

Citizens' Oversight Projects (COPs)

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PRESS RELEASE

COALITION TO DECOMMISSION SAN ONOFRE

RATEPAYER ADVOCATES TO SPEAK ON \$3.3 BILLION SAN ONOFRE BAILOUT OF GIDDY UTILITY INVESTORS

Press Conference to be held at Noon, May 14, 2014 at CPUC HQ in San Francisco, just prior to the 1:30pm Evidentiary Hearing on the matter

Overly complex proposed settlement hides double/triple-dipping and allows utilities to avoid responsibility for imprudence, design errors, and avoiding NRC review

SAN DIEGO (2014-05-12) -- Non-settling ratepayer advocates will hold a press conference on the \$3.3 billion bailout of SDG&E and Southern California Edison for the San Onofre shutdown, on the steps of the California Public Utilities Commission (CPUC) at Noon, May 14, 2014, located at 505 Van Ness Ave, San Francisco, CA 94102.

Negotiated in secret for months with only one 'outside' party (TURN -- "The Utility Reform Network"), the agreement was unveiled to the public on March 27, 2014, with the caveat that it must be adopted without any modification whatsoever. Unfortunately, the CPUC proceedings were structured so that the Phase 3 investigation into the events that led to the failure at SONGS was not even started, although the Commission spent 18 months investigating what happened after the failure, toying with equations for replacement power costs, and reviewing how much of the failed plant was still "used and useful."

The settlement takes the plant out of rates, but in the next sentence, puts it back in, meaning ratepayers will continue to pay for a plant that produces no power for another ten years, including an unprecedented return on investment never seen in similar cases of early retirement. But this was not just a typical early retirement: This was a imprudent and failed engineering project that resulted in the abandonment of the entire plant.

"It makes no sense to approve a settlement based on the reasonableness of the actions of SCE when those actions have never been considered by the investigation," said Ray Lutz, an engineer who has been active at the proceeding under the banner of the Coalition to Decommission San Onofre. "If you want to learn how to hide impropriety, take a look at the CPUC. They first start a huge investigation, fold four smaller proceedings into it, then they come to a quick settlement, before they have even started those four smaller proceedings, thereby allowing SCE to dodge the regulatory bullet. Despite all the strong statements when this investigation started, nothing whatsoever has been investigated about the Steam Generator

Replacement Project, why it failed, and why they say ratepayers should now pay \$3.3 billion in bailout. It is a complete failure of the investigation, and a failure of a corrupt system which pays hush money to pliant 'ratepayer advocate' intervenors.

"This should be at least a week or more of hearings to fully review this settlement. The avoided investigation would probably have taken weeks, and SCE would have had the burden of proof to show they acted prudently. Instead, we have a half-day hearing, with only 75 minutes for the non-settling parties to attempt to address the settlement. At the CPUC, the utilities get what the utilities want. End of story."

Michael Aguirre, former City Attorney for San Diego and counsel for a party at the proceeding will be taking a leading role in creating a record that can be used to stop the settlement, either by influencing the CPUC, or through follow-on civil actions.

Two other parties that have been actively involved in the proceeding, Women's Energy Matters and the Alliance for Nuclear Responsibility have also filed comments in opposition to the settlement, and will be present at the evidentiary hearing.

The hearing is open to the public, but there is no opportunity to speak. The hearing will be webcast on the cpuc.ca.gov website live, starting at 1:30pm.

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The Coalition to Decommission San Onofre is a project of Citizens Oversight, Inc. also known as Citizens Oversight Projects, or COPS. Ray Lutz is a founder of the organization, which focuses on promoting civic engagement, and has been involved in many success stories, including helping to stop the expansion of Blackwater in San Diego County and the shut down of San Onofre Nuclear Generating Station, of course with the involvement of the local community in each case.

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