2024 SONGS 1 DCE, the majority of the Non-Labor cost estimates are
22 comparable to the SCE 2020 SONGS 1 DCE values and the variances are minor with many
23 small or immaterial amounts offsetting each other. The more material variances are discussed
24 below and include the following:

1 Site Lease and Easement Expenses – SCE makes annual lease payments to the CSLC for
2 the SONGS 1 offshore conduits and to the Navy for the SONGS plant site. The 2020 DCE
3 included the assumption that the new lease under negotiation with the CSLC at the time would
4 have higher lease payments and include a conduit surety bond payment required through 2053.
5 The decrease in Site Lease and Easement Expenses can be attributed to the fact that SCE
6 ultimately was able to negotiate lower lease payments with the CSLC which have been
7 incorporated into the 2024 DCE.

8 Contracted Services – Contracted services generally consist of estimated payments for
9 shorter-term supplemental resources, specialty contractors and consultants, third-party services,
10 materials, equipment, and supplies. In addition, SONGS 1 seawall maintenance costs are
11 included in this category. The increase in Contracted Services costs in the SCE SONGS 1 2024
12 DCE are primarily a result of the DOE’s non-performance, resulting in an additional three years
13 of costs.

14 Nuclear Regulatory Commission Fees – As holder of the NRC licenses for SONGS, SCE
15 is required to pay 10 C.F.R. Part 171 annual license fees and 10 C.F.R. Part 170 inspection fees
16 until the NRC licenses are terminated. This estimate decreased because the date on which SCE
17 would pay the NRC fees required for license termination at the end of decommissioning slipped
18 by three years due to DOE non-performance, thus reducing the 2014\$ value due to de-scalation.
19 This was partially offset by the addition of three years of costs for NRC fees required during the
20 ISFSI only period.

21 Association Fees and Expenses – This category of costs includes payments for Nuclear
22 Energy Institute membership fees and Electric Power Research Institute membership fees. The
23 increase in the SCE SONGS 1 2024 DCE as compared to the SCE SONGS 1 2020 DCE is a

1 result of an NEI invoice that identified a higher percentage allocation of SONGS 1 costs than had
2 been assumed in the 2020 DCE.

3 Emergency Preparedness Fees – SCE provides funding to local jurisdictional authorities
4 for their radiological emergency preparedness, including planning, response, and recovery
5 activities. The amount in the estimate is based on the 2020 Memorandum of Understanding with
6 the counties of Orange and San Diego and three other local cities and is estimated to continue
7 until all spent fuel has been removed from SONGS. The increase in Emergency Preparedness
8 Fees in the SCE SONGS 1 2024 DCE are primarily a result of the DOE’s non-performance,
9 resulting in an additional three years of costs.

10 ISFSI Aging Management – The Areva TN Aging Management costs are allocated to
11 SONGS 1 based on the proportion of SONGS 1 fuel assemblies (relative to SONGS 2&3) that
12 are stored in the Areva TN ISFSI system. The increased estimate in the SCE SONGS 1 2024
13 DCE is primarily a result of the DOE’s non-performance, resulting in an additional three years of
14 costs.

15 Department of Toxic Substances Control (“DTSC”) Corrective Action - Ongoing
16 Monitoring – During substructure removal, ISFSI demolition and final site restoration SONGS 1
17 will be allocated a portion of the costs required to perform ongoing monitoring for potential
18 releases of hazardous constituents into the environment. The increase in DTSC Corrective
19 Action costs reflect the SONGS 1 allocation of the required monitoring during substructure
20 removal. These costs were not allocated to SONGS 1 in the 2020 DCE.

21 The estimated costs for all other non-labor are shown in Table 3 below:
22

Table 3
Undistributed Non-Labor Cost Estimates
SCE 2024 SONGS 1 DCE
100% Share, 2014\$ in Millions

Line No.	Description	2024 DCE Total (2014\$)	2020 DCE Total (2014\$)	Variance (2014\$)
1	Undistributed Non-Labor			
2	Site Lease and Easements Expenses	\$8.8	\$17.3	(\$8.5)
3	Contracted Services	\$7.9	\$6.6	\$1.3
4	NRC Fees	\$10.4	\$11.4	(\$1.0)
5	Association Fees and Expenses	\$0.8	\$0.2	\$0.6
6	Emergency Preparedness Fees	\$1.5	\$1.0	\$0.5
7	ISFSI Aging Management	\$2.0	\$1.6	\$0.4
8	DTSC Corrective Action – Ongoing Monitoring	\$0.3	-	\$0.3
9	Energy	\$0.4	\$0.7	(\$0.3)
10	Ground Water Monitoring	\$0.7	\$0.5	\$0.2
11	Spent Fuel Strategic Plan Activities	\$0.3	\$0.1	\$0.2
12	Loading Spent Fuel and GTCC Waste to DOE	\$4.5	\$4.7	(\$0.2)
13	Water	\$0.6	\$0.7	(\$0.1)
14	Insurance	\$2.6	\$2.5	\$0.1
15	Security Related Expenses	\$0.7	\$0.6	\$0.1
16	Information Technology	\$0.2	\$0.3	(\$0.1)
17	CEQA Reporting	\$0.7	\$0.7	(\$0.0)
18	Third Party Legal	\$0.0	-	\$0.0
19	DAW Disposal	\$0.0	\$0.0	\$0.0
20	Substructure Contractor HP Supplies	\$0.0	\$0.0	\$0.0
21				
22	Total	\$42.4	\$48.9	(\$6.5)

The contingency rate applied for the undistributed non-labor estimate is 15% and will cover variations in contract support costs, variations in material costs, and variations in lease payments, energy costs, insurance, and required permits and fees.

The SCE 2024 SONGS 1 DCE estimate for non-labor is \$42.4 million (100% share, 2014\$). The SCE 2020 SONGS 1 DCE estimate for non-labor was \$48.9 million (100% share, 2014\$). The decrease of \$6.5 million between the SCE 2024 SONGS 1 DCE and the SCE 2020

SONGS 1 DCE is primarily due to a decrease in Site Lease and Easement Expenses attributed to SCE being able to negotiate lower lease payments than anticipated in the 2020 DCE offset by higher SONGS 1 allocations for NEI and DTCS Corrective Action Fees, as well as an additional three years of costs associated with the DOE's non-performance.

2. Labor-Staffing

The scope of work for Labor-Staffing is very similar for SONGS 1 and SONGS 2&3. The minor increase in Labor-Staffing between the SCE 2024 SONGS 1 DCE and the SCE 2020 SONGS 1 DCE is due primarily to the three additional years of costs caused by the DOE's non-performance and an increase in labor rates.

Based on the discussion above and the 2024 DCE included as Appendix B in SCE's Exhibit SCE-04C, the Commission should find the SONGS 1 Undistributed Cost Estimate of \$42.4M reasonable as these are necessary costs required to decommission the plant safely and prudently.

IV. ESTIMATE OF 2024 SONGS 2&3 DCE (T. DALU)

The 2024 SONGS 2&3 DCE includes the total estimated project cost including recorded costs through December 31, 2023, and estimated costs to 2056. The 2024 SONGS 2&3 DCE estimates that the total cost to decommission SONGS 2&3 will be \$4,709.4 million (100% share, 2014\$). The 2020 SONGS 2&3 DCE was \$4,663.1 million (100% share, 2014\$) which is an increase of \$46.3 million (100% share, 2014\$). The increase of \$46.3 million can be primarily attributed primarily to higher site lease and easement payments and insurance costs offset by lower Decontamination, Demolition and Disposal costs, lower GTCC Waste Storage costs and lower costs for Contracted Services driven by lower than estimated recorded costs incorporated into the 2024 SONGS 2&3 DCE. Explanations for these variances are further detailed in the

Distributed and Undistributed Project testimony below. Below in Table 4 is a comparison of the 2024 SONGS 2&3 DCE¹⁰ to the 2020 SONGS 2&3 DCE.

Table 4
2024 SONGS 2&3 DCE
100% Share, 2014\$ in Millions

Line No.	Description	2024 DCE Total (2014\$)	2020 DCE Total (2014\$)	Variance (2014\$)
1	Distributed Projects			
2	Decontamination, Demolition, & Disposal	██████	██████	(\$58.5)
3	License Termination	\$9.9	-	\$9.9
4	GTCC Waste Storage	\$55.2	\$63.6	(\$8.4)
5	Other Projects	\$117.9	\$122.7	(\$4.8)
6	ISFSI Aging Management	\$20.4	\$23.5	(\$3.1)
7	Substructure Removal	\$271.8	\$274.0	(\$2.1)
8	ISFSI Demolition	\$18.0	\$19.3	(\$1.3)
9	Plant Easement/Lease Renewals	\$9.6	\$10.8	(\$1.2)
10	Offshore Conduit Removal	\$91.4	\$91.9	(\$0.5)
11	ISFSI & Fuel Transfer Operations	\$297.7	\$297.5	\$0.2
12	Final Site Restoration	\$6.9	\$6.9	-
13	Completed Projects	\$123.3	\$123.3	-
14	Distributed Subtotal	██████	██████	(\$69.9)
15				
16	Undistributed Activities			
17	All Other Non-Labor	\$733.1	\$645.6	\$87.5
18	Labor-Staffing	\$959.7	\$921.1	\$38.6
19	Contracted Services	\$303.0	\$319.6	(\$16.6)
20	Service Level Agreements	██████	██████	\$7.3
21	Substructure Contractor Staffing	\$43.9	\$44.5	(\$0.6)
22	Undistributed Subtotal	██████	██████	\$116.2
23				
24	Total	\$4,709.4	\$4,663.1	\$46.3

General Notes:

* The 2020 DCE reflects the 2021 NDCTP Settlement Agreement, which incorporates a reduction in contingency associated with the fixed-price DGCA from ██████ to 10%.

¹⁰ The HKA 2024 Decommissioning Cost Estimate, dated August 5, 2024, provided as Appendix B to Ex. SCE-04 to the Application.

1
2 * A variance discussion is not provided in this volume of testimony for Distributed Projects that were completed
3 during 2021-2023 because these projects are being reviewed for reasonableness by the Commission in this
4 proceeding. Please see Exhibit SDGE-02, Testimony on the Reasonableness of SONGS 2&3 Nuclear
5 Decommissioning Expenses Incurred During 2021-2023.
6

7 **A. Distributed Projects (C. Ladd)**

8 The major distributed projects included in the 2024 SONGS 2&3 DCE are described
9 below.

10 **1. Decontamination, Demolition, and Disposal**

11 SCE awarded a fixed price contract to SONGS Decommissioning Solutions (“SDS”) to
12 perform the decontamination and decommissioning of SONGS units 2&3. The scope of work is
13 to remove all SONGS 2&3 structures, systems, and components to three feet below grade so the
14 property can be released for unrestricted use. The major components of this work are the
15 characterizing, packaging, transporting, and disposal of waste created by decontaminating and
16 demolishing the facility. This work is performed in two phases.

17 Phase I was the transition and mobilization phase. During this phase, after a competitive
18 bidding process, SCE executed a contract with SDS to be the decommissioning general
19 contractor. SDS mobilized staff to the project and transitioned programs from SCE to SDS in
20 accordance with the SDS Transition and Mobilization Plan.

21 The phase II work includes segmenting and disposal of the SONGS 2&3 reactor vessels
22 and reactor vessel internals and other large components including steam generators, pressurizers,
23 and turbine-generators. Decontamination and removal of all structures, systems, and
24 components (“SSC”) as necessary to achieve partial site release and reduce the Part 50 licenses
25 to the ISFSI area only is performed. SDS will remove all plant SSCs except for the switchyard
26 and ISFSI.

The contingency rate applied to this project in the 2024 DCE is [REDACTED] and will cover the change orders for differing site conditions and change orders for SCE-directed changes.

The 2020 SONGS 2&3 DCE estimate was [REDACTED] million (100% share, 2014\$). The 2024 SONGS 2&3 DCE estimate is [REDACTED] million (100% share, 2014\$) which is a decrease of \$58.5 million (100% share, 2014\$). The decrease in cost can be attributed to some fixed price milestones shifting to later years and activities completed during the 2021 to 2023 time period, using less than the budgeted contingency. These decreases were offset by a [REDACTED] increase in contingency to cover costs associated with the COVID-19 impacts.

SDG&E reviewed the supporting documentation for the forecast and considers the 2024 SONGS 2&3 DCE amount to be reasonable and appropriate.

The estimated costs for Decontamination, Demolition and Disposal projects are shown in Table 5 below:

Table 5
2024 SONGS 2&3 DCE
100% Share, 2014\$ in Millions

Line No.	Description	2024 DCE Total (2014\$)	2020 DCE Total (2014\$)	Variance (2014\$)
1	Decontamination, Demolition, & Disposal			
2	D&D Waste	[REDACTED]	[REDACTED]	(\$31.7)
3	DGC Staffing	[REDACTED]	[REDACTED]	\$6.6
4	Non-Essential System Removal	[REDACTED]	[REDACTED]	(\$6.4)
5	Internals and Vessel Segmentation	[REDACTED]	[REDACTED]	(\$6.3)
6	Initial Plant Building Demo	[REDACTED]	[REDACTED]	(\$5.3)
7	Steam Generator Removal	[REDACTED]	[REDACTED]	(\$4.4)
8	Final Survey/License Termination Plan	[REDACTED]	[REDACTED]	(\$3.4)
9	Removal of Spent Fuel Systems /Equipment	[REDACTED]	[REDACTED]	(\$2.3)
10	Final Plant Building Demo	[REDACTED]	[REDACTED]	(\$2.1)
11	Containment Building Demo	[REDACTED]	[REDACTED]	(\$1.2)
12	Initial D&D Activities	[REDACTED]	[REDACTED]	(\$1.2)
13	Building Decontamination	[REDACTED]	[REDACTED]	(\$1.1)
14	Offshore Conduit Diffuser and Risers	[REDACTED]	[REDACTED]	\$0.8

Line No.	Description	2024 DCE Total (2014\$)	2020 DCE Total (2014\$)	Variance (2014\$)
15	Large Component Removal	████	████	(\$0.5)
16				
17	Decontamination, Demolition, & Disposal Total	████	████	(58.5)

General Note:

* The 2020 DCE reflects the 2021 NDCTP Settlement Agreement, which incorporates a reduction in contingency associated with the fixed-price DGCA from █████ to 10%.

2. License Termination

The SONGS 2&3 NRC license will be terminated by SCE at the end of the decommissioning process. A License Termination Plan (“LTP”) will be submitted to the NRC by SCE for approval. SCE will perform final status surveys (“FSS”) and have them confirmed and reviewed by a third party prior to submittal. SCE will submit the LTP to the NRC for approval by December 2056.

The estimate includes costs associated with the preparation of the LTP and FSS of the ISFSI, which are based on the 2020 DCE estimates. The 2020 DCE LTP costs were included under ISFSI Demolition. The LTP estimate was updated to reflect the assumption that partial site release will not occur after period 4. The estimate includes costs associated with the FSS of the plant site. An SCE subject matter expert reviewed the 2014 DCE estimate and adjusted the estimate based on the 2024 DCE assumptions.

The contingency rate applied to this project is 25% and will cover variations in labor hours and pricing and variation in contract support costs.

The 2024 SONGS 2&3 DCE amount for license termination is \$9.9 million (100% share, 2014\$) as additional costs to terminate the license in 2055 to 2056. The 2020 SONGS 2&3 DCE did not include this cost resulting in a \$9.9 million (100% share, 2014\$) variance. The license termination cost had not been included since a partial site release was assumed.

SDG&E reviewed the supporting documentation for the forecast and considers the 2024 SONGS 2&3 DCE amount for LTP to be reasonable and appropriate.

3. GTCC Waste Storage

In accordance with the contract between SDS and SCE, SDS is responsible to prepare, characterize and package GTCC waste into canisters provided by SCE. SCE is responsible for the handling, welding, dewatering, drying, and moving of the loaded, processed Areva canisters to the ISFSI. It was assumed in the 2017, 2020 and 2024 SONGS 2&3 DCEs that it is necessary to license and purchase ten new canisters for storing and disposing of GTCC waste from SONGS 2&3 reactor vessel internals segmentation activities. Two existing Areva TN canisters will be used for storing GTCC waste from the spent fuel pools. The estimated costs are for the purchase and licensing of GTCC canisters, as well as SCE self-performing the loading, drying and transfer of the canisters from the containment buildings to the ISFSI pad and managing the work performed by specialty contractors. The contingency rate applied to this project is 20% and will cover variations in contract support costs.

The 2024 SONGS 2&3 DCE amount is \$55.2 million (100% share, 2014\$). The 2020 SONGS 2&3 DCE amount was \$63.6 million (100% share, 2014\$). This results in a decrease of \$8.4 million (100% share, 2014 \$) to properly load, transfer, and store GTCC waste from reactor vessel internal segmentation and spent fuel pools. The decrease in the 2024 DCE of \$8.4 million (100% share, 2014 \$) can be attributed to the fact that at the time the 2020 SONGS 2&3 DCE was prepared, SCE had not executed contracts for this work and the specific project details were undetermined. SCE self-performed the GTCC storage work, which resulted in enhanced project performance and oversight. The 2024 SONGS 2&3 DCE primarily includes the recorded costs for this project and the remaining cost estimate for 2024, when this project is forecast to be complete.

SDG&E reviewed the supporting documentation for the forecasts and considers the 2024 SONGS 2&3 DCE cost decrease to be reasonable and appropriate.

4. Other Projects

Performing other projects is required to comply with federal and state regulations and the terms of SCE's real estate authorizations with the Navy. These other projects are generally smaller project in the 1-to-5-million-dollar range and are discussed below in more detail.

The 2024 SONGS 2&3 DCE value for Other Projects is \$117.9 million (100% share, 2014\$). The 2020 SONGS 2&3 DCE value was \$122.7 million (100% share, 2014\$). The 2024 SONGS 2&3 DCE variance of \$4.8 million (100% share, 2014\$) is primarily due to lower recorded costs than estimated. The 2024 SONGS 2&3 DCE estimate is provided below for each project.

Table 6
2024 SONGS 2&3 DCE
100% Share, 2014\$ in Millions

Line No.	Description	2024 DCE Total (2014\$)	2020 DCE Total (2014\$)	Variance (2014\$)
1	Other Projects			
2	Mesa Post Release Work Activities	\$8.7	\$0.0	\$8.7
3	Mesa Site Turnover	\$21.2	\$27.9	(\$6.7)
4	Drainage Dissipator	\$2.1	\$ 5.3	(\$3.2)
5	CDP Amendment	\$3.2	\$6.2	(\$3.0)
6	Equipment Storage	\$1.8	\$0.0	\$1.8
7	ISFSI CDP Extensions	\$3.7	\$4.4	(\$0.7)
8	Plant Easement Termination	\$2.6	\$3.3	(\$0.7)
9	ISFSI CDP Settlement	\$3.7	\$4.3	(\$0.6)
10	GTCC Disposal	\$40.3	\$40.8	(\$0.5)
11	DCE Updates	\$4.7	\$4.5	\$0.2
12	Substructure Removal Contractor Procurement	\$7.0	\$7.1	(\$0.1)
13	DTSC Corrective Action	\$2.6	\$2.6	(\$0.0)
14	CEQA Permitting	\$6.4	\$6.4	\$0.0
15	Siren Removals	\$0.5	\$0.5	\$0.0

16	Cyber Security Modifications	\$9.4	\$9.4	-
17	Other Projects Total	\$117.9	\$122.7	(4.8)

* A variance discussion is not provided for Distributed Projects that were completed during 2021-2023 because these projects are being reviewed for reasonableness by the Commission in this proceeding. Please see Exhibit SDGE-02, Testimony on the Reasonableness of SONGS 2&3 Nuclear Decommissioning Expenses Incurred During 2021-2023.

Note: D.14-12-082 directed SCE to provide explanations for variances exceeding 10%. However, to provide additional detail regarding changes in the DCE, SCE/SDG&E are also providing explanations for all increases and underruns that exceed \$1.0 million.

a. Mesa Post Release Work Activities

SCE obtained a No Further Action letter from the DTSC and surrendered the Mesa parcels to the U.S. Navy. SCE was allowed by the Navy to return the Mesa parcels prior to completing all the required cleanup activities. The additional work required by the Navy, such as the investigation for per- and polyfluoroalkyl substances (“PFAS”) and associated remediation, as needed, is included in the forecast for this new major project.

The estimate includes costs associates with the PFAS investigation and cleanup of soil and ground water, removing certain structures, preparing an Environmental Condition of Property, and obtaining approval of Record of Decision from Federal Facility Agreement agencies.

The contingency rate applied to this project is 0%. The 2024 SONGS 2&3 DCE amount for Mesa Post Release Work Activities is \$8.7 million (100% share, 2014\$). The 2020 DCE did not include a project for work required after the surrender of the mesa parcels since this scope was included in the Mesa Turnover project. SDG&E reviewed the supporting documentation for the Mesa Post Release Work Activities project forecast and considers the 2024 SONGS 2&3 DCE amount to be reasonable and appropriate.

1 **b. Drainage Dissipator Removal**

2 There are four drainage dissipators that are installed along the ocean side of the bluffs
3 adjacent to parking lot 4 to protect against erosion by slowing the water flow. Three of the four
4 drainage dissipators will need to be removed, if it is deemed they are no longer required.

5 The contingency rate applied to this project is 20% and will cover variations in contract
6 support costs and material costs. The 2024 SONGS 2&3 DCE includes \$2.1 million (100%
7 share, 2014\$) to remove these drainage dissipators. The 2020 SONGS 2&3 DCE amount was
8 \$5.3 million (100% share, 2014\$). The cost decrease is \$3.2 million (100% share, 2014\$) and is
9 based on the actual cost incurred in 2023 to remove the first dissipator.

10 SDG&E reviewed the supporting documentation for the Drainage Dissipator Removal
11 project forecast and considers the 2024 SONGS 2&3 DCE amount to be reasonable and
12 appropriate.

13 **c. CDP Amendment**

14 The CCC approved the CDP in October of 2019. The permit contains certain special
15 conditions. Special Condition 3 requires SCE to submit an application to amend the CDP within
16 six months of the completion of decontamination and demolition work. Other process
17 requirements are for SCE to perform certain environmental and engineering analyses prior to the
18 completion of decontamination and demolition work. The DCE assumes that these analyses will
19 assess any impact that the occurrence of sea level rise could have on the removal of
20 substructures.

21 The estimate includes costs of engineering analyses, environmental studies, coastal
22 processes studies, and coastal processes and ground water modeling for the CDP amendment and
23 includes CCC permitting fees. Costs are assumed to be incurred through 2028 to complete the
24 required engineering and environmental analyses and studies to meet CDP Special Condition 3.

1 Costs are also included in 2029 for agency data requests and responses as part of the review of
2 the CDP amendment application. Additional costs are assumed to be incurred in 2054 to update
3 the analyses prior to final site restoration.

4 The contingency rate applied to this project is 20% and will cover variations in labor
5 hours and pricing to support environmental studies and other analyses in support of the CDP
6 amendment and variations in CCC fees for the CDP amendment.

7 The 2024 SONGS 2&3 DCE estimate for CDP Amendment for Site Restoration project
8 is \$3.2 million (100% share, 2014\$). The 2020 DCE estimate for CDP Amendment for Site
9 Restoration project was \$6.2 million (100% share, 2014\$). The cost decrease of \$3.0 million
10 (100% share, 2014\$) was due to incorporating lower recorded costs and reduced scope prior to
11 site restoration.

12 SDG&E reviewed the supporting documentation for the CDP Amendment for Site
13 Restoration project forecast and considers the 2024 SONGS 2&3 DCE amount to be reasonable
14 and appropriate.

15 **d. Equipment Storage**

16 During a Quality Assurance audit it was identified that certain equipment must be stored
17 in Class C storage that is defined as being covered and not requiring ventilation. Therefore, a
18 storage facility will be constructed to contain the Orano and Holtec equipment and tooling used
19 for ISFSI related work. The estimate is based on engineering, procurement, and construction for
20 an 8,000 square foot warehouse. Costs are assumed to be incurred between 2024 and 2025.

21 The contingency rate applied to this project is 20% and will cover variations in contract
22 support costs and material costs.

23 The 2024 SONGS 2&3 DCE includes \$1.8 million (100% share, 2014\$) to design,
24 procure, and construct a Class C storage warehouse for ISFSI equipment storage. The 2020

SONGS 2&3 DCE did not include this cost since it had not been identified as a requirement. SDG&E reviewed the supporting documentation for the Equipment Storage project forecast and considers the 2024 SONGS 2&3 DCE amount to be reasonable and appropriate.

e. Plant Easement Termination

After site restoration conditions have been established by the NEPA review, the Navy will oversee and monitor the project to confirm the site is available for unrestricted use and will require an Environmental Condition of Property Report. Project estimate is based on SCE labor and Navy consultation fees in 2055 and 2056. The estimate includes costs associated with an Environmental Condition of Property Report.

The contingency rate applied to this project is 20% and will cover variations in labor hours and pricing, variation in consultant support required and, variation in Navy labor hours and pricing. The 2024 SONGS 2&3 DCE assumes that the Navy will require an Environmental Condition of Property report and includes \$2.6 million (100% share, 2014\$) to create this report. The 2020 SONGS 2&3 DCE cost for this item was \$3.3 million (100% share, 2014\$). The decrease in cost of \$0.7 million (100% share, 2014\$) was because the estimate was reviewed by SCE and changes were made to the estimate based on their current interactions with their US Navy counterparts.

SDG&E reviewed the supporting documentation for the Plant Easement Terminations project forecast and considers the 2024 SONGS 2&3 DCE amount to be reasonable and appropriate.

5. ISFSI Aging Management

The Aging Management Plan (“AMP”) project was established to develop a program for inspection and maintenance of the Holtec and Orano dry spent fuel storage systems. The AMP was developed to inspect and maintain spent fuel storage canisters and modules to verify that

1 canister transfers on-site, and off-site transport operations can be performed safely. The costs for
2 development of inspection and mitigation equipment meeting testing requirements for both the
3 Areva and Holtec systems are included. The estimate includes costs for ISFSI licensing for Areva
4 and Holtec Certificate of Compliance (“CoC”) renewals and Safety Analysis Report updates, and
5 mitigation plan engineering.

6 The AMP will incorporate an Inspection and Maintenance Program (“IMP”), which is
7 required by the CCC as part of the ISFSI CDP extension in 2022. The estimate assumes the cost
8 of Holtec CoC renewal will be split with the other user of the Holtec UMAX canisters.

9 The Areva ISFSI costs are allocated to SONGS units 1, 2 & 3 based on the relative
10 number of spent fuel assemblies for each unit residing at the ISFSI. The Holtec ISFSI contains
11 units 2&3 spent fuel and is allocated between units 2&3 based on the relative number of spent
12 fuel assemblies.

13 The contingency rate applied to this project is 10% through 2024 and is 20% for years
14 2024 through 2035 and will accommodate variations in labor hours and pricing. The 2024
15 SONGS 2&3 DCE amount for ISFSI Aging Management project is \$20.4 million (100% share,
16 2014\$). The 2020 SONGS 2&3 DCE amount was \$23.5 million (100% share, 2014\$) resulting in
17 a decrease of \$3.1 million (100% share, 2014\$). The decrease was due to the recorded costs
18 being lower than estimated and incorporated into the 2024 DCE.

19 SDG&E reviewed the supporting documentation for the ISFSI AMP forecast and
20 considers the 2024 SONGS 2&3 DCE amount to be reasonable and appropriate.

21 **6. Substructure Removal**

22 The 2021 NDCTP Settlement Agreement requires SCE to assume for purposes of
23 preparing the 2024 DCE that the subsurface structure removal will happen shortly after CCC
24 approval of the permit amendment application.

1 The decommissioning project includes the removal of SONGS subsurface structures
2 greater than 3 feet below level grade as necessary to achieve the end state specified by the Navy.
3 It includes costs for dewatering to remove the deep foundations, as well as the seawall, public
4 walkway adjacent to the seawall, and intake box culverts. Estimates, except for dewatering, are
5 equal to the 2020 DCE, which was based on the estimate prepared by High Bridge Associates.
6 The dewatering estimates and associated scope are equal to the 2014 DCE, which assumed two
7 dewatering efforts, consistent with the 2024 DCE assumption. Due to the acceleration of
8 substructure removal, certain estimates, including the removal of the seawall and outfall box
9 culverts, were moved to the final site restoration estimate.

10 The cost estimate for substructure removal, developed by High Bridge Associates,
11 reflects the costs to install sheet piling and shoring, install dewatering and effluent treatment
12 systems, and demolish and backfill all buildings and structures 3 feet below grade (elev. 27') and
13 lower. The estimate includes the cost to remove dewatering and effluent treatment systems after
14 dewatering. Labor and equipment cost estimates were based on unit rates and material
15 quantities.

16 The contingency rate applied to this project is 25% and will cover variations in labor
17 hours and pricing, variation in contract support costs and variation in material and disposal costs.

18 The 2024 SONGS 2&3 DCE estimate for substructure removal is \$271.8 million (100%
19 share, 2014\$). The 2020 SONGS 2&3 DCE had a value of \$274.0 million (100% share, 2014\$).
20 The decrease of \$2.2 million (100% share, 2014) can be attributed to a change in the
21 methodology used to de-escalate the contingency values between the 2024 SONGS DCE and the
22 2020 SONGS 2&3 DCE to 2014\$. The base project costs without contingency when reviewed in
23 2014 \$ have not changed.

SDG&E reviewed the supporting documentation for the forecast for the substructure removal project and considers the 2024 SONGS 2&3 DCE amount to be reasonable and appropriate since substructure removal activities are essential to returning the land to the Navy.

7. ISFSI Demolition

After completing the transfer of spent nuclear fuel and GTCC waste to the DOE, the ISFSI will be demolished and the activities necessary for the final restoration of the SONGS site will be performed. The ISFSI demolition estimate is for full removal of the ISFSI, which includes ISFSI pads 1, 2 and 3 and the demolition of the of the security building, restoration of the ISFSI site, and the preparation the final decommissioning report. The estimate assumes the Holtec system waste is clean, but a portion of the Areva system will be contaminated waste.

The contingency rate applied to this project is 25% and will cover variations in labor hours and pricing and variation in contract support and material costs.

The 2024 SONGS 2&3 DCE estimate for ISFSI demolition is \$18.0 million (100% share, 2014\$). The 2020 SONGS 2&3 DCE, ISFSI demolition cost is \$19.3 million (100% share, 2014\$). The \$1.3 million (100% share, 2014\$) cost decrease is due to the ISFSI License Termination Plan Final Status Survey scope being moved to the new License Termination project. These costs were moved so that all activities related to License Termination were in the same Distributed Project.

SDG&E reviewed the supporting documentation for the forecast and considers the 2024 SONGS 2&3 DCE amount for ISFSI Demolition project to be reasonable and appropriate.

8. Plant Easements/Lease Renewals

The 2024 SONGS 2&3 DC cost for the Plant Easement/Lease Renewals Project is \$9.6 million (100% share, 2014\$). The 2020 DCE cost was \$10.8 million (100% share, 2014\$) resulting in a \$1.2 million (100% share, 2014\$) variance. SCE believes the environment

1 assessments and associated renewals will cost less than the 2020 SONGS 2&3 DCE based on
2 SCE's experience in the 2024 easement renewal process,

3 **B. Undistributed Activities (T. Dalu)**

4 The undistributed activities major categories included in the 2024 SONGS 2&3 DCE are
5 described below.

6 **1. All Other Non-Labor**

7 Non-labor costs include a wide range of decommissioning activities and obligations,
8 including the following:

9 Site Lease and Easement – SCE is required to make annual easement and lease payments
10 to the Navy for the onshore plant site and SONGS Mesa facility and to the CSLC for the SONGS
11 2&3 offshore conduits. In 2023 and 2024 several Navy leases and easements expired with the
12 Navy reassessing the fair market value of the land. The new assessment resulted in the Navy
13 imposing significantly higher lease payments compared to the prior agreements and also
14 included periodic lease payment increases. The CSLC leases for the SONGS 2&3 offshore
15 conduits remain unchanged.

16 Insurance – Estimated insurance costs include premium payments for nuclear liability
17 and property insurance. NRC regulations require SCE to maintain minimum levels of nuclear
18 liability and property insurance until the spent fuel is removed from the SONGS site. SCE also
19 pays premiums to maintain general liability insurance, excess workers' compensation insurance
20 and wildfire insurance, a portion of which is allocated to SONGS through the end of D&D work.

21 Energy – SCE purchases electrical energy to power the SONGS site and perform
22 decommissioning work. Energy costs are based on historical retail electricity rates and projected
23 usage.

1 Emergency Preparedness Fees – SCE provides funding to local jurisdictional authorities
2 for their radiological emergency preparedness and will continue to do so until all spent fuel has
3 been removed from SONGS. These fees are based on a 2020 Memorandum of Understanding
4 with the counties of Orange and San Diego and the three cities of San Clemente, San Juan
5 Capistrano, and Dana Point.

6 Information Technology – SCE will incur software and network licensing fees, pay
7 network service providers, and provide internal technical support to site personnel at levels
8 commensurate with site staffing until decommissioning is completed. These costs are exclusive
9 of the information technology charges included in the SLAs that focus on network and
10 telecommunication services for the ISFSI, maintenance of nuclear records and cyber security.

11 Water – SCE is required to purchase potable and service water for the SONGS Site.
12 Water is provided by the South Coast Water District Joint Regional Water Supply System and
13 water costs are estimated based on JRWSS projections.

14 Association Fees and Expenses – This category of costs includes payments for Nuclear
15 Energy Institute membership fees and Electric Power Research Institute membership fees.

16 Department of Toxic Substances Control Corrective Action - Ongoing Monitoring – As
17 part of the corrective action consent agreement between DTSC and SCE entered into in 2020,
18 SCE will incur costs beginning in 2022 through 2028 to perform ongoing monitoring for
19 potential releases of hazardous constituents into the environment.

20 NRC Fees – As holder of the NRC licenses for SONGS, SCE is required to pay 10 C.F.R.
21 Part 171 annual license fees and 10 C.F.R. Part 170 inspection fees until the NRC licenses are
22 terminated.

1 Severance – Under the California Nuclear Facilities Decommissioning Act of 1985,¹¹
2 SCE is required to provide severance benefits to SCE employees at SONGS whose jobs are
3 eliminated as a result of the permanent retirement of SONGS. These costs include lump-sum
4 cash payments based on years of service, outplacement services, and educational reimbursement
5 costs.

6 Spent Fuel Strategic Plan Activities – As part of the ISFSI CDP settlement agreement,
7 SCE and its team of experts developed a strategic plan related to the potential relocation of the
8 spent fuel to an offsite storage facility or a permanent repository. As a result of the strategic
9 plan, a broad-based coalition of stakeholders to advocate for any federal legislation and
10 appropriations needed to support relocation of the SONGS spent fuel has been formed and SCE's
11 costs associated with participation is included in the DCE. In addition, costs associated with the
12 activities to ensure the infrastructure and regulatory programs are ready for the transportation of
13 spent fuel are included in the estimate.

14 Environmental Permits and Fees – SONGS must comply with a variety of environmental
15 regulations and maintain numerous environmental permits that require periodic payments of fees.

16 Office Space – After major decontamination and demolition is completed, SCE will incur
17 trailer set up costs in order to provide office space for the remaining employees. Costs will also
18 be incurred in 2056 when employees are no longer needed, and the trailers are removed.

19 The estimated costs for all other non-labor are shown in Table 7 below:
20

¹¹ California Public Utilities Code Section 8322(g).

Table 7
Undistributed All Other Non-Labor
2024 SONGS 2&3 DCE
100% Share, 2014\$ in Millions

Line No.	Description	2024 DCE Total (2014\$)	2020 DCE Total (2014\$)	Variance (2014\$)
1	Undistributed Non-Labor			
2	Site Lease and Easement Expenses	\$191.9	\$126.3	\$65.6
3	Insurance	\$43.1	\$21.0	\$22.1
4	Energy	\$62.0	\$78.3	(\$16.3)
5	Emergency Preparedness Fees	\$43.0	\$34.8	\$8.2
6	Information Technology	\$49.1	\$41.7	\$7.4
7	Water	\$29.1	\$22.6	\$6.5
8	Association Fees and Expenses	\$7.5	\$11.4	(\$3.9)
9	DTSC Corrective Action – Ongoing Monitoring	\$16.8	\$14.0	\$2.8
10	NRC Fees	\$33.7	\$36.4	(\$2.7)
12	Severance	\$118.9	\$116.9	\$2.0
13	ISFSI Aging Management	\$13.3	\$14.8	(\$1.5) *
14	Spent Fuel Strategic Plan Activities	\$3.0	\$1.7	\$1.3
15	CEQA Reporting	\$20.7	\$21.8	(\$1.1) *
16	Environmental Permits and Fees	\$9.1	\$10.1	(\$1.0)
17	Office Space	\$1.9	\$2.5	(\$0.6)
18	Decommissioning Advisor	\$6.1	\$6.5	(\$0.4)
19	Loading Spent Fuel and GTCC Waste to DOE Spent Fuel Strategic Plan Activities	\$25.8	\$26.2	(\$0.4)
20	Security Related Expenses	\$15.0	\$15.4	(\$0.4)
21	Third Party Legal	\$23.2	\$23.5	(\$0.3)
22	Ground Water Monitoring	\$0.7	\$0.5	(\$0.5)
23	Utility Staff Health Physics Supplies	\$23.5	\$23.8	\$0.2)
24	COVID-19 Impacts	\$3.6	\$3.6	\$0.0
25	Tools and Equipment	\$0.1	\$0.1	\$0.0
26	DGC Executive Oversight Committee	\$0.2	\$0.2	-
27	DAW Disposal*	\$0.0	\$0.0	-
28	Community Engagement Panel	\$12.5	\$12.5	-
29	Total	\$733.1	\$645.6	\$87.5

* A detailed variance discussion is not provided for Undistributed Activities whose change is driven by incorporation of recorded costs in the DCE. Please see Exhibit SDGE-02, Testimony on the Reasonableness of SONGS 1, 2&3 Decommissioning Activities and Costs as this category has only recorded costs and no estimated future costs.

1 The contingency rate applied for the undistributed non-labor estimate is 15%, with the
2 exception of emergency preparedness fees at 5%, and will cover variations in contract support
3 and material costs, and variations in lease payments, energy costs, insurance and required
4 permits and fees.

5 In the 2024 SONGS 2&3 DCE, other non-labor costs are estimated at \$733.1 million
6 (100% share, 2014\$). The 2020 SONGS 2&3 DCE had an estimate of \$645.6 million (100%
7 share, 2014\$), resulting in an increase of \$87.5 million (100% share, 2014\$). The net increase is
8 primarily due to higher site lease and easement payments and insurance costs as well as higher
9 costs for emergency preparedness, information technology and water. These increases are offset
10 by lower energy costs, association fees and expenses and lower NRC fees. The higher lease and
11 easement costs can be attributed to the Navy reassessing the fair market value of the land upon
12 expiration of the existing leases in 2023 and 2024, resulting in significantly higher lease
13 payments as well as periodic increases in future lease payments. The increase in insurance costs
14 is a result of the 2021 NDCTP Settlement Agreement which requires that future NEIL dividends
15 be returned 50% to the Energy Resource Recovery Account (“ERRA”) and 50% to the Non-
16 Qualified Trusts (“NDT’s”)¹² instead of offsetting future insurance costs. The remaining
17 increases for emergency preparedness, information technology and water are primarily a result of
18 the additional three years of costs to be incurred due to the DOE’s non-performance as it relates
19 to SONGS spent fuel. These increases are offset by lower energy costs due to actual costs
20 through 2023 being lower than expected, lower association fees and expenses due to the 2021

¹² D.24-08-001, Attachment A, p. A-9. 2021 NDCTP Settlement Agreement Term D.7 requires “SCE and SDG&E to provide 50% of their share of NEIL dividends to customers through ERRA beginning in 2023 and to deposit the other 50% in the SONGS NQNDTs. Reciprocally, any assessments required by NEIL (additional contributions the Utilities must make beyond their premium payments) will also be funded 50% from ERRA and 50% from the NQNDTs beginning in 2023.”

1 NDCTP Settlement Agreement, requiring shareholders to pay for 50% of NEI fees,¹³ and lower
2 NRC fees due to a revised License Termination strategy. SDG&E reviewed the variance
3 explanations provided by SCE and the supporting documentation for the other non-labor forecast
4 and considers the 2024 SONGS 2&3 DCE forecast amount to be reasonable and appropriate.

5 **2. Labor-Staffing**

6 The undistributed labor category generally includes the required staffing to provide the
7 oversight, management and other activities necessary to support the decommissioning project
8 and the security force over the spent fuel pool. It includes salaries, the short-term incentive
9 compensation costs and labor overheads.

10 The 2024 SONGS 2&3 DCE incorporates the staffing assumptions for the post GTCC
11 organization plan where staffing needs were re-evaluated by SCE as well as a management
12 consulting firm specialized in organizational design and staffing. Under the post GTCC
13 organization plan, Undistributed labor-staffing is categorized into three areas: Site Management
14 & Administration, ISFSI Management, and Decommissioning Project Oversight. In addition,
15 there are individuals who have been designated as Key Oversight personnel associated with one
16 of the three categories noted above. The undistributed labor-staffing categories are described
17 below.

18 Site Management & Administration – Staff designated as Site Management &
19 Administration are responsible for oversight and strategic planning, safety and security, ensuring
20 compliance with regulatory and permitting requirements and managing the project cost and
21 schedule.

¹³ D.24-08-001, Attachment A, p. A-9. 2021 NDCTP Settlement Agreement Term D.6 requires that
“SCE will provide 50% of NEI fees through shareholder contributions and reflect the change in the
DCE beginning in 2024.”

1 ISFSI Management – Staff designated as ISFSI Management are responsible for the
2 operations, maintenance, and security of the plant facilities. After all SONGS fuel was
3 transferred to dry fuel storage in August 2020, staffing levels decreased significantly.

4 Decommissioning Project Oversight – Staff designated as Decommissioning Project
5 Oversight are responsible for overseeing the SDS contract and managing the ISFSI and other
6 distributed projects.

7 The contingency rate applied for the labor-staffing estimate is 5% during D&D and 10%
8 for the remainder of the project and will cover variations in staffing requirements and variations
9 in labor hours and labor rates.

10 The 2024 SONGS 2&3 DCE forecast for labor-staffing is \$959.7 million (100% share,
11 2014\$). The 2020 SONGS 2&3 DCE cost was \$921.1 million (100% share, 2014\$). The
12 increase of \$38.6 million (100% share, 2014\$) in labor-staffing costs can be attributed to an
13 additional three years of staffing costs driven by the DOE’s non-performance as it relates to
14 SONGS spent fuel as well as a result of higher labor rates driven by inflation. SDG&E reviewed
15 the supporting documentation for the labor-staffing forecast and considers the 2024 SONGS 2&3
16 DCE forecast amount to be reasonable and appropriate.

17 **3. Service Level Agreements/Administrative & General Expenses**

18 The Service Level Agreements (“SLAs”) describe the specific A&G functions and
19 services that SCE provides to SONGS in the areas of Human Resources, Information
20 Technology, Real Estate, Supply Management and others. Beginning in 2029, the 2024 DCE
21 assumes applying the 5% A&G overhead loader to all remaining decommissioning costs until
22 project completion in 2056.

23 The contingency rate applied to all SLAs is ■■■■ and will cover variations in SCE labor
24 and contract support requirements.

1 The 2024 SONGS 2&3 DCE estimate for SLAs/A&G expenses is [REDACTED] million (100%
2 share, 2014\$). The 2020 DCE estimated [REDACTED] million (100% share, 2014\$). The increase of
3 \$7.3 million (100% share, 2014\$) in SLAs/A&G expenses can be attributed to an additional
4 three years of A&G costs from 2053 to 2056 driven by the DOE's non-performance as it relates
5 to SONGS spent fuel. SDG&E reviewed the supporting documentation for the forecast of the
6 SLAs/A&G expenses and considers the 2024 SONGS 2&3 DCE amount to be reasonable and
7 appropriate.

8 **V. ESTIMATE OF FUTURE SDG&E-ONLY COSTS IS REASONABLE**
9 **(J. FERNANDEZ)**

10 The purpose of my testimony is to demonstrate that the estimate of future SDG&E-only
11 costs are reasonable.

12 In addition to SDG&E's 20% share of SONGS costs invoiced by SCE, SDG&E
13 anticipates incurring SDG&E-only costs throughout the SONGS decommissioning process.
14 These costs are for SDG&E's internal activities related to decommissioning and oversight
15 activities. SDG&E is responsible for and will incur 100% of these costs; the costs will not be
16 billed to or shared by SCE.

17 These costs are organized into two high-level categories: labor and non-labor. Labor
18 refers to SDG&E internal labor. Non-labor has several components including consulting, outside
19 legal and other miscellaneous expenses.

20 A detailed estimate of SDG&E-only costs is provided in the Labor and Non-Labor
21 forecast tables in Attachment A. As summarized in Table 8, SDG&E estimates its future total
22 internal costs over the decommissioning period of 2024 through 2056 to be \$18.6 million
23 (2014\$). The 2020 SDG&E-only cost estimate for years 2021 through 2053 was \$19.4 million
24 (2014\$). The decrease of \$0.8 million between the 2024 SDG&E-only estimate and the 2020

SDG&E-only estimate can be primarily attributed to the current SDG&E-only forecast excluding the 2021 to 2023 cost years which have elapsed, and lower forecasted non-labor costs. These lower costs were partially offset by higher forecasted labor staffing costs needed to meet the administrative requirements through completion of the project. These changes are discussed in greater detail in the corresponding sections below.

Table 8
SDG&E-Only SONGS Decommissioning Costs
100% Share, 2014\$ in Millions

	SDG&E Labor	Other/Non-Labor	Total Costs
Total	\$16.1	\$2.5	\$18.6

As discussed in the testimony of Mr. Guidi, SDG&E adds these SDG&E-only costs to its 20% share of the SCE 2024 SONGS 1 and SONGS 2&3 DCEs to demonstrate that SDG&E's Nuclear Decommissioning Trust is adequately funded.¹⁴

A. Allocations of Estimated SDG&E-Only Costs Between SONGS 1 and SONGS 2&3

The total SDG&E-only internal costs for SONGS 1 and SONGS 2&3 are \$18.6 million (2014\$). SONGS 1 is allocated 7.10% of these costs (\$1.3 million, 2014\$), and Units 2&3 are allocated 92.90% of these costs (\$17.3 million, 2014\$). The SDG&E-only internal costs allocations are based on the remaining decommissioning costs estimates in the SCE 2024 SONGS 1 DCE and the 2024 SONGS 2&3 DCE.¹⁵

¹⁴ Ex. SDGE-04 at 2-3.

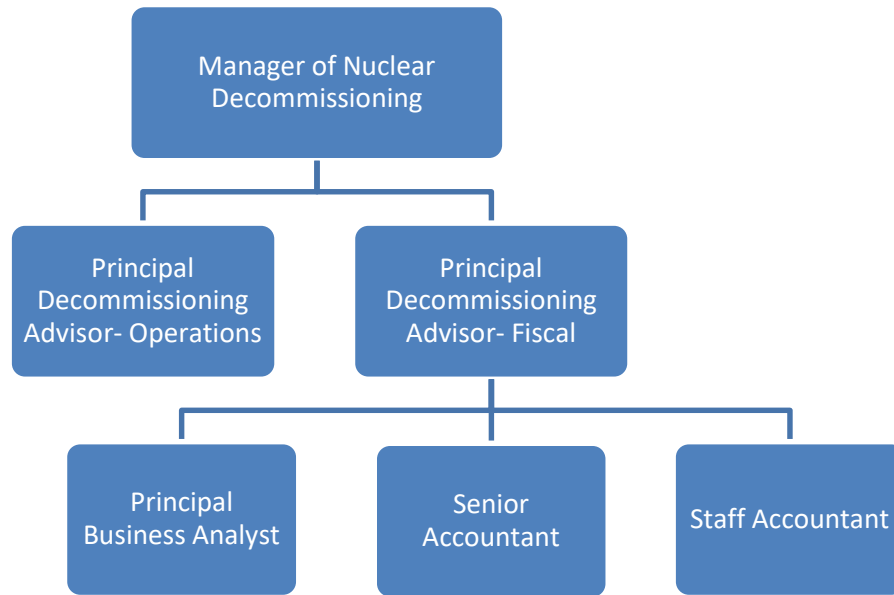
¹⁵ To perform this calculation, the remaining or "to-go" costs, including adjustments, for each unit were derived. The SCE 2024 DCE for SONGS 1 is \$227.2 M (100% share, 2023\$) for 2024 through 2056 and the 2024 DCE for SONGS 2&3 is \$2,951.1 M (100% share, 2023\$) for 2024 through 2056 forecasted costs.

1 **B. SDG&E Labor**

2 The SDG&E Labor category in Table 8 represents SDG&E staff who provide oversight
3 of SONGS decommissioning costs and activities. Since the SONGS closure announcement in
4 2013, SDG&E has worked to develop a dedicated and focused core SONGS Team to oversee
5 SONGS decommissioning activities. The goal of the SONGS Team is to manage SDG&E's
6 oversight of decommissioning activities in an efficient and effective manner from a technical,
7 regulatory, and financial perspective. SDG&E expects internal staffing levels to correlate with
8 the periods of decommissioning activities. SDG&E will provide the appropriate level of
9 resources for its SONGS Team, as needed. SDG&E's labor cost forecast for 2024 through 2056
10 is \$16.1 million (2014\$) compared to \$15.1 million (2014\$) in the previous 2020 DCE forecast
11 which covered years 2021 through 2053. The increase of \$1.0 million is primarily due to
12 SDG&E extending staff previously forecast to be released at the end of 2030 through 2031. The
13 additional year will provide sufficient staff to support the 2030 NDCTP, which is the final
14 NDCTP that will include D&D activity. This additional year of coverage will assure SDG&E
15 has sufficient resources and expertise to provide testimony, attend hearings, and implement
16 commission orders as directed. In addition to the one- year extension of staff from 2030 to 2031,
17 the 2024 DCE includes an additional fiscal team member for the post 2030 NDCTP period, years
18 2032 to 2056 to assist with billing, reporting, committee participation and various regulatory
19 functions, such as the filing of advice letters and preparation of testimony for the remaining
20 NDCTP's.

21 As of December 2024, SDG&E's SONGS Team is organized according to the structure
22 set forth below.

SDG&E SONGS Team



SDG&E expects to supplement this focused core team with outside industry experts, consultants and legal counsel, as needed, detailed in Section C below.

C. Other/Non-Labor

The second type of SDG&E-only costs identified in Table 8 is Other/Non-Labor. The Other/Non-Labor category consists of three specific types of costs: decommissioning consultants external to SDG&E, decommissioning counsel external to SDG&E, and direct costs related to oversight activities.

As SDG&E proceeds through the decommissioning process, specific decommissioning expertise in decommissioning projects learned at other nuclear sites can provide significant benefits for ratepayers and independently assure SDG&E that the efforts at SONGS are consistent with industry practice. In the past, SDG&E has utilized external decommissioning consultants on an as-needed basis. One such expert is Mr. Adam Levin, whose specific industry knowledge and decommissioning experience has been valuable to SDG&E in determining that

SONGS decommissioning processes and proposed activities are consistent with similar nuclear stations undergoing decommissioning. Additionally, SDG&E has previously enlisted expertise to help review previous DCEs for SONGS 1, and SONGS 2&3 and may engage similar services, if needed, in the future. SDG&E's use of decommissioning consultants and experts is expected to follow the decommissioning activities in terms of use and intensity. For example, SDG&E expects to utilize experts and consultants to supplement its on-site oversight staff during critical periods in the D&D phase, currently assumed to go through 2028. SDG&E expects the need for such expertise to taper off following the completion of the dismantling work when SONGS will have only spent fuel on site while awaiting DOE pickup and final license termination. SDG&E forecasts use of experts and consultants again from 2051 through 2056 during the Substructure Removal projects and ISFSI Demolition & Final Site Restoration phases.

SDG&E also has retained outside legal counsel with expertise in nuclear decommissioning issues to advise and counsel SDG&E on numerous decommissioning topics. The costs associated with this area are difficult to anticipate or estimate, but SDG&E has endeavored to include a reasonable estimate of outside legal costs based on anticipated future activities. SDG&E's outside consultant and legal counsel cost forecast, including overheads and contingency for 2024 through 2056 is \$2.3 million (2014\$). This compares to a previous DCE forecast total of \$3.3 million (2014\$). The \$1.0 million decrease is primarily due to lower forecasted costs and contingency amounts.

Finally, SDG&E in its 2024 SDG&E-only DCE incurs direct costs related to its Oversight activities at SONGS, including travel and travel related expenses, and employee training. SDG&E's miscellaneous non-labor cost forecast, including overheads and contingency for 2024 through 2056 is \$0.2 million (2014\$). This compares to \$1.0 million in

1 miscellaneous non-labor costs forecasted in the 2020 SDG&E-only DCE. The decrease of \$0.8
2 million is primarily due to SDG&E no longer being directly billed by the Department of the
3 Navy for its 20% share of the SONGS site leases. The SONGS site leases with the Navy were
4 recently renewed and the billing process modified to bill SCE for 100% of the site lease costs.
5 The new billing practice of charging SCE for 100% of the SONGS site lease costs began in
6 2024, and all site lease costs are now included in the SCE's 2024 DCE's. These costs are now
7 allocated to SDG&E based on their 20% ownership share and no longer a part of the SDG&E-
8 only DCE forecast.

9 **D. Contingency**

10 SDG&E applies a contingency to labor of 5% for years 2024-2031, 10% for years 2032-
11 2056 and a 10% rate to all non-labor costs included in its estimated 2024 SDG&E-only DCE.
12 The contingency amount will help SDG&E manage risk associated with currently unknown
13 events as SDG&E proceeds through the decommissioning process and learns more about its
14 needs and incurs actual costs.

15 The contingency applied to labor of 5% to 10% is consistent with the contingency applied
16 to labor in the previous 2020 SDG&E-only DCE forecast. Non-labor charges receive a lower
17 contingency of 10% in the current SDG&E-only forecast versus the 15% in the 2020 SDG&E-
18 only DCE. SDG&E believes the 2024 DCE percentages more accurately represents the
19 unknown risks associated with its internal costs and is better suited to the particular types of
20 costs at issue (*i.e.*, labor, legal and consulting). In addition, SDG&E's forecast of internal costs
21 is more detailed and refined than previous estimates, due in part to lessons learned from several
22 years of decommissioning history. Therefore, SDG&E asserts that depending on type of cost,
23 applying a 5% to 10% contingency factor to its SDG&E-only DCE forecast is reasonable and
24 appropriate.

1 **E. Escalation**

2 The costs provided in Table 8 above are shown in 2014\$. Any potential escalated costs
3 would use the same escalation projections that SCE utilizes from the S&P Global Market
4 Intelligence (“S&P Global”)¹⁶ This service has been used in past escalation projections by both
5 utilities.

6 **F. Undistributed Costs by Cost Categorization Guidelines**

7 In D.18-11-034, the Commission ordered SCE and SDG&E to meet with Energy
8 Division staff and other interested parties to develop protocols for recording staff time to
9 Distributed activities, and to define what activities will be considered Undistributed and
10 Distributed activities.¹⁷ The Commission also ordered SDG&E to update its cost categorization
11 structure so that recordkeeping will directly and transparently reflect the appropriate location,
12 and the appropriate detail, and support for Distributed Activities.¹⁸ Accordingly, SDG&E
13 participated in various workshops with the Energy Division, SCE, and interested parties (Cal
14 Advocates, TURN, and the Alliance for Nuclear Responsibility or A4NR) to discuss these issues.
15 In June 2019, the parties (SCE, SDG&E, and TURN) finalized the Cost Categorization
16 Guidelines (“Guidelines”), which provide a greater level of detail for undistributed costs and
17 assist the Commission and interested parties in reviewing the reasonableness of these costs. In
18 accordance with these Guidelines, and as shown in Attachment A at page A-4, SDG&E has
19 categorized the 2024 SDG&E-only DCE costs to conform with the following three main

¹⁶ Ex. SCE-06 at 8.

¹⁷ D.18-11-034 OP 5.

¹⁸ *Id.*, OP 12.

1 categories: (1) Decommissioning Project Oversight Costs; (2) Site Costs; and (3) Administrative
2 and General Support Costs.

3 This concludes our prepared direct testimony.

ATTACHMENT A

SDG&E-Only Cost Estimate

**SDG&E-Only Labor Forecast
(2014 Dollars in Thousands)**

Year	Oversight	Site	A&G Support	Overhead	Contingency	Total Labor
2024	214	0	315	422	47	998
2025	214	0	315	422	47	998
2026	214	0	315	422	47	998
2027	214	0	315	423	47	999
2028	214	0	315	423	47	999
2029	115	0	188	242	27	572
2030	115	0	187	242	27	571
2031	115	0	187	242	27	571
2032	0	0	166	133	30	329
2033	0	0	166	133	30	329
2034	0	0	166	133	30	329
2035	0	0	166	133	30	329
2036	0	0	166	133	30	329
2037	0	0	166	133	30	329
2038	0	0	166	133	30	329
2039	0	0	166	133	30	329
2040	0	0	166	133	30	329
2041	0	0	166	133	29	328
2042	0	0	166	133	29	328
2043	0	0	166	133	29	328
2044	0	0	166	133	29	328
2045	0	0	166	133	29	328
2046	0	0	166	133	29	328
2047	0	0	166	133	29	328
2048	0	0	166	133	29	328
2049	0	0	166	133	29	328
2050	0	0	166	133	29	328
2051	99	0	166	212	47	524
2052	99	0	166	212	47	524
2053	99	0	166	212	47	524
2054	99	0	166	212	47	524
2055	99	0	166	212	47	524
2056	99	0	166	212	47	524
Total	2,009	0	6,287	6,637	1,158	16,091

General Note: Totals may not reconcile due to rounding.

**SDG&E-Only Non-Labor Forecast
(2014 Dollars in Thousands)**

Year	Oversight	Site	A&G Support	Overhead	Contingency	Total Non- Labor
2024	18	0	11	0	3	32
2025	80	0	43	1	12	136
2026	80	0	43	1	12	136
2027	80	0	42	1	12	135
2028	80	0	42	1	12	135
2029	23	0	41	0	6	70
2030	23	0	42	0	6	71
2031	23	0	42	0	6	71
2032	5	0	38	0	5	48
2033	5	0	38	0	5	48
2034	5	0	38	0	5	48
2035	5	0	38	0	5	48
2036	5	0	38	0	5	48
2037	5	0	38	0	5	48
2038	5	0	38	0	5	48
2039	5	0	38	0	5	48
2040	5	0	38	0	5	48
2041	5	0	40	0	4	49
2042	5	0	40	0	4	49
2043	5	0	40	0	4	49
2044	5	0	40	0	4	49
2045	5	0	40	0	4	49
2046	5	0	40	0	4	49
2047	5	0	40	0	4	49
2048	5	0	40	0	4	49
2049	5	0	40	0	4	49
2050	6	0	40	0	4	50
2051	77	0	39	1	12	129
2052	77	0	39	1	12	129
2053	77	0	39	1	12	129
2054	77	0	39	1	12	129
2055	77	0	39	1	12	129
2056	77	0	39	1	12	129
Total	965	0	1,282	10	226	2,483

General Note: Totals may not reconcile due to rounding.

**SDG&E-Only Forecast Total
(2014 Dollars in Thousands)**

Year	SDG&E Labor Total	SDG&E Non-Labor Total	SDG&E Total
2024	998	32	1,030
2025	998	136	1,134
2026	998	136	1,134
2027	999	135	1,134
2028	999	135	1,134
2029	572	70	642
2030	571	71	642
2031	571	71	642
2032	329	48	377
2033	329	48	377
2034	329	48	377
2035	329	48	377
2036	329	48	377
2037	329	48	377
2038	329	48	377
2039	329	48	377
2040	329	48	377
2041	328	49	377
2042	328	49	377
2043	328	49	377
2044	328	49	377
2045	328	49	377
2046	328	49	377
2047	328	49	377
2048	328	49	377
2049	328	49	377
2050	328	50	378
2051	524	129	653
2052	524	129	653
2053	524	129	653
2054	524	129	653
2055	524	129	653
2056	524	129	653
Total	16,091	2,483	18,574

General Note: Totals may not reconcile due to rounding.

**SDG&E Forecast by Cost Categorization Categories
(2014 Dollars in Thousands)**

Year	Oversight	Site	A&G Support	Total
2024	424	0	606	1,030
2025	490	0	644	1,134
2026	490	0	644	1,134
2027	490	0	644	1,134
2028	490	0	644	1,134
2029	244	0	398	642
2030	244	0	398	642
2031	243	0	399	642
2032	7	0	370	377
2033	7	0	370	377
2034	7	0	370	377
2035	7	0	370	377
2036	7	0	370	377
2037	7	0	370	377
2038	7	0	370	377
2039	7	0	370	377
2040	7	0	370	377
2041	7	0	370	377
2042	7	0	370	377
2043	7	0	370	377
2044	7	0	370	377
2045	7	0	370	377
2046	7	0	370	377
2047	7	0	370	377
2048	7	0	370	377
2049	7	0	370	377
2050	7	0	371	378
2051	278	0	375	653
2052	278	0	375	653
2053	278	0	375	653
2054	278	0	375	653
2055	278	0	375	653
2056	278	0	375	653
Total	4,916	0	13,658	18,574

General Note: Totals may not reconcile due to rounding.

ATTACHMENT B

**DECLARATION OF TRACY M. DALU REGARDING CONFIDENTIALITY OF
CERTAIN DATA/DOCUMENTS PURSUANT TO D.17-09-023**

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF TRACY M. DALU
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO GENERAL ORDER 66-D**

I, Tracy M. Dalu, do declare as follows:

1. I am the Manager of Nuclear Decommissioning for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Estela M. de Llanos. I have reviewed the confidential information included in SDG&E’s Direct Testimony (“Exhibit SDGE-03C”), submitted concurrently herewith. I am personally familiar with the facts in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision (“D.”) 17-09-023 and General Order (“GO”) 66-D to demonstrate that the confidential information (“Protected Information”) provided in the Testimony is within the scope of data protected as confidential under applicable law.

3. In accordance with the narrative justification described in Exhibit 1, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 6th day of December 2024, at San Diego.

/s/ Tracy M. Dalu

Tracy M. Dalu
Manager of Nuclear Decommissioning
San Diego Gas & Electric Company

EXHIBIT 1

SDG&E REQUEST FOR CONFIDENTIALITY ON THE FOLLOWING INFORMATION IN TESTIMONY

Location of Protected Information	Legal Citations	Narrative Justification
Shaded portions of direct testimony SDGE-03C at table 1 page 3, page 4 line 5, table 2 page 5, page 6 lines 1 and 3, page 14 line 9, table 4 page 14, page 16 lines 1, 3, 4, and 7, table 5 pages 16 and 17, page 17 line 4, page 33 line 23 and page 34 lines 1 and 2.	<p>California Gov. Code § 6255 (the public interest served by not disclosing the information is clearly outweighed by the public interest served by disclosure of the record).</p> <p>CPRA Exemption, Gov. Code § 6254(k) (“Records, the disclosure of which is exempted or prohibited pursuant to federal or state law”).</p> <p><i>See, e.g.</i>, D.11-01-036, 2011 WL 660568 (2011) (agreeing that confidential prices and contract terms specifically negotiated with a program vendor is proprietary and commercially sensitive and should remain confidential).</p>	<p>The Protected Information includes confidential contract cost and terms.</p> <p>Market-sensitive contract cost and term information, if disclosed could provide market participants, competitors, and vendors competitors with insight into SCE’s and SDG&E’s activities, plans, scope, sequence and other strategies, which would place SCE and SDG&E at an unfair business disadvantage. This could ultimately result in increased cost to ratepayers. If disclosed, SCE’s and SDG&E’s competitors and market participants could also derive economic value from this information.</p> <p>For example, if a vendor seeking to bid on a subcontract or another activity knew the previously negotiated pricing terms, the vendor would have an opportunity to adjust its bid prices (e.g., the vendor could bid higher than it otherwise may have bid). Public release of this information could also hinder SCE’s ability to obtain favorable contract terms for any required work, labor, materials or supplies not covered under these agreements.</p> <p>In addition, market participants, competitors and vendors competitors could misuse the information during the bidding process for other similar utility projects across the world and potentially threaten the financial health of both companies, to the detriment of the companies’ financial health to complete contractually required services for SONGS in the future without interruption.</p>