

IDEAS & INNOVATION

ELON MUSK'S MAIN MISSION IS MARS

With SpaceX, the rocket firm he founded, the big-dreaming engineer hopes to one day blast earthlings into space to build settlements on the red planet. **C5**



U-T ECONOMETER

WHO SHOULD PICK UP THE TAB?

The Chargers hope the city of San Diego will partner in development of a new stadium. Our panel weighs in on whether it makes economic sense. **C2**



BUSINESS

SUN DAY

U-T | SECTION **C**

SUNDAY
APRIL 20, 2014

\$3.3B

FAIR OR FOUL?

MORGAN LEE • U-T

Anuclear-plant settlement would saddle Southern California utility customers with \$3.3 billion in charges over the objections of several consumer groups who were left out of negotiations.

In the wake of the breakdown and early retirement of the San Onofre Nuclear Generating Station, the proposed settlement was initially promoted as a chance for utility customers to save \$1.4 billion.

The complex deal is under the microscope as utilities, state regulators and a prominent consumer advocacy group push for a quick resolution that might shortcut years of litigation.

At issue is whether it is fair to charge customers for both replacement power and plant operation expenses over the months that operator Southern California Edison struggled to repair and restart the facility.

Customers also are being asked to pay off the remaining investment in the moribund plant, although at a lower rate of return for investors.

"Ratepayers are shouldering about \$3.3 billion, while

At issue is whether utility customers — instead of corporate investors — should pay big San Onofre charges in settlement proposal

The breakdown
\$1.36B
Profits due to investors
\$940M
Plant operation expenses
\$517M
Replacement power
\$482M
Unused nuclear fuel

investors are largely made whole," said Ray Lutz, representing the Coalition to Decommission San Onofre that includes San Clemente Green.

The settlement proposal is built upon one crucial concession by utility investors. Edison and minority plant owner San Diego Gas & Electric would forgo about 80 percent of the \$768.5 million they had expected to charge customers for a failed steam generator replacement project, by returning any funds collected after the plant's initial breakdown.

Crippled by the rapid degradation of its steam generators, San Onofre stopped producing power on Jan. 31, 2012. Edison chose to retire San Onofre for good in June of last year, leaving the California Public Utilities Commission to decide who should pay — utility customers or corporate stockholders — for an assortment of leftover costs, from unused nuclear fuel to severance packages for laid-off plant workers.

After at least five months of secretive negotiations, a settlement proposal was announced in March by the plant's owners and consumer advocates at the utilities commission and The Utility Reform Network, both based in San Francisco.

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